Registration No. 333-
As Filed with the Securities and Exchange Commission on September 19, 2000

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

UNIVERSAL HEALTH SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware	23-2077891
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Universal Corporate Center
367 South Gulph Road
King of Prussia, Pennsylvania 19406
(610) 768-3300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

ALAN B. MILLER President Universal Health Services, Inc. Universal Corporate Center 367 South Gulph Road King of Prussia, Pennsylvania 19406 (610) 768-3300	Copies of Correspondence to: WARREN J. NIMETZ, ESQ. Fulbright & Jaworski L.L.P. 666 Fifth Avenue New York, New York 10103 (212) 318-3000

(Name, address, including zip code and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [_]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_] _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_] _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price (1)	Amount of registration fee
Convertible debentures due 2020....	$586,992,000(1)	$471.25(2)(3)	$276,619,980(2)(3)	$73,028
Class B common stock, par value $0.01 per share.....	3,288,564(4)	--	--	--(5)

(1) Represents the aggregate principal amount at maturity of debentures that were originally issued by the registrant on June 23, 2000.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c), based upon the average of the bid and asked prices of debentures on The PORTAL Market on September 12, 2000.
(3) Excludes accrued interest and distributions, if any.
(4) Represents the number of shares of class B common stock that are currently issuable upon conversion of the debentures. The number of shares of class B common stock that may be issued upon conversion of the debentures in the future is indeterminate, and the registrant is also registering this

indeterminate amount pursuant to Rule 416 under the Securities Act.

(5) No separate consideration will be received for class B common stock issuable upon conversion of the debentures; therefore, no registration fee is required pursuant to Rule 457(i).

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Subject to Completion, dated September 19, 2000

PROSPECTUS

$586,992,000

UNIVERSAL HEALTH SERVICES, INC.

CONVERTIBLE DEBENTURES DUE 2020
AND
CLASS B COMMON STOCK ISSUABLE
UPON CONVERSION OF THE DEBENTURES

We issued the debentures in a private placement in June, 2000 at an issue price of $425.90 per debenture. This prospectus will be used by selling securityholders to resell their debentures and the class B common stock issuable upon conversion of their debentures.

We will pay interest on the debentures semiannually in arrears on June 23 and December 23 of each year, beginning December 23, 2000, at the rate of .426% per year on the principal amount at maturity. The rate of cash interest and accrual of original issue discount represent a yield to maturity of 5% per year.

Holders may convert the debentures at any time on or before the maturity date into 5.6024 shares of our class B common stock per debenture. The conversion rate may be adjusted for various reasons, but will not be adjusted for accrued original issue discount or accrued cash interest.

Holders may require us to purchase all or a portion of their debentures at a price of $543.41 on June 23, 2006, $643.48 on June 23, 2010 and $799.84 on June 23, 2015, plus accrued and unpaid cash interest to each purchase date. We may choose to pay the purchase price in cash or class B common stock or a combination of cash and class B common stock. In addition, each holder may require us to repurchase all or a portion of such holder's debentures upon a change in control occurring on or before June 23, 2006. We may redeem all or a portion of the debentures at any time on or after June 23, 2006.

Our class B common stock currently trades on the New York Stock Exchange under the symbol "UHS." The last reported sales price of our class B common stock on the New York Stock Exchange was $76 3/16 per share on September 18, 2000.

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The securities offered hereby involve a high degree of risk. See "Risk Factors" beginning on page 10.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated _____, 2000.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the following:

- possible changes in the levels and terms of reimbursement for our charges by government programs, including Medicare or Medicaid or other third-party payors;
- existing laws and government regulations and changes in or failure to comply with laws and governmental regulations;
- the ability to enter into managed care provider agreements on acceptable terms;
- our ability to successfully integrate recent and future acquisitions;
- that a significant portion of our revenues is produced by facilities in a small number of our markets;
- competition;
- demographic changes;
- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, our services;
- the ability to attract and retain qualified personnel, including physicians;
- liability and other claims asserted against us; and
- our ability to finance growth on favorable terms.

Given these uncertainties, you are cautioned not to place undue reliance on our forward-looking statements. Except as required by law, we disclaim any obligation to update any such factors or to publicly announce the results of any revisions to any of the forward-looking statements contained in this prospectus to reflect future events or developments.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC's web site at http://www.sec.gov. You may also read and copy any document we file at the SEC's public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549, as well as at the regional offices of the SEC located at 7 World Trade Center, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Chicago, Illinois 60661. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms and their copy charges.

Our class B common stock is listed on the New York Stock Exchange. You may also inspect the information we file with the SEC at the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We are "incorporating by reference" specified documents that we file with the SEC, which means:

- incorporated documents are considered part of this prospectus;
- we are disclosing important information to you by referring you to those documents; and
- information that we file in the future with the SEC will automatically update and supersede this prospectus.

We incorporate by reference the documents listed below and any documents that we file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this prospectus:

- our annual report on Form 10-K for the year ended December 31, 1999;
- our quarterly report on Form 10-Q for the quarters ended March 31, 2000 and June 30, 2000; and
- our current reports on Form 8-K dated June 13, 2000 and June 20, 2000.

You may also request a copy of these filings (excluding exhibits), at no cost, by writing or telephoning our chief financial officer at the following address:

Universal Health Services, Inc.
Universal Corporate Center
P.O. Box 61558
367 South Gulph Road
King of Prussia, Pennsylvania 19406-0958
Attention: Chief Financial Officer
Telephone: (610) 768-3300

SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus and may not contain all of the information that is important to you. You should read this entire prospectus, including the information incorporated by reference, before making an investment decision. When used in this prospectus, the terms "we," "our," and "us" refer to Universal Health Services and not to the selling securityholders.

Universal Health Services

Our principal business is owning and operating acute care hospitals, behavioral health centers, ambulatory surgery centers, radiation oncology centers and women's centers. Presently, we operate 60 hospitals, consisting of 23 acute care hospitals, 35 behavioral health centers, and two women's centers. As part of our Ambulatory Treatment Centers Division, we own, either outright or in partnership with physicians, and operate or manage 23 surgery and radiation oncology centers located in 12 states and the District of Columbia. Our facilities are located in Arkansas, California, Colorado, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Texas, Utah and Washington.

In the second quarter of 2000, our acute care hospitals, ambulatory surgery centers, radiation oncology centers and women's centers contributed approximately 85% of our consolidated net revenues and our behavioral health centers contributed approximately 14% of our consolidated net revenues.

Services provided by our hospitals include general surgery, internal medicine, obstetrics, emergency room care, radiology, oncology, diagnostic care, coronary care, pediatric services and behavioral health services. Our facilities benefit from shared centralized services, such as central purchasing, information services, finance and control systems, facilities planning, physician recruitment services, administrative personnel management, marketing and public relations.

Strategy

Our strategy to enhance our profitability and to continue to provide high-quality, cost-effective healthcare services includes the following key elements:

- Establish and maintain market leadership positions in small and medium-sized markets experiencing above-average population growth. Eighty percent of our acute care hospitals are the largest or second-largest healthcare providers in their respective markets, based upon the number of patients discharged. Our facilities are primarily located in markets with populations between 75,000 and 400,000 that are projected to grow above the national average rate. For example, we own eight facilities located in three of the five fastest-growing metropolitan areas in the United States.

- Provide a differentiated quality of healthcare. In 1999, our hospitals that were surveyed by the Joint Commission on Accreditation of Healthcare Organizations averaged a score of 95.4, which was above the industry average. UHS continually seeks to improve the quality of the service that it delivers through its company-wide Service Excellence Program as well as by conducting extensive surveys of patients, physicians and employees.

- Expand by selectively acquiring, constructing or leasing additional hospital facilities. We continually evaluate expansion opportunities, including acquisitions, which may provide us with access to new markets and new health care delivery capabilities. We describe some of our recent acquisitions and construction projects below.

- Improve financial performance of existing facilities. We seek to increase the operating revenues and profitability of our hospitals by introducing new services, improving existing services, recruiting physicians and applying financial and operational controls.

- Develop and maintain strong relationships with physicians. We support the growth of independent physician practices through marketing, partner recruiting, practice management, information systems, and creation and management of preferred provider networks.

- Maintain a low cost structure. We implement programs designed to improve financial performance and efficiency while continuing to provide quality care, including using professional staff more efficiently, monitoring and adjusting staffing levels and equipment usage, improving patient management and reporting procedures and implementing more efficient billing and collection procedures.

Recent Acquisitions and Construction Projects

We proactively identify acquisition targets in addition to responding to requests for proposals from entities that are seeking to sell or lease hospital facilities. As a result, we may enter into agreements to acquire hospital facilities from time to time and at any time, and we are currently actively involved in negotiations concerning possible acquisitions. In addition, we are actively involved in constructing replacement facilities and expanding our existing facilities. Our recent acquisitions and construction projects include the following:

- In June 1999, we acquired the assets and operations of Doctors' Hospital of Laredo in exchange for the assets and operations of our Victoria Regional Medical Center in Victoria, Texas. In connection with this transaction, we also purchased additional land in Laredo, Texas on which we are currently constructing a 180 licensed bed replacement hospital scheduled to be completed in the second quarter of 2001. We estimate that the costs of construction and new equipment for the replacement hospital will total approximately $45 million.

- On July 31, 2000, we completed the purchase of St. Mary's Mercy Hospital, a full service, 277 licensed bed hospital located in Enid, Oklahoma. St. Mary's Mercy Hospital is the leading hospital in Enid and provides comprehensive medical and surgical services including a trauma center and comprehensive neuroscience services. For the fiscal year ended June 30, 1999, St. Mary's generated approximately $52 million in net revenues and $6.4 million in earnings before interest, taxes, depreciation and amortization (EBITDA). We estimate that the total purchase price, including expected working capital contributions, will be approximately $43 million.

- On August 18, 2000, we completed the purchase of 11 behavioral health facilities with over 1,400 licensed beds from Charter Behavioral Health Systems, LLC and acquired the real estate assets associated with these businesses plus one additional behavioral health property from Crescent Real Estate Funding VII LP. In 1999, the acquired facilities produced approximately $150 million in net revenues and $27 million in EBITDA. We estimate that the total purchase price, including expected working capital contributions, will be approximately $105 million.

- In September, 2000, we purchased Fort Duncan Medical Center, a 77 licensed bed acute care facility located in Eagle Pass, Texas. Subject to the terms of the purchase agreement, we are committed to building a replacement hospital with a least 100 licensed beds within six years. For the fiscal year ended June 30, 1999, Fort Duncan Medical Center generated approximately $29 million in net revenues and $3.4 million in EBITDA. The purchase price of the facility was $10 million and we estimate that the cost of construction and new equipment for the replacement hospital will total approximately $25 million.

- We are building a 371 licensed bed replacement hospital for The George Washington University Hospital in Washington, D.C. We expect to complete the construction in the second quarter of 2002 and estimate that our share of the costs of construction and new equipment will total approximately $80 million to $83 million, $40 million of which we funded at acquisition in 1997 with a restricted cash investment account.

- We are expanding our Desert Springs Hospital in Las Vegas, Nevada to increase its licensed capacity from 233 to 353 beds. We expect to complete the expansion in the first quarter of 2001 and estimate that the costs of construction and new equipment will total approximately $15 million.

- We expect to commence a renovation and expansion of Auburn Regional Medical Center in Auburn, Washington in December of 2000. The renovated and expanded facility will include a new operating room, emergency room, obstetrics department and approximately 40 additional licensed beds. We expect to complete this project in the fourth quarter of 2001, and estimate that the costs of construction and new equipment will total approximately $15 million to $18 million.

Principal Executive Offices

Our principal executive offices are located at Universal Corporate Center, 367 South Gulph Road, P.O. Box 61558, King of Prussia, Pennsylvania 19406-0958. Our telephone number is (610) 768-3300.

The Offering

Debentures	$586,992,000 aggregate principal amount at maturity of Convertible Debentures due 2020. Each debenture was originally issued at a price of $425.90 per debenture and a principal amount at maturity of $1,000.
Maturity	June 23, 2020.
Cash interest	0.426% per year on the principal amount at maturity, payable semiannually in arrears in cash on June 23 and December 23 of each year, beginning December 23, 2000.
Yield to maturity of debentures	5.00% per year (computed on a semiannual bond equivalent basis) calculated from June 23, 2000.
Conversion rights	Holders may convert the debentures at any time. For each debenture converted, we will deliver 5.6024 shares of our class B common stock or, at our option, cash in an amount equal to the value of those shares. The conversion rate may be adjusted for various reasons, but will not be adjusted for accrued original issue discount, cash interest or interest payable upon the occurrence of a tax event. Upon conversion, the holder will not receive any cash payment representing accrued original issue discount or any accrued interest; such accrued original issue discount and accrued cash interest will be deemed paid by the shares of class B common stock or cash received by the holder on conversion.
Ranking	The debentures are unsecured and unsubordinated obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness.
Original issue discount	We offered each debenture at an original issue discount for U.S. federal income tax purposes equal to the principal amount at maturity of the debenture, $1,000, less the issue price, $425.90. You should be aware that as original issue discount accrues, it must be included in your gross income for U.S. federal income tax purposes.
Sinking fund	None.
Optional redemption	We may redeem all or a portion of the debentures for cash at any time, on or after June 23, 2006, at redemption prices equal to the issue price of the debentures plus accrued original issue discount and accrued cash interest to the date of redemption.
Purchase by UHS at the option of the holder	Holders may require us to purchase their debentures on any of the following dates at the following prices, plus accrued cash interest to the purchase date. . on June 23, 2006 at a price of $543.41 per debenture; . on June 23, 2010 at a price of $643.48 per debenture; and . on June 23, 2015 at a price of $799.84 per debenture. We may choose to pay the purchase price in cash or shares of class B common stock or a combination of cash and shares of class B common stock.

Change in control.....	Upon a change in control of UHS occurring on or before June 23, 2006 each holder may require us to repurchase all or a portion of such holder's debentures at a price equal to the issue price of such debentures plus accrued original issue discount and accrued cash interest to the date of repurchase. If a change in control occurs, we cannot assure you that we will have sufficient funds to pay the change in control purchase price if you exercise your right to require us to purchase your debentures. The term "change in control" is defined in the "Description of Debentures--Change In Control Permits Purchase of Debentures at the Option of the Holder" section of this prospectus.
Optional conversion to semiannual coupon debenture upon tax event.....	From and after the occurrence of a tax event, at the option of UHS, interest in lieu of future original issue discount and regular cash interest will accrue on each debenture from the option exercise date at 5.00% per year on the restated principal amount and will be payable semiannually on each interest payment date. Any such interest in lieu of original issue discount and any regular cash interest will be computed in the same manner and payable at the same time as the regular cash interest and will accrue from the most recent date to which interest has been paid or, if no interest has been paid, the option exercise date. In such event, the redemption price, purchase price and change in control purchase price will be adjusted as described in this prospectus. However, there will be no changes in the holders' conversion rights.
Use of proceeds.....	The selling securityholders will receive all of the proceeds from the sale of the debentures and class B common stock under this prospectus. We will not receive any of the proceeds from their sales of debentures or class B common stock.
Trading.....	The debentures and class B common stock sold using this prospectus will no longer be eligible for trading in The PORTAL Market. Our class B common stock is traded on the New York Stock Exchange under the symbol "UHS."
Class B common stock.....	As of June 30, 2000, there were 27,865,334 shares of class B common stock issued and outstanding (excluding shares available for issuance under our stock incentive plans, shares subject to outstanding options, shares reserved for issuance upon conversion of the debentures and shares reserved for issuance upon conversion of the class A, C and D common stock), which represented approximately 11% of our general voting power. The holders of our class B common stock have identical rights as the holders of our other classes of common stock, except with respect to voting and conversion. See "Description of Capital Stock."

RISK FACTORS

This prospectus contains forward-looking statements that involve a number of risks and uncertainties inherent in the purchase of the debentures or shares of our class B common stock. You should be aware that such statements are projections or estimates as to future events, which may or may not occur.

In addition to the other information in this prospectus, you should carefully consider the following risk factors before deciding whether an investment in the debentures is suitable for you. If any of the adverse events contemplated by these risk factors actually occur, our business, financial condition and results of operations could be materially adversely affected. The risks and uncertainties described below are not the only ones facing our company, and additional risks and uncertainties may also impair our business operations.

If government programs or managed care companies reduce the payments we receive as reimbursement for our services, our revenues may decline.

We derive a substantial portion of our net revenues from third-party payors, including the Medicare and Medicaid programs. Changes in government reimbursement programs have resulted in limitations on the growth rates of the reimbursement programs and, in some cases, in reduced levels of reimbursement for healthcare services, and additional changes are anticipated. The Balanced Budget Act of 1997, which established a plan to balance the federal budget by fiscal year 2002, includes significant reductions in spending levels for the Medicare and Medicaid programs, including:

- payment reductions for inpatient and outpatient hospital services;
- establishment of a prospective payment system for outpatient hospital services that commenced on August 1, 2000; and
- repeal of the federal payment standard often referred to as the "Boren Amendment" for hospitals and nursing facilities, which could result in lower Medicaid reimbursement rates.

The Balanced Budget Refinement Act of 1999 is expected to reduce the adverse effects of the Balanced Budget Act of 1997 through a corridor reimbursement approach, where a percentage of losses under the Medicare outpatient prospective payment system will be reimbursed through December 31, 2003. Substantially all of our hospitals qualify for relief under this provision. Inpatient reimbursement for behavioral health facilities converts to a prospective payment system effective January 1, 2004.

In addition to changes in government reimbursement programs, private payors, including managed care payors, increasingly are demanding discounted fee structures or the assumption by healthcare providers of all or a portion of the financial risk through prepaid capitation arrangements. Inpatient utilization, average lengths of stay and occupancy rates continue to be negatively affected by payor-required pre-admission authorization and utilization review and by payor pressure to maximize outpatient and alternative healthcare delivery services for less acutely ill patients.

We expect efforts to impose reduced allowances, greater discounts and more stringent cost controls by government and other payors to continue. We believe that additional reductions in the payments we receive for our services could reduce our overall revenues.

If we fail to comply with extensive laws and government regulations, we could suffer penalties or be required to make significant changes to our operations.

The healthcare industry is required to comply with many laws and regulations at the federal, state and local government levels. These laws and regulations require that hospitals meet various requirements, including those relating to the adequacy of medical care, equipment, personnel, operating policies and procedures, maintenance of adequate records, compliance with building codes, and environmental protection. If we fail to comply with

applicable laws and regulations, we could suffer civil and criminal penalties, including the loss of our licenses to operate and our ability to participate in Medicare, Medicaid, and other federal and state healthcare programs.

In addition, there are heightened coordinated civil and criminal enforcement efforts by both federal and state government agencies relating to the healthcare industry, including the hospital segment. The ongoing investigations relate to various referral, cost reporting, and billing practices, laboratory and home healthcare services, and physician ownership and joint ventures involving hospitals.

In the future, different interpretations or enforcement of these laws and regulations could subject our current practices to allegations of impropriety or illegality or could require us to make changes in our facilities, equipment, personnel, services, capital expenditure programs, and operating expenses.

We are subject to uncertainties regarding healthcare reform.

In recent years, an increasing number of legislative initiatives have been introduced or proposed in Congress and in state legislatures that would effect major changes in the healthcare system, either nationally or at the state level. Among the proposals that have been introduced are price controls on hospitals, insurance market reforms to increase the availability of group health insurance to small businesses, requirements that all businesses offer health insurance coverage to their employees and the creation of a government health insurance plan or plans that would cover all citizens and increase payments by beneficiaries. We cannot predict whether any of the above proposals or any other proposals will be adopted, and if adopted, no assurance can be given that the implementation of such reforms will not have a material adverse effect on our business.

Since 1995, the State of Texas has rolled out Medicaid managed care pilot programs in several geographic areas of the state. Effective fall 1999, however, the Texas legislature imposed a moratorium on the implementation of additional pilot programs pending receipt of a study of the effectiveness of Medicaid managed care. We are unable to predict the effect on our business of changes to any current or any future pilot programs.

Upon meeting certain conditions, and serving a disproportionately high share of Texas' and South Carolina's low income patients, four of our facilities located in Texas and one facility located in South Carolina became eligible and received additional reimbursement from each state's disproportionate share hospital fund. Included in our financial results were aggregate revenues of $33.4 million in 1997, $36.5 million in 1998, and $37.0 million in 1999, received pursuant to the terms of these programs. Texas recently renewed its program, but the extent of our eligibility for reimbursement has yet to be determined. South Carolina has neither terminated nor renewed its program, which was scheduled to terminate in the third quarter of 2000. The discontinuation of these programs, or further reduction of reimbursement, could have a material adverse effect on our future results of operations.

Our growth strategy includes acquisitions, and we may not be able to acquire hospitals that meet our target criteria. We may also face regulatory hurdles in acquiring hospitals from not-for-profit entities.

One element of our growth strategy is expansion through the acquisition of hospitals in markets that are attractive to us. We face competition for acquisitions primarily from other for-profit health care companies as well as not-for-profit entities. Some of our competitors have greater financial and other resources than we do. As a result, we may not be able to effectively accomplish this element of our growth strategy.

Hospital acquisitions generally require a longer period to complete than acquisitions in many other businesses and are subject to additional regulatory uncertainty. In recent years, the legislatures and attorneys general of some states have shown a heightened level of interest in transactions involving the sale of hospitals by not-for-profit entities. Although the level of interest varies from state to state, the trend is to provide for increased governmental review, and in some cases approval, of transactions in which not-for-profit entities sell a healthcare facility. Although we have not been adversely affected as a result of these trends, such increased scrutiny may increase the difficulty or prevent the completion of transactions with not-for-profit organizations in certain states in the future.

Our revenue and EBITDA are heavily concentrated in our facilities in the South Texas and Las Vegas, Nevada markets.

McAllen Medical Center, located in McAllen, Texas, and Edinburg Regional Medical Center, located in Edinburg, Texas, operate in the same market. On a combined basis, these two facilities contributed 16% in 1997 and 13% in both 1998 and 1999 of our consolidated net revenues and 25% in 1997, 23% in 1998 and 25% in 1999 of our consolidated earnings before interest, income taxes, depreciation, amortization, and nonrecurring charges (after deducting an allocation of corporate overhead) (EBITDA).

Valley Hospital Medical Center, Summerlin Hospital Medical Center and Desert Springs Hospital all operate within the Las Vegas, Nevada market. Valley Hospital Medical Center and Summerlin Hospital Medical Center (which opened during the fourth quarter of 1997) contributed 13% of our 1997 consolidated net revenues and 18% of our 1997 consolidated EBITDA. On a combined basis, Valley Hospital Medical Center, Summerlin Hospital Medical Center and Desert Springs Hospital contributed 18% of our consolidated net revenues in both 1998 and 1999 and 15% in 1998 and 10% in 1999 of our consolidated EBITDA.

Any adverse change in the economic, competitive or regulatory conditions in the South Texas or Las Vegas, Nevada markets in which these hospitals operate could significantly reduce our revenues and EBITDA.

Other hospitals provide comparable services, which may raise the level of competition faced by our hospitals.

In all geographical areas in which we operate, there are other hospitals which provide services comparable to those offered by our hospitals, some of which are owned by governmental agencies and supported by tax revenues, and others of which are owned by not-for-profit corporations and may be supported to a large extent by endowments and charitable contributions. Such support is not available to our hospitals. Certain of our competitors have greater financial resources than we do, are better equipped than we are and offer a broader range of services than we do. Outpatient treatment and diagnostic facilities, outpatient surgical centers and freestanding ambulatory surgical centers also affect the healthcare marketplace. In recent years, competition among healthcare providers for patients has intensified as hospital occupancy rates in the United States have declined due to, among other things, regulatory and technological changes, increasing use of managed care payment systems, cost containment pressures, a shift toward outpatient treatment and an increasing supply of physicians. There can be no assurance that our hospitals will continue to be able to compete effectively in attracting patients under these changing circumstances.

Our success depends upon our ability to recruit and retain physicians at our hospitals.

With a few exceptions, physicians are not employees of our hospitals and members of the medical staffs of our hospitals also serve on medical staffs of hospitals not owned by us and may terminate their affiliation with our hospitals at any time. Our future success will depend, in part, on the ability of our hospitals to continue to attract and retain quality physicians and to organize and structure integrated healthcare delivery systems with other healthcare providers and physician practice groups. There can be no assurance that our hospitals will continue to be able, on terms favorable to us, to attract physicians to their staffs, or to organize and structure integrated healthcare delivery systems, for which other healthcare companies with greater financial resources or a wider range of services may be competing.

Our controlling stockholder can determine the outcome of virtually all matters requiring stockholder approval.

Alan B. Miller, UHS's Chairman of the Board, President and Chief Executive Officer, controls approximately 82.4% of the general voting power of UHS. Mr. Miller also controls an aggregate of 94.1% of the class A common stock, 9.7% of the class B common stock and 93.5% of class C common stock. As such, Mr. Miller can elect 80% of UHS's Board of Directors and accomplish a merger, sale, transfer of assets or other significant transaction without the approval of our other stockholders. The existence of a controlling stockholder may limit your ability, as a holder of class B common stock upon conversion of the debentures, to influence the outcome of matters requiring stockholder approval.

Our liability insurance coverage is limited.

Effective January 1, 1998, our subsidiaries are covered under commercial insurance policies which provide for a self-insured retention limit for professional and general liability claims for most of our subsidiaries up to $1 million per occurrence, with an average annual aggregate for covered subsidiaries of $6 million through 2001. These subsidiaries maintain excess coverage up to $100 million with major insurance carriers. Our remaining facilities are fully insured under commercial policies with excess coverage up to $100 million maintained with major insurance carriers. Since 1993, certain of our subsidiaries, including one of our larger acute care facilities, have purchased general and professional liability occurrence policies with commercial insurers. These policies include coverage up to $25 million per occurrence for general and professional liability risks. If our liabilities exceed our insurance coverage, our financial condition and results of operations could be adversely affected.

We may need to obtain additional financing to fund acquisitions and capital expenditures, and we cannot be sure that additional financing will be available when needed.

We require substantial capital resources to fund our acquisitions. The operations of our existing hospitals require ongoing capital expenditures for renovation, expansion and the addition of medical equipment and technology utilized in the hospitals. For example, we expect to construct a replacement hospital scheduled to be completed in the second quarter of 2001 for the Doctors' Hospital of Laredo, are building a replacement hospital for The George Washington University Hospital expected to be completed in the second quarter of 2002, are expanding Desert Springs Hospital and expect to complete this expansion in the first quarter of 2001, and expect to commence a renovation and expansion of our Auburn Regional Medical Center in December of 2000 and to complete the project in the fourth quarter of 2001. In addition, we recently acquired St. Mary's Hospital in Enid, Oklahoma, 11 behavioral health facilities from Charter Behavioral Health Systems, LLC and the real estate assets associated with these businesses plus one additional behavioral health property from Crescent Real Estate Funding VII LP, and Fort Duncan Medical Center in Eagle Pass, Texas for which we are committed, subject to the terms of the purchase agreement, to building a replacement hospital within six years.

We may need to incur additional indebtedness and may issue, from time to time, debt or equity securities to fund acquisitions or capital expenditures. We cannot assure you that sufficient financing will be available to us on satisfactory terms or that our level of indebtedness may not restrict our ability to borrow additional funds.

We may not be able to repurchase or redeem debentures.

On June 23, 2006, June 23, 2010 and June 23, 2015, the holders may require us to purchase their debentures. If the holders require us to purchase their debentures on one of these dates, we could have insufficient funds to complete the purchase. In addition, upon a change in control of UHS occurring on or before June 23, 2006, each holder may require us to repurchase all or a portion of such holder's debentures. If a change in control occurs, we cannot assure you that we will have sufficient funds to pay the change in control purchase price if you exercise your right to require us to purchase your debentures.

Fluctuations in the market price of our class B common stock may affect the price of the debentures.

Because the debentures are convertible into shares of our class B common stock, fluctuations in the market price of class B common stock may affect the price of the debentures. The market prices for our class B common stock and for securities of other companies engaged primarily in healthcare services are subject to wide fluctuations. For example, the sale prices of our class B common stock, as reported by the New York Stock Exchange, fluctuated between $361/8 per share and $701/4 per share during the first half of 2000. The market price of our class B common stock may continue to fluctuate due to a variety of factors, including:

- future issuances of class B common stock;
- material public announcements;
- regulatory approvals or regulatory issues;

- political developments or proposed legislation in the healthcare industry;

- period to period fluctuations in our financial results; and

- market trends relating to our industry.

Absence of existing active public market.

Upon their original issuance, the debentures became eligible for trading on The PORTAL Market. The debentures sold pursuant to this prospectus, however, will no longer be eligible for trading on The PORTAL Market and we do not intend to apply for listing of the debentures on any securities exchange or quotation system. We can not assure you that an active trading market for the debentures will develop or as to the liquidity or sustainability of any such market, the ability of the holders to sell their debentures or the price at which holders of the debentures will be able to sell their debentures. Future trading prices of the debentures will depend on many factors, including, among other things, prevailing interest rates, our operating results, the price of our class B common stock and the market for similar securities.

USE OF PROCEEDS

The selling securityholders will receive all of the proceeds from the sale of the debentures and class B common stock under this prospectus. We will not receive any of the proceeds from their sales of debentures or class B common stock.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratios of earnings to fixed charges for each of the years ended December 31, 1995, 1996, 1997, 1998 and 1999 and for each of the six months ended June 30, 1999 and 2000:

Year ended December 31,					Six months ended June 30,	
1995	1996	1997	1998	1999	1999	2000
3.2	3.3	4.0	3.9	3.8	5.1	4.6

The ratio of earnings to fixed charges is computed by dividing fixed charges into earnings from continuing operations before income tax and extraordinary items plus fixed charges. Fixed charges include interest expense, interest element of lease rental expense, and amortization of debt issuance costs.

DIVIDEND POLICY

We have historically not paid cash dividends on our capital stock and we do not anticipate paying cash dividends on our class B common stock in the foreseeable future.

DESCRIPTION OF DEBENTURES

We issued the debentures under an indenture dated as of June 23, 2000 between UHS and Bank One Trust Company, N.A., as trustee. The form of indenture (including the form of debenture which is part of the indenture) was previously filed with the SEC and has been incorporated by reference as an exhibit to this registration statement. The following summaries of certain provisions of the debentures and the indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the debentures and the indenture. Wherever particular provisions of the indenture (or of the form of debenture which is a part of the indenture) are referred to, such provisions are incorporated by reference in this prospectus. As used in this description, references to "we," "us," "our" or "UHS" do not include any current or future subsidiary of UHS.

General

The debentures are unsecured obligations of UHS limited to $586,992,000 aggregate principal amount at maturity. The debentures will mature on June 23, 2020. The principal amount at maturity of each debenture is $1,000 and will be payable at the office of the paying agent, which initially is the trustee, or an office or agency maintained by us for such purpose, in the Borough of Manhattan, The City of New York.

The debentures were originally offered at a substantial discount from their principal amount at maturity. See "Federal Income Tax Considerations--Original Issue Discount." The debentures will accrue original issue discount while they remain outstanding. Original issue discount is the difference between the issue price and the principal amount at maturity of a debenture. The calculation of the accrual of original issue discount will be on a semiannual bond equivalent basis using a 360-day year composed of twelve 30-day months. Original issue discount began to accrue on June 23, 2000, the issue date of the debentures. The debentures also bear interest at the rate of 5.00% per year on the principal amount at maturity from the issue date, or from the most recent date to which interest has been paid or provided for, until the debentures are paid in full or funds are made available for payment in full in accordance with the indenture. Cash interest will be payable at maturity (or earlier date of purchase, redemption or, in certain circumstances, conversion) and semiannually in arrears on June 23 and December 23 of each year, commencing on December 23, 2000, to holders of record at the close of business on the June 8 or December 8 (whether or not a business day) immediately preceding such interest payment date. Each payment of cash interest on the debentures will include interest accrued through the day before the applicable interest payment date or the date of maturity (or earlier purchase, redemption or, in certain circumstances, conversion), as the case may be. Any payment required to be made on any day that is not a business day will be made on the next succeeding business day. In the event of the maturity, conversion, purchase by UHS at the option of a holder or redemption of a debenture, original issue discount and cash interest will cease to accrue on such debenture under the terms of and subject to the conditions in the indenture. We may not reissue a debenture that has matured or been converted, purchased by UHS at the option of a holder, redeemed or otherwise cancelled (except for registration of transfer, exchange or replacement thereof).

Debentures may be presented for conversion at the office of the conversion agent and for exchange or registration of transfer at the office of the registrar. Each such agent is initially the trustee. We will not charge a service charge for any registration of transfer or exchange of debentures.

Book-Entry Form

The debentures were issued in the form of global securities held in book-entry form. DTC or its nominee is the sole registered holder of the debentures for all purposes under the indenture. Owners of beneficial interests in the debentures represented by the global security will hold such interests pursuant to the procedures and practices of DTC. As a result, owners of beneficial interests must exercise any rights in respect of their interests, including any right to convert or require repurchase of their interests, in accordance with the procedures and practices of DTC. Beneficial owners will not be holders and will not be entitled to any rights under the global securities or the indenture provided to the holders of the debentures. UHS and the trustee, and any of their respective agents, may treat DTC as the sole holder and registered owner of the global securities.

Certificated debentures may be issued in exchange for beneficial interests in debentures represented by a global debenture only in the limited circumstances set forth in the indenture.

Absence of Existing Active Public Market

Upon their original issuance, the debentures became eligible for trading on The PORTAL Market. The debentures sold pursuant to this prospectus, however, will no longer be eligible for trading on The PORTAL Market and we do not intend to apply for listing of the debentures on any securities exchange or quotation system. We can not assure you that an active trading market for the debentures will develop or as to the liquidity or sustainability of any such market, the ability of the holders to sell their debentures or the price at which holders of the debentures will be able to sell their debentures. Future trading prices of the debentures will depend on many factors, including, among other things, prevailing interest rates, our operating results, the price of our class B common stock and the market for similar securities.

Conversion Rights

A holder may convert a debenture, in integral multiples of $1,000 principal amount at maturity, into shares of class B common stock at any time before the close of business on June 23, 2020. However, a holder may convert a debenture only until the close of business on the redemption date if we call the debenture for redemption. A debenture for which a holder has delivered a purchase notice or a change in control purchase notice requiring us to purchase that debenture may be converted only if such notice is withdrawn in the manner and by the time provided in the indenture.

The initial conversion rate for the debentures is 5.6024 shares of class B common stock per $1,000 principal amount at maturity, subject to adjustment upon the occurrence of various events described below. We will pay cash in lieu of any fractional share in an amount equal to the value of such fractional share based on the Sale Price (as defined below) on the trading day immediately preceding the conversion date.

To convert a debenture, a holder must:

- complete and manually sign the conversion notice on the back of the debenture (or complete and manually sign a facsimile of such notice) and deliver such notice to the conversion agent (initially the trustee) at the office maintained by the conversion agent for such purpose;

- surrender the debenture to the conversion agent;

- if required, furnish appropriate endorsements and transfer documents; and

- if required, pay all transfer or similar taxes.

Pursuant to the indenture, the date on which all of the foregoing requirements have been satisfied is the conversion date.

Upon conversion of a debenture, a holder will not receive any cash payment representing accrued original issue discount or, except as described below, accrued cash interest. Our delivery to the holder of the fixed number of shares of class B common stock into which the debenture is convertible, together with any cash payment in lieu of any fractional shares, will be deemed to satisfy our obligation to pay:

- the principal amount at maturity of the debenture; and

- the accrued original issue discount and accrued cash interest attributable to the period from the issue date to the conversion date.

As a result, accrued original issue discount and accrued cash interest will be deemed to be paid in full rather than canceled, extinguished or forfeited. Notwithstanding the foregoing, accrued but unpaid cash interest will be payable upon any conversion of debentures at the option of the holder made concurrently with or after acceleration of the debentures following an event of default described under "--Events of Default; Notice

and Waiver" below. Debentures surrendered for conversion during the period from the close of business on any regular record date next preceding any interest payment date to the opening of business of such interest payment date (except debentures to be redeemed on a date within such period or on the next interest payment date) must be accompanied by payment of an amount equal to the interest thereon that the registered holder is to receive. Except where debentures surrendered for conversion must be accompanied by payment as described above, no interest on converted debentures will be payable by us on any interest payment date subsequent to the date of conversion.

The conversion rate will not be adjusted at any time during the term of the debentures for accrued original issue discount or accrued cash interest. A certificate for the number of full shares of class B common stock into which any debenture is converted, together with cash in lieu of any fractional shares, will be delivered through the conversion agent as soon as practicable, but in any event no later than the seventh business day following the conversion date. For a discussion of the U.S. federal income tax treatment of a holder receiving class B common stock upon conversion, see "Federal Income Tax Considerations--Disposition or Conversion of Debentures."

If we exercise our option to have interest in lieu of original issue discount accrue on a debenture following a tax event, the holder will be entitled on conversion to receive the same number of shares of class B common stock such holder would have received if we had not exercised our option. See "--Optional Conversion to Semiannual Coupon Debenture upon Tax Event."

The conversion rate is subject to adjustment in certain events, including:

- the issuance of shares of class B common stock or other capital stock as a dividend or a distribution with respect to class B common stock;

- subdivisions, combinations and reclassification of class B common stock;

- the issuance to all holders of class B common stock of rights or warrants entitling them for a period not exceeding 45 days to subscribe for shares of class B common stock at less than the then Market Price (as defined below) of the class B common stock;

- the distribution to all holders of class B common stock of evidences of indebtedness of UHS, securities or capital stock, cash or assets (including securities, but excluding those rights, warrants, dividends and distributions referred to above and dividends and distributions paid exclusively in cash);

- the payment of dividends and other distributions on class B common stock paid exclusively in cash, excluding cash dividends if the annualized per share amount thereof does not exceed 10% of the Market Price of class B common stock on the trading day immediately preceding the date of declaration of such dividend or other distribution; and

- payment to holders of class B common stock in respect of a tender or exchange offer (other than an odd-lot offer) by UHS or any of our subsidiaries for class B common stock at a price in excess of 110% of the then Market Price of class B common stock on the trading day next succeeding the last date tenders or exchanges may be made pursuant to such tender or exchange offer.

However, no adjustment need be made if holders may participate in the transactions otherwise giving rise to an adjustment on a basis and with notice that our board of directors determines to be fair and appropriate, or in certain other cases. In cases where the fair market value of the portion of assets, debt securities or rights, warrants or options to purchase securities of UHS applicable to one share of class B common stock distributed to stockholders equals or exceeds the average quoted price per share of class B common stock, or such average quoted price exceeds such fair market value of such portion of assets, debt securities or rights, warrants or options so distributed by less than $1.00, rather than being entitled to an adjustment in the conversion rate, the holder of a debenture will be entitled to receive upon conversion thereof, in addition to the shares of class B common stock into which such debenture is convertible, the kind and amounts of assets, debt securities or rights, options or warrants comprising the distribution that such holder would have received if such holder had converted such debenture

immediately prior to the record date for determining the stockholders entitled to receive the distribution. The indenture permits us to increase the conversion rate from time to time.

In the event that we are a party to any transaction, pursuant to which the class B common stock is converted into the right to receive other securities, cash or other property, including, without limitation, and with certain exceptions:

- recapitalization or reclassification of the class B common stock,
- any consolidation of UHS with, or merger of UHS into, any other person, or any merger of another person into UHS,
- any sale, transfer or lease of all or substantially all of the assets of UHS, or
- any compulsory share exchange,

then the holders of debentures then outstanding shall have the right to convert the debentures into the kind and amount of securities, cash or other property receivable upon the consummation of such transaction by a holder of the number of shares of class B common stock issuable upon conversion of such debentures immediately prior to such transaction.

In the event that we are a party to such a transaction as described above, each debenture would become convertible into the securities, cash or property receivable by a holder of the number of shares of the class B common stock into which such debenture was convertible immediately prior to such transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the debentures in the future. For example, if we were acquired in a cash merger, each debenture would become convertible solely into cash and would not longer be convertible into securities whose value would vary depending on our future prospects and other factors.

In the event of a taxable distribution to holders of class B common stock which results in an adjustment of the conversion rate (or in which holders otherwise participate) or in the event the conversion rate is increased at our discretion, the holders of the debentures may, in certain circumstances, be deemed to have received a distribution subject to United States federal income tax as a dividend. See "Federal Income Tax Considerations--Adjustment of Conversion Price."

Redemption of Debentures at the Option of UHS

No sinking fund is provided for the debentures. Prior to June 23, 2006, the debentures will not be redeemable at our option. On and after that date, we may redeem the debentures for cash as a whole at any time, or from time to time in part, at the redemption prices set forth below plus accrued cash interest to the redemption date. Any such redemption must be in integral multiples of $1,000 principal amount at maturity. We will give not less than 30 days nor more than 60 days notice of redemption by mail to holders of debentures.

The table below shows redemption prices of a debenture per $1,000 principal amount at maturity on June 23, 2000, at each June 23 thereafter prior to maturity, and at maturity on June 23, 2020. These prices reflect the accrued original issue discount calculated to each such date. The redemption price of a debenture redeemed between such dates would include an additional amount reflecting the additional original issue discount accrued since the next preceding date in the table to the redemption date.

Redemption Date	(1) Debenture Issue Price	(2) Accrued Original Issue Discount	(3) Redemption Price (1)+(2)
June 23, 2006.....	$425.90	$117.51	$ 543.41
June 23, 2007.....	425.90	140.70	566.60
June 23, 2008.....	425.90	165.07	590.97
June 23, 2009.....	425.90	190.68	616.58
June 23, 2010.....	425.90	217.58	643.48
June 23, 2011.....	425.90	245.84	671.74
June 23, 2012.....	425.90	275.53	701.43
June 23, 2013.....	425.90	306.73	732.63
June 23, 2014.....	425.90	339.51	765.41
June 23, 2015.....	425.90	373.94	799.84
June 23, 2016.....	425.90	410.12	836.02
June 23, 2017.....	425.90	448.13	874.03
June 23, 2018.....	425.90	488.06	913.96
June 23, 2019.....	425.90	530.02	955.92
At stated maturity..	425.90	574.10	1,000.00

If converted to semiannual coupon debentures following the occurrence of a tax event, the debentures will be redeemable at the restated principal amount plus accrued and unpaid interest from the date of such conversion to the redemption date. However, in no event may the debentures be redeemed prior to June 23, 2006. See "--Optional Conversion to Semiannual Coupon Debenture upon Tax Event."

If less than all of the outstanding debentures are to be redeemed, the trustee shall select the debentures to be redeemed in principal amounts at maturity of $1,000 or integral multiples of $1,000 by lot, pro rata or by another method the trustee considers fair and appropriate. If a portion of a holder's debentures is selected for partial redemption and such holder converts a portion of such debentures prior to such redemption, such converted portion will be deemed, solely for purposes of determining the aggregate principal amount at maturity of the debentures to be redeemed by us, to be of the portion selected for redemption.

Purchase of Debentures by UHS at the Option of the Holder

On June 23, 2006, June 23, 2010 and June 23, 2015, we will, at the option of the holder, be required to purchase, at the purchase prices set forth below plus accrued cash interest to the purchase date, any outstanding debenture for which a written purchase notice has been properly delivered by the holder and not withdrawn, subject to certain additional conditions. Holders may submit their debentures for purchase to the paying agent at any time from the opening of business on the date that is 20 business days before such purchase date until the close of business on such purchase date.

The purchase price of a debenture will be:

. $543.41 per debenture on June 23, 2006;

. $643.48 per debenture on June 23, 2010; and

. $799.84 per debenture on June 23, 2015.

These purchase prices equal the issue price plus accrued original issue discount to the applicable purchase date.

We may, at our option, elect to pay the purchase price in cash or shares of class B common stock, or any combination thereof. For a summary of the U.S. federal income tax treatment of a holder receiving cash, class B common stock or any combination thereof, see "Federal Income Tax Considerations--Disposition or Conversion."

If prior to a purchase date the debentures have been converted to semiannual coupon debentures following the occurrence of a tax event, the purchase price will be equal to the restated principal amount plus accrued and unpaid cash interest from the date of the conversion to, but excluding, the purchase date. See "--Optional Conversion to Semiannual Coupon Debenture upon Tax Event."

We will give notice on a date not less than 20 business days prior to each purchase date to all holders at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law, stating among other things:

- whether we will pay the purchase price of the debentures in cash or class B common stock or any combination thereof, specifying the percentages of each;

- if we elect to pay in shares of class B common stock, in whole or in part, the method of calculating the Market Price (as defined below) of the class B common stock; and

- the procedures that holders must follow to require us to purchase their debentures.

The purchase notice given by any holder requiring us to purchase debentures will state:

- the certificate numbers of the debentures to be delivered by such holder for purchase;

- the portion of the principal amount at maturity of debentures to be purchased, which portion must be $1,000 or an integral multiple thereof;

- that the debentures are to be purchased by us pursuant to the applicable provisions of the indenture and the debentures; and

- if we elect, pursuant to the notice we are required to give, to pay a specified percentage of the purchase price in shares of class B common stock but such specified percentage is ultimately to be paid to the holder in cash because any of the conditions to payment of such specified percentage of the purchase price in shares of class B common stock is not satisfied prior to the close of business on the purchase date, as described below, whether the holder elects (1) to withdraw the purchase notice as to some or all of the debentures to which it relates (stating the principal amount at maturity and certificate numbers of the debentures as to which such withdrawal relates) or (2) to receive cash in respect to the purchase price of all debentures subject to such purchase notice.

If the holder fails to indicate its choice with respect to the election described in the final bullet point above, the holder will be deemed to have elected to receive cash for the specific percentage of the purchase price that was to have been payable in shares of class B common stock. See "Federal Income Tax Considerations--Disposition or Conversion."

Any purchase notice may be withdrawn by the holder by a written notice of withdrawal delivered to the paying agent prior to the close of business on the purchase date. The notice of withdrawal must state the principal amount at maturity and the certificate numbers of the debentures as to which the withdrawal notice relates and any principal amount at maturity which remains subject to the purchase notice.

If we elect to pay the purchase price, in whole or in part, in shares of class B common stock, the number of shares of class B common stock to be delivered by us shall be equal to the portion of the purchase price to be paid in class B common stock divided by the Market Price of a share of class B common stock. Instead of any fractional shares otherwise deliverable as part of the purchase price, we will pay cash based on the Market Price for such fractional shares of class B common stock. See "Federal Income Tax Considerations--Disposition or Conversion."

The "Market Price" means the average of the Sale Prices of the class B common stock for the five trading day period ending on (if the third business day prior to the applicable purchase date is a trading day, or if not, then on the last trading day prior to) the third business day prior to the applicable purchase date, appropriately adjusted to

take into account the occurrence, during the period commencing on the first of such trading days during such five trading day period and ending on such purchase date (or other date in question, for purpose of adjusting the conversion rate), of certain events that would result in an adjustment of the conversion rate.

The "Sale Price" of the class B common stock on any date means the closing per share sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and average ask prices) on such date as reported in the composite transactions for the principal United States securities exchange on which the class B common stock is traded or, if the class B common stock is not listed on a United States national or regional securities exchange, as reported by the Nasdaq Stock Market.

A "trading day" means each day on which the securities exchange or quotation system which is used to determine the Sale Price is open for trading or quotation. Because the Market Price of the class B common stock is determined prior to the applicable purchase date, holders of debentures bear the market risk with respect to the value of the class B common stock to be received from the date such Market Price is determined to such purchase date. We may pay the purchase price, or any portion of the purchase price, in class B common stock only if the information necessary to calculate the Market Price is reported in The Wall Street Journal or another daily newspaper of national circulation.

Upon determination of the actual number of shares of class B common stock issuable in accordance with the foregoing provisions, we will publish such information in The Wall Street Journal or another daily newspaper of national circulation.

Our right to purchase debentures, in whole or in part, with shares of class B common stock is subject to our satisfying various conditions, including:

- the registration of the class B common stock under the Securities Act and the Exchange Act, if required; and

- any necessary qualification or registration under applicable state securities law or the availability of an exemption from such qualification and registration.

If such conditions are not satisfied with respect to a holder prior to the close of business on the purchase date, we will pay the purchase price of the debentures in cash. We may not change the form of consideration (or components or percentages of components thereof) to be paid for debentures once we have given the notice we are required to give to holders of debentures, except as described in the preceding sentence.

In connection with any purchase offer, we will:

- comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act which may then be applicable; and

- file Schedule TO or any other required schedule under the Exchange Act.

Payment of the purchase price for a debenture for which a purchase notice has been delivered and not validly withdrawn is conditioned upon delivery of the debenture, together with necessary endorsements, to the paying agent, at any time after delivery of such purchase notice. Payment of the purchase price for the debenture will be made promptly following the later of the purchase date and the time of delivery of the debenture.

If the paying agent holds money or securities sufficient to pay the purchase price of the debenture on the business day following the purchase date in accordance with the terms of the indenture, then, immediately after the purchase date, such debenture will cease to be outstanding and cash interest and original issue discount on such debenture will cease to accrue and will be deemed paid, whether or not such debenture is delivered to the paying agent, and all other rights of the holder shall terminate, other than the right to receive the purchase price upon delivery of the debenture.

No debentures may be purchased for cash at the option of the holders if there has occurred and is continuing an event of default with respect to the debentures other than a default in the payment of the purchase price with respect to such debentures. If we become obligated to purchase any outstanding debenture on a purchase date, there can be no assurance that we would have sufficient funds to pay the purchase price on that purchase date (in which case, we could be required to issue shares of class B common stock to pay the purchase price at valuations based on then prevailing market prices) for all the debentures tendered. Our then existing senior indebtedness or borrowing agreements may provide that the maturing of any obligation to purchase the debentures would constitute an event of default thereunder and may restrict or prohibit the repurchase of the debentures.

Change In Control Permits Purchase of Debentures at the Option of the Holder

In the event of any change in control of UHS occurring on or prior to June 23, 2006, each holder will have the right, at the holder's option, subject to the terms and conditions of the indenture, to require us to purchase all or any portion of the holder's debentures. However, debentures submitted for purchase by a holder must be in principal amounts at maturity of $1,000 or an integral multiple of $1,000.

We will be required to purchase the debentures as of the date that is 35 business days after the occurrence of such change in control (a "change in control purchase date") at a cash price equal to the issue price plus accrued original issue discount and accrued cash interest to the change in control purchase date.

If prior to a change in control purchase date the debentures have been converted to semiannual coupon debentures following the occurrence of a tax event, we will be required to purchase the debentures at a cash price equal to the restated principal amount plus accrued and unpaid interest from the date of the conversion to, but excluding, the change in control purchase date.

Within 15 business days after the occurrence of a change in control, we are obligated to mail to the trustee and to all holders of debentures at their addresses shown in the register of the registrar and to beneficial owners as required by applicable law a notice regarding the change in control, which notice shall state, among other things:

- the events causing a change in control;
- the date of such change in control;
- the last date on which the purchase right may be exercised;
- the change in control purchase price;
- the change in control purchase date;
- the name and address of the paying agent and the conversion agent;
- the conversion rate and any adjustments to the conversion rate;
- that the debentures with respect to which a change in control purchase notice is given by the holder may be converted only if the change in control purchase notice has been withdrawn in accordance with the terms of the indenture; and
- the procedures that holders must follow to exercise these rights.

We will cause a copy of such notice to be published in The Wall Street Journal or another daily newspaper of national circulation.

To exercise this right, the holder must deliver a written notice to the paying agent prior to the close of business on the change in control purchase date. The required purchase notice upon a change in control shall state:

- the certificate number of the debentures to be delivered by the holder;

- the portion of the principal amount at maturity to be purchased, which portion must be $1,000 or an integral multiple of $1,000; and

- that we are to purchase such debentures pursuant to the applicable provisions of the indenture and the debentures.

Any change in control purchase notice may be withdrawn by the holder by a written notice of withdrawal delivered to the paying agent prior to the close of business on the change in control purchase date.

The notice of withdrawal shall state:

- the principal amount at maturity being withdrawn;

- the certificate numbers of the debentures being withdrawn; and

- the principal amount at maturity, if any, of the debentures that remain subject to a change in control purchase notice.

Payment of the change in control purchase price for a debenture for which a change in control purchase notice has been delivered and not validly withdrawn is conditioned upon delivery of the debenture, together with necessary endorsements, to the paying agent at any time after the delivery of such change in control purchase notice. Payment of the change in control purchase price for such debenture will be made promptly following the later of the change in control purchase date or the time of delivery of such debenture.

If the paying agent holds money or securities sufficient to pay the change in control purchase price of the debenture on the business day following the change in control purchase date in accordance with the terms of indenture, then, immediately after the change in control purchase date, such debenture will cease to be outstanding and cash interest and original issue discount on such debenture will cease to accrue and will be deemed paid, whether or not such debenture is delivered to the paying agent, and all other rights of the holder shall terminate, other than the right to receive the change in control purchase price upon delivery of the debenture.

Under the indenture, a "change in control" of UHS is deemed to have occurred at such time as:

- any person, including its affiliates and associates, other than permitted holders, files a Schedule 13D or TO (or any successor schedule, form or report under the Exchange Act) disclosing that such person has become the beneficial owner of 50% or more of the total voting power in the aggregate of all classes of our capital stock then outstanding normally entitled to vote in elections of directors, with certain exceptions, or any permitted holder files such a schedule, form or report in connection with a transaction or event, as a result of which the class B common stock ceases (or, upon consummation of or immediately following such transaction or event, will cease) to be listed on a United States national securities exchange or approved for quotation on the Nasdaq National Market or any similar United States system for automated dissemination of quotations of securities prices; or

- there shall be consummated any consolidation or merger of UHS pursuant to which the class B common stock would be converted into cash, securities or other property, in each case other than a consolidation or merger of UHS in which (1) the holders of all classes of common stock of UHS immediately prior to the consolidation or merger have, directly or indirectly, at least a majority of the total voting power in the aggregate of all classes of capital stock of the continuing or surviving corporation normally entitled to vote in elections of directors immediately after the consolidation or merger and (2) the shares of class B common stock shall be converted into common stock which is (or, upon consummation of or immediately following such consolidation or merger, will be) listed on a United States national securities exchange or approved for quotation on the Nasdaq

National Market or any similar United States system for automated dissemination of quotations of securities prices.

For purposes of the foregoing definition, permitted holders means (A) UHS, any subsidiary of UHS or their employee benefit plans or Alan B. Miller, UHS's Chairman of the Board, President and Chief Executive Officer, and his spouse, immediate family members, estate, lineal descendants, executors or administrators, or (B) any trust, corporation or other entity, the beneficiaries, stockholders or other persons beneficially holding an 80% or more controlling interest of which consist of persons or entities referred to in clause (A).

In connection with any purchase offer in the event of a change in control, we will:

- comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act which may then be applicable; and

- file Schedule TO or any other required schedule under the Exchange Act.

The change in control purchase feature of the debentures may in certain circumstances make more difficult or discourage a takeover of UHS. The change in control purchase feature, however, is not the result of our knowledge of any specific effort to accumulate shares of our common stock or to obtain control of UHS by means of a merger, tender offer, solicitation or otherwise, or part of a plan by management to adopt a series of anti-takeover provisions.

Instead, the change in control purchase feature is a standard term contained in offerings of securities comparable to the debentures that have been marketed by Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc., UBS Warburg LLC and Banc of America Securities LLC, the initial purchasers of the debentures. The terms of the change in control purchase feature resulted from negotiations between the initial purchasers and us.

We could, in the future, enter into certain transactions, including certain recapitalizations, that would not constitute a change in control with respect to the change in control purchase feature of the debentures but that would increase the amount of our outstanding indebtedness.

No debentures may be purchased at the option of holders upon a change in control if there has occurred and is continuing an event of default with respect to the debentures, other than a default in the payment of the change in control purchase price with respect to the debentures.

Optional Conversion to Semiannual Coupon Debenture upon Tax Event

From and after the date of the occurrence of a tax event, we will have the option to elect to have interest in lieu of future original issue discount and regular cash interest accrue at 5.00% per year on a principal amount per debenture (the "restated principal amount") equal to the issue price plus original issue discount accrued to the date of the tax event or the date on which we exercise the option described herein, whichever is later (the "option exercise date"). Such interest shall accrue from the option exercise date and shall be payable semiannually on each interest payment date to holders of record at the close of business on the regular record date immediately preceding such interest payment date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the option exercise date.

A "tax event" means that UHS shall have received an opinion from independent tax counsel experienced in such matters to the effect that, on or after the date of this prospectus, as a result of:

- any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or

- any amendment to, or change in, an interpretation or application of such laws or regulations by any legislative body, court, governmental agency or regulatory authority,

in each case which amendment or change is enacted, promulgated, issued or announced or which interpretation is issued or announced or which action is taken, on or after the date of this prospectus, there is more than an insubstantial risk that interest (including original issue discount) payable on the debentures either:

- would not be deductible on a current accrual basis, or

- would not be deductible under any other method, in either case in whole or in part, by us (by reason of deferral, disallowance, or otherwise) for United States federal income tax purposes.

The Clinton Administration has previously proposed to change the tax law to defer the deduction of original issue discount on convertible debt instruments until the issuer pays the interest. Congress has not yet enacted these proposed changes in the law.

If a similar proposal were ever enacted and made applicable to the debentures in a manner that would limit our ability to either:

- deduct the interest, including original issue discount, payable on the debentures on a current accrual basis, or

- deduct the interest, including original issue discount, payable on the debentures under any other method for United States federal income tax purposes,

such enactment would result in a tax event and the terms of the debentures would be subject to modification at our option as described above.

The modification of the terms of debentures by us upon a tax event as described above could possibly alter the timing of income recognition by holders of the debentures with respect to the semiannual payments of interest due on the debentures after the option exercise date. See "Federal Income Tax Considerations."

Merger and Sales of Assets by UHS

The indenture provides that UHS may not consolidate with or merge into any other person or convey, transfer or lease its properties and assets substantially as an entirety to another person, unless among other things, (i) the resulting, surviving or transferee person (if other than UHS) is organized and existing under the laws of the United States, any state thereof or the District of Columbia and such person assumes all of our obligations under the debentures and the indenture, and (ii) UHS or such successor person shall not immediately thereafter be in default under the indenture. Upon the assumption of our obligations by such a person in such circumstances, subject to certain exceptions, we shall be discharged from all obligations under the debentures and the indenture. Although such transactions are permitted under the indenture, certain of the foregoing transactions occurring on or prior to June 23, 2006 could constitute a change in control of UHS permitting each holder to require us to purchase its debentures as described above.

Events of Default; Notice and Waiver

The indenture provides that, if an event of default with respect to the debentures shall have occurred and be continuing, either the trustee or the holders of not less than 25% in aggregate principal amount at maturity of the debentures then outstanding may declare the issue price plus original issue discount accrued, together with any accrued cash interest (or if the debentures have been converted to semiannual coupon debentures following a tax event, the restated principal amount, plus accrued interest) to the date of such declaration (in the case of an event of default specified in the first six bullet points of the following paragraph) or to the date of default (in the case of an event of default specified in the last bullet point of the following paragraph) on all the debentures to be immediately due and payable. In the case of certain events of bankruptcy or insolvency, the issue price of the debentures plus the

original issue discount accrued thereon, together with any accrued cash interest (or if the debentures have been converted to semiannual coupon debentures following a tax event, the restated principal amount, plus accrued interest) to the occurrence of such event shall automatically become and be immediately due and payable. Under certain circumstances, the holders of a majority in aggregate principal amount at maturity of the outstanding debentures may rescind any such acceleration with respect to the debentures and its consequences. Interest shall accrue and be payable on demand upon a default in the payment of the principal amount at maturity (or, if the debentures have been converted to semiannual coupon debentures following a tax event, the restated principal amount), accrued original issue discount, cash interest when due, redemption price, purchase price, change in control purchase price or shares of class B common stock (or cash in lieu of fractional shares) to be delivered on conversion of debentures, in each case to the extent that the payment of such interest shall be legally enforceable. The accrual of such interest on overdue amounts shall be in lieu of, and not in addition to, the continued accrual of original issue discount.

The following will be events of default with respect to the debentures:

- default in payment of the principal amount at maturity (or, if the debentures have been converted to semiannual coupon debentures following a tax event, the restated principal amount), accrued original issue discount, cash interest when due (if such default in payment of interest shall continue for 30 days), redemption price, purchase price or change in control purchase price with respect to any debenture, when the same becomes due and payable;

- our failure to deliver shares of class B common stock (together with cash in lieu of fractional shares) when such class B common stock (or cash in lieu of fractional shares) is required to be delivered following conversion of a debenture and continuance of such default for 10 days;

- our failure to comply with any of our other agreements in the debentures or the indenture upon the receipt by us of notice of such default from the trustee or from holders of not less than 25% in aggregate principal amount at maturity of the debentures then outstanding and our failure to cure such default within 30 days after receipt by us of such notice;

- acceleration of Indebtedness (as defined in the indenture) of UHS or any Significant Subsidiary (as defined in the indenture) under the terms of the instruments evidencing such Indebtedness aggregating more than $5 million at the time outstanding;

- a default in the payment of principal and interest in respect of any Indebtedness of UHS or any Significant Subsidiary having an outstanding principal amount of $5 million individually or in the aggregate;

- judgments for the payment of more than $5 million at the time outstanding rendered against UHS or any Significant Subsidiary and not discharged within 60 days after such judgment becomes final and non-appealable; and

- certain events of bankruptcy, insolvency or reorganization with respect to UHS or any Significant Subsidiary.

The trustee shall, within 90 days after the occurrence of any default, mail to all holders of the debentures notice of all defaults of which the trustee shall be aware, unless such defaults shall have been cured or waived before giving of such notice; provided, that the trustee may withhold such notice as to any default other than a payment default, if it determines in good faith that withholding the notice is in the interests of the holders.

The holders of a majority in aggregate principal amount at maturity of the outstanding debentures may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee, provided that such direction shall not be in conflict with any law or the indenture and subject to certain other limitations. The trustee may refuse to perform any duty or exercise any right or power or extend or risk its own funds or otherwise incur any financial liability unless it receives indemnity

satisfactory to it against any loss, liability or expense. No holder of any debenture will have any right to pursue any remedy with respect to the indenture or the debentures, unless:

- such holder shall have previously given the trustee written notice of a continuing event of default;
- the holders of at least 25% in aggregate principal amount at maturity of the outstanding debentures shall have made a written request to the trustee to pursue such remedy;
- such holder or holders shall have offered to the trustee reasonable security or indemnity against any loss, liability or expense satisfactory to it;
- the trustee shall have failed to comply with the request within 60 days after receipt of such notice, request and offer of security or indemnity; and
- the holders of a majority in aggregate principal amount at maturity of the outstanding debentures shall not have given the trustee a direction inconsistent with such request within 60 days after receipt of such request.

The right of any holder (1) to receive payment of the principal amount at maturity (or, if the debentures have been converted to semiannual coupon debentures following a tax event, the restated principal amount), issue price, accrued original issue discount, redemption price, purchase price, change in control purchase price or interest in respect of the debentures held by such holder on or after the respective due dates expressed in the debentures, (2) to convert such debentures, or (3) to bring suit for the enforcement of any such payment on or after such respective dates or the right to convert, shall not be impaired or adversely affected without such holder's consent.

The holders of a majority in aggregate principal amount at maturity of debentures at the time outstanding may waive any existing default and its consequences except (1) any default in any payment on the debentures, (2) any default with respect to the conversion rights of the debentures, or (3) any default in respect of certain covenants or provisions in the indenture which may not be modified without the consent of the holder of each debenture as described in "--Modification" below.

We will be required to furnish to the trustee annually a statement as to any default by us in the performance and observance of our obligations under the indenture. In addition, we must file with the trustee written notice of the occurrence of any default or event of default within five business days of our becoming aware of such default or event of default.

Modification

Modification and amendment of the indenture or the debentures may be effected by UHS and the trustee with the written consent of the holders of not less than a majority in aggregate principal amount at maturity of the debentures then outstanding. However, without the consent of each holder affected thereby, no amendment may, among other things:

- reduce the principal amount at maturity, restated principal amount, issue price, purchase price, change in control purchase price or redemption price with respect to any debenture, or extend the stated maturity of any debenture or alter the manner or rate of accrual of original issue discount or cash interest or make any debenture payable in money or securities other than that stated in the debenture;
- make any reduction in the principal amount at maturity of debentures whose holders must consent to an amendment or any waiver under the indenture or modify the indenture provisions relating to such amendments or waivers;
- make any change that adversely affects the right to convert any debenture or the right to require us to purchase a debenture; or

- impair the right to institute suit for the enforcement of any payment with respect to, or conversion of, the debentures.

Without the consent of any holder of debentures, we and the trustee may amend the indenture to:

- cure any ambiguity, omission, defect or inconsistency, provided, however, that such amendment does not materially adversely affect the rights of any holder;

- provide for the assumption by a successor to UHS of our obligations under the indenture and debentures;

- provide for uncertificated debentures in addition to certificated debentures, as long as such uncertificated debentures are in registered form for United States federal income tax purposes;

- make any change that does not adversely affect the rights of any holder of debentures;

- make any change to comply with the Trust Indenture Act of 1939, or to comply with any requirement of the SEC in connection with the qualification of the indenture under the Trust Indenture Act of 1939; or

- add to our covenants or obligations under the indenture for the protection of holders of the debentures or surrender any right, power or option conferred by the indenture on UHS.

Discharge of the Indenture

We may satisfy and discharge our obligations under the indenture by delivering to the trustee for cancellation all outstanding debentures or by depositing with the trustee, the paying agent or the conversion agent, if applicable, after the debentures have become due and payable, whether at stated maturity or any redemption date, or any purchase date, or a change in control purchase date, or upon conversion or otherwise, cash or shares of class B common stock (as applicable under the terms of the indenture) sufficient to pay all of the outstanding debentures and paying all other sums payable under the indenture by us.

Limitations of Claims in Bankruptcy

If a bankruptcy proceeding is commenced in respect of UHS, the claim of the holder of a debenture under Title 11 of the United States Code, is limited to the issue price of the debenture plus that portion of the original issue discount, together with any cash interest (or, if the debentures have been converted to semiannual coupon debentures following a tax event, the restated principal amount, plus interest), that is deemed to have accrued from the date of issue to the commencement of the proceeding. In addition, the holders of the debentures will be effectively subordinated to the indebtedness and other obligations of our subsidiaries.

Governing Law

The indenture and the debentures will be governed by, and construed in accordance with, the laws of the State of New York.

Information Concerning the Trustee

The trustee is Bank One Trust Company, N.A. The trustee is a lender to us under our revolving credit agreement, provides cash management and depository account services to us, and is the trustee under our indenture entered into with our shelf registration for the issuance from time to time of debt securities of up to $500 million. No such debt securities have been issued to date. From time to time, we may enter into other banking relationships with the trustee.

Registration Rights

We entered into a registration rights agreement with the initial purchasers of the debentures. If you sell debentures or class B common stock issued upon conversion of the debentures under this registration statement, you generally will be required to be named as a selling securityholder in this prospectus, deliver this prospectus to purchasers and be bound by applicable provisions of the registration rights agreement, including some indemnification provisions.

In the registration rights agreement, we agreed to file a registration statement that includes this prospectus with the SEC by September 21, 2000. We agreed to use reasonable efforts to cause this registration statement to become effective as promptly as practicable, but by December 20, 2000. Under the registration rights agreement, we are obligated to use reasonable efforts to keep the registration statement effective until the earlier of: (1) two years from the date on which this registration statement is declared effective by the SEC, (2) the date on which all securities offered under this prospectus have been sold pursuant to this prospectus, and (3) the date on which all outstanding securities held by non-affiliates of UHS may be resold without registration under the Securities Act pursuant to Rule 144(k) under the Securities Act. We may suspend the use of this prospectus under limited circumstances, including pending corporate developments or public filings with the SEC, for a period not to exceed 45 days in any 3-month period and 90 days in any 12-month period. We also agreed to pay liquidated damages to holders of debentures and shares of class B common stock issued upon conversion of the debentures if the registration statement is not timely filed or made effective or if the prospectus is unavailable for periods in excess of those permitted above. You should refer to the indenture for a description of these liquidated damages.

DESCRIPTION OF CAPITAL STOCK

UHS's authorized capital stock consists of 12,000,000 shares of class A common stock, $0.01 par value per share, 75,000,000 shares of class B common stock, $0.01 par value per share, 1,200,000 shares of class C common stock, $0.01 par value per share, and 5,000,000 shares of class D common stock, $0.01 par value per share. Shares of class A, C and D common stock may be converted into class B common stock on a share-for-share basis.

UHS's class B common stock currently trades on the New York Stock Exchange under the symbol "UHS".

Class A common stock, class B common stock, class C common stock and class D common stock are substantially similar except that each class has different voting rights. Each share of class A common stock has one vote per share; each share of class B common stock has one-tenth vote per share; each share of class C common stock has one hundred votes per share; and each share of class D common stock has ten votes per share. Notwithstanding the foregoing, if a holder of class C or class D common stock holds a number of shares of class A or class B common stock, respectively, which is less than ten times the number of shares of class C or class D common stock, respectively, that such holder holds, then such holder will only be entitled to one vote per share of class C common stock and one-tenth vote per share of class D common stock.

The holders of class B and class D common stock, voting together, with each share of class B and class D common stock having one vote per share, are entitled to elect the greater of 20% of UHS's Board of Directors or one director. The holders of class B and class D common stock are also permitted to vote together as a separate class with respect to certain other matters or as required by applicable law. Holders of class A and class C common stock, voting as a single class, elect the remaining directors and vote together with the holders of class B and class D common stock on all other matters.

FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of United States federal income tax considerations relating to the purchase, ownership, disposition, and conversion of debentures. Unless otherwise stated, this summary deals only with debentures held as capital assets (generally, assets held for investment under the Internal Revenue Code of 1986, as amended (the "Code")) by a holder who purchases debentures upon original issuance and who is, for United States federal income tax purposes:

- a citizen or resident of the United States;

- a corporation created or organized in or under the laws of the United States or any of its political subdivisions;

- an estate, the net income of which is subject to United States federal income taxation regardless of its source; or

- a trust, the administration of which is subject to the primary supervision of a court within the United States and which has one or more United States persons (as defined in the Code) with authority to control all substantial decisions.

The tax treatment of a holder of debentures may vary depending on his particular situation. This summary does not address all of the tax consequences that may be relevant to holders who may be subject to special tax rules such as, for example, rules relating to persons who are not citizens or residents of the United States; banks and financial institutions; insurance companies; broker-dealers; tax-exempt organizations; and persons who hold debentures as part of a hedging, conversion or constructive sale transaction, straddle or other risk reduction transaction. In addition, this summary does not address any aspects of state, local or foreign tax laws.

Furthermore, this discussion does not address the tax consequences applicable to holders that are treated as partnerships or as other pass through entities for United States federal income tax purposes. This summary is based on the United States federal income tax law in effect as of the date hereof, which is subject to change, possibly on a retroactive basis. There can be no assurance that the Internal Revenue Service will not challenge one or more of the conclusions described herein, and we have not obtained, nor do we intend to obtain, a ruling from the Internal Revenue Service with respect to the United States federal income tax consequences of acquiring or holding debentures. An investor considering the purchase of debentures should consult his tax advisor as to the particular tax consequences of purchasing, owning, and disposing of debentures, including the application and effect of United States federal, state, local, and foreign tax laws.

Tax Opinion

We have received an opinion from our counsel, Fulbright & Jaworski L.L.P., that, subject to the qualifications and assumptions contained therein, the debentures will be treated as indebtedness for United States federal income tax purposes.

Cash Interest and Original Issue Discount

The debentures were initially issued at a substantial discount from their stated principal amount at maturity. For United States federal income tax purposes, the excess of the stated principal amount at maturity of each debenture over the issue price (the initial offering price at which the debentures were sold to the initial purchasers of the debentures) constitutes original issue discount. In addition to stated cash interest on a debenture, which will be taxable to a holder as ordinary interest income at the time it accrues or is paid depending on the holder's method of accounting for United States federal income tax purposes, holders of debentures will be required to include original issue discount in income periodically over the term of the debentures before receipt of the cash or other payment attributable to such income. For United States federal income tax purposes, each holder of a debenture must generally include in gross income a portion of the original issue discount in each taxable year during which the debenture is held in an amount equal to the original issue discount that accrues on the debenture during such period, determined by using a constant yield to maturity method. The original issue discount included in income for each year will be calculated under a compounding formula that will result in the allocation of less original issue discount to the earlier years of the term of the debenture and more original issue discount to later years. Any amount included in income as original issue discount will increase the holder's tax basis in the debenture.

Disposition or Conversion of Debentures

Except as described below, upon the sale or other disposition of a debenture, a holder will recognize gain or loss equal to the difference between the amount realized and the holder's income tax basis in the debenture, which will generally equal the holder's cost of the debenture increased by any accrued original issue discount includible in such holder's gross income and reduced by any payments other than payments of cash interest. Gain or loss upon a sale or other disposition of a debenture will generally be capital gain or loss and will be long-term capital gain or loss if the debenture is held for more than one year.

A holder that receives class B common stock in exchange for a debenture (whether upon conversion of a debenture or at our option upon tender of a debenture) will generally not recognize gain or loss (except with respect to shares, if any, received in respect of accrued cash interest, which will be treated as a payment of interest, and cash received in lieu of a fractional share). A holder's income tax basis in the class B common stock received on conversion or tender of a debenture will be the same as the holder's adjusted income tax basis in the debenture at the time of conversion or tender (exclusive of any basis allocable to a fractional share), and the holding period for the class B common stock received on conversion or tender will include the holding period of the debenture converted. It is possible, however, the Internal Revenue Service may argue that the holding period of the class B common stock allocable to accrued original issue discount will commence on the date of the conversion. The receipt of cash in lieu of a fractional share of class B common stock will generally result in capital gain or loss, measured by the difference between the cash received for the fractional share and the holder's adjusted tax basis in the fractional share.

If a holder elects to exercise his option to cause us to purchase his debentures on a purchase date and we issue class B common stock in satisfaction of all the purchase price, such exchange will be treated the same as a conversion. If a holder elects to exercise his option to cause us to purchase his debentures on a purchase date and we deliver a combination of cash and class B common stock in satisfaction of the purchase price, gain, but not loss, realized by the holder will generally be recognized, but only to the extent of all cash received. The character of any gain recognized may be capital or ordinary depending on the circumstances, including the extent to which a holder actually or constructively has any other equity interest in UHS. (The holder's gain realized will be the sum of any cash received (other than cash attributable to accrued but unpaid stated interest) and the fair market value of the class B common stock received reduced by the holder's adjusted tax basis in the debentures.) A holder's income tax basis in the class B common stock received will generally be the same as the holder's income tax basis in the debenture, reduced by the cash received and increased by any gain recognized (exclusive of any income tax basis allocable to a fractional share). In the event a holder surrenders a debenture for conversion at such a time that the debenture is required to be accompanied by a payment in an amount equal to the interest due thereon on the immediately next succeeding interest payment date, the holder, particularly if an accrual method taxpayer, should consult with its tax advisor regarding the extent to which such payment is deductible.

Adjustment of Conversion Price

If at any time we make a distribution of property to stockholders that would be taxable to such stockholders as a dividend for United States federal income tax purposes (for example, distributions of evidences of indebtedness or assets of UHS, but generally not stock dividends or rights to subscribe for class B common stock) and, in accordance with the anti-dilution provisions of the debentures, the conversion rate of the debentures is increased, the amount of such increase may be deemed to be the payment of a taxable dividend to holders of the debentures. If the conversion rate is increased at our discretion or in other circumstances as described under the heading "Description of Debentures," such increase may also be deemed to be the payment of a taxable dividend to holders of debentures. Moreover, in certain other circumstances, the absence of such an adjustment to the conversion rate may result in a taxable dividend to holders of class B common stock.

Tax Event

The modification of the terms of the debentures by us upon a tax event as described in "Description of Debentures--Optional Conversion to Semiannual Coupon Debenture upon Tax Event," could possibly alter the timing of income recognition by the holders of the debentures with respect to the semiannual payments of interest due on the debentures after the option exercise date.

Backup Withholding and Information Reporting

Information reporting will apply to payments of interest or dividends, if any, made by us on, or the proceeds of the sale or other disposition of, the debentures or shares of class B common stock with respect to certain noncorporate holders, and backup withholding at a rate of 31% may apply unless the recipient of such payment supplies a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules will be allowable as a credit against the holder's United States federal income tax, provided that the required information is provided to the Internal Revenue Service.

SELLING SECURITYHOLDERS

The following table presents information with respect to the selling securityholders and the principal amounts of debentures and shares of our class B common stock issuable upon the conversion of these debentures that they may offer under this prospectus. The term "selling securityholders" includes donees and pledgees selling securities received from a named selling securityholder after the date of this prospectus. The debentures were originally issued by us and sold by the initial purchasers, in transactions exempt from the registration requirements of the Securities Act, to qualified institutional buyers or to institutional "accredited investors." To our knowledge, none of the selling securityholders has, or within the past three years has had, any position, office or other material relationship with us or any of our predecessors or affiliates.

The principal amounts of debentures provided in the table below is based on information provided to us by each of the selling securityholders on or prior to September 18, 2000, and the percentages are based on $586,992,000 principal amount at maturity of debentures outstanding. The number of shares of class B common stock that may be sold is calculated based on the current conversion ratio of 5.6024 shares of class B common stock per $1,000 principal amount at maturity of a debenture. If each selling securityholder named below converted all of its debentures, each would own less than 1% of our outstanding class B common stock, based on 27,865,334 shares of class B common stock issued and outstanding as of June 30, 2000.

Since the date on which each provided this information, each selling securityholder identified below may have sold, transferred or otherwise disposed of all or a portion of its debentures in a transaction exempt from the registration requirements of the Securities Act. Information concerning the selling securityholders may change from time to time and any changed information will be set forth in supplements to this prospectus to the extent required. In addition, the conversion ratio, and therefore the number of shares of our class B common stock issuable upon conversion of the debentures, is subject to adjustment. Accordingly, the number of shares of class B common stock issuable upon conversion of the debentures may increase or decrease.

The selling securityholders may from time to time offer and sell any or all of the securities under this prospectus. Because the selling securityholders are not obligated to sell the debentures or the class B common stock issuable upon the conversion of the debentures, we cannot estimate the amount of the debentures or how many shares of our class B common stock that each selling securityholder will beneficially own after this offering.

Name	Principal Amount at Maturity of Debentures That May Be Sold	Percentage of Debentures Outstanding	Number of Shares of Class B Common Stock That May Be Sold
Allstate Life Insurance Company.....	$4,000,000	*	22,409
Baltimore Life Insurance Company.....	400,000	*	2,240
Bankers Life and Casualty Insurance Company Convertible.....	2,000,000	*	11,204
Bankers Life Insurance Co. CA & Co. Single Premium.....	60,000	*	336
Bankers Life Insurance Co. of N.Y.....	80,000	*	448

Name	Principal Amount at Maturity of Debentures That May Be Sold	Percentage of Debentures Outstanding	Number of Shares of Class B Common Stock That May Be Sold
Bear, Stearns & Co. Inc.	$ 3,750,000	*	21,009
Conseco Annuity Assurance Company Convertible.	2,500,000	*	14,006
Conseco Annuity Assurance - Multi Bucket Annuity Convertible Bond Fund.	12,000,000	2.04%	67,228
Conseco Direct Life Assurance Company Convertible.	2,000,000	*	11,204
Cumberland Mutual Fire Insurance Company.	470,000	*	2,633
Deephaven Domestic Convertible Trading Ltd.	18,000,000	3.07%	100,843
Elf Aquitaine.	800,000	*	4,481
Employee Benefit Convertible Securities Fund.	620,000	*	3,473
Kanawha Insurance Company.	430,000	*	2,409
Liberty View Funds L.P.	2,250,000	*	12,605
Lydian Overseas Partners Master Fund.	41,000,000	6.98%	229,698
McMahan Securities Co. L.P.	950,000	*	5,322
Michigan Mutual Insurance Company.	1,400,000	*	7,843
Morgan Stanley & Co.	10,000,000	1.7%	56,024
Nations Convertible Securities Fund.	8,800,000	1.5%	49,301
Oxford, Lord Abbett & Co.	5,200,000	*	29,132
Radian Group Inc.	4,570,000	*	25,602
RGA-Reinsurance Trust.	11,000,000	1.87%	61,626
San Diego County Employees Retirement Association.	1,500,000	*	8,403
Transamerica Life Insurance and Annuities Company.	5,000,000	*	28,012
UBS O'Connor, LLC f/b/o UBS Global Equity Arbitrage Master Limited.	12,000,000	2.04%	67,228
University of South Florida.	1,500,000	*	8,403
Westward Life Insurance Company.	300,000	*	1,680
White River Securities L.L.C.	3,750,000	*	21,009
Zurich HFR Master Hedge Fund Index Ltd.	350,000	*	1,960

* Less than 1%.

PLAN OF DISTRIBUTION

The selling securityholders will be offering and selling all securities offered and sold under this prospectus. We will not receive any of the proceeds on these sales of these securities. In connection with the initial offering of the debentures, we entered into a registration rights agreement dated June 23, 2000 with the initial purchasers of the debentures. Securities may only be offered or sold under this prospectus pursuant to the terms of the registration rights agreement. However, selling securityholders may resell all or a portion of the securities in open market transactions in reliance upon Rule 144 or Rule 144A under the Securities Act, provided they meet the criteria and conform to the requirements of one of these rules.

Who May Sell and Applicable Restrictions

The securities may be sold directly by the selling securityholders from time to time. The selling securityholders may decide not to sell any of the securities offered under this prospectus, and selling securityholders could transfer, devise or gift these securities by other means.

Alternatively, the selling securityholders may from time to time offer the securities through brokers, dealers or agents that may receive compensation in the form of discounts, concessions or commissions from the selling securityholders and/or the purchasers of the securities for whom they may act as agent. In effecting sales, broker-dealers that are engaged by the selling securityholders may arrange for other broker-dealers to participate. The selling securityholders and any brokers, dealers or agents who participate in the distribution of the securities may be deemed to be underwriters and any profits on the sale of the securities by them and any discounts, commissions or concessions received by any broker, dealer or agent might be deemed to be underwriting discounts and commissions under the Securities Act. To the extent the selling securityholders may be deemed to be underwriters, the selling securityholders may be subject to statutory liabilities, including, but not limited to, liability under Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act.

Prospectus Delivery

Because selling securityholders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act. At any time a particular offer of the securities is made, a revised prospectus or prospectus supplement, if required, will be distributed which will disclose:

- the name of the selling securityholders and of any participating underwriters, broker-dealers or agents;
- the aggregate amount and type of securities being offered;
- the price at which the securities were sold and other material terms of the offering;
- any discounts, commissions, concessions or other items constituting compensation from the selling securityholders and any discounts, commissions or concessions allowed or reallowed or paid to dealers; and
- that the participating broker-dealers did not conduct any investigation to verify the information in this prospectus or incorporated in this prospectus by reference.

The prospectus supplement or a post-effective amendment will be filed with the SEC to reflect the disclosure of additional information with respect to the distribution of the securities.

Manner of Sales

The selling securityholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. Sales may be made over the New York Stock Exchange (in the case of the class B common stock) or in the over-the-counter market. The securities may be sold at then prevailing market prices, at fixed prices or at negotiated prices.

The securities may be sold according to one or more of the following methods:

- a block trade in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker or dealer as principal and resale by the broker or dealer for its account as allowed under this prospectus;
- ordinary brokerage transactions and transactions in which the broker solicits purchasers;
- an exchange distribution under the rules of the exchange;
- face-to-face transactions between sellers and purchasers without a broker-dealer; and
- by writing options.

Some persons participating in the offering may engage in transactions that stabilize, maintain or otherwise affect the price of the securities including the entry of stabilizing bids or syndicate covering transactions or the imposition of penalty bids.

The selling securityholders and any other person participating in a distribution will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder including Regulation M. This regulation may limit the timing of purchases and sales of any of the securities by the selling securityholders and any other person. The anti-manipulation rules under the Exchange Act may apply to sales of securities in the market and to the activities of the selling securityholders and their affiliates. Furthermore, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the securities to engage in market-making activities with respect to the particular securities being distributed for a period of up to five business days before the distribution. All of the foregoing may affect the marketability of the securities and the ability of any person or entity to engage in market-making activities with respect to the securities.

Hedging and Other Transactions With Broker-Dealers

In connection with distributions of the securities, the selling securityholders may enter into hedging transactions with broker-dealers. In connection with these transactions, broker-dealers may engage in short sales of the registered securities in the course of hedging the positions they assume with selling securityholders. The selling securityholders may also sell securities short and redeliver the securities to close short positions. The selling securityholders may also enter into options or other transactions with broker-dealers which require the delivery to the broker-dealer of the registered securities. The broker-dealer may then resell or transfer these securities under this prospectus. A selling securityholder may also loan or pledge the registered securities to a broker-dealer and the broker-dealer may sell the securities so loaned or, upon a default, the broker-dealer may effect sales of the pledged securities under this prospectus.

Expenses Associated With Registration

We have agreed to pay substantially all of the expenses of registering the securities under the Securities Act and of compliance with blue sky laws, including registration and filing fees, printing and duplicating expenses, legal fees of our counsel, fees for one legal counsel retained by the selling securityholders and fees of the trustee under the indenture pursuant to which we originally issued the securities and of the registrar and transfer agent of the class B common stock. If the debentures or the class B

common stock into which the debentures may be converted are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts, underwriting commissions and agent commissions.

Indemnification and Contribution

In the registration rights agreement, we and the selling securityholders have agreed to indemnify or provide contribution to each other and specified other persons against some liabilities in connection with the offering of the securities, including liabilities arising under the Securities Act. The selling securityholders may also agree to indemnify any broker-dealer or agent that participates in transactions involving sales of the securities against some liabilities, including liabilities that arise under the Securities Act.

Suspension of This Offering

We may suspend the use of this prospectus if we learn of any event that causes this prospectus to include an untrue statement of a material fact required to be stated in the prospectus or necessary to make the statements in the prospectus not misleading in the light of the circumstances then existing. If this type of event occurs, a prospectus supplement or post-effective amendment, if required, will be distributed to each selling securityholder. Each selling securityholder has agreed not to trade securities from the time the selling securityholder receives notice from us of this type of event until the selling securityholder receives a prospectus supplement or amendment. This time period will not exceed 45 days in any 3-month period and 90 days in any 12-month period.

Termination of This Offering

Under the registration rights agreement, we are obligated to use reasonable efforts to keep the registration statement effective until, and therefore this offering will terminate on, the earlier of: (1) two years from the date on which this registration statement is declared effective by the SEC, (2) the date on which all securities offered under this prospectus have been sold pursuant to this prospectus, and (3) the date on which all outstanding securities held by non-affiliates of UHS may be resold without registration under the Securities Act pursuant to Rule 144(k) under the Securities Act.

LEGAL MATTERS

Certain legal matters with respect to the validity of the issuance of the securities offered by this prospectus will be passed upon for UHS by Fulbright & Jaworski L.L.P., New York, New York. Anthony Pantaleoni, a director of ours who owns less than one percent of our outstanding capital stock, is a partner in Fulbright & Jaworski L.L.P.

EXPERTS

The consolidated financial statements and schedule of Universal Health Services, Inc. and subsidiaries as of December 31, 1998 and 1999 and for each of the three years in the period ended December 31, 1999 incorporated by reference in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in giving said report.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

All expenses incurred in connection with the issuance and distribution of the securities being registered will be paid by us. The following is an itemized statement of these expenses. All amounts are estimates except the SEC registration fee:

SEC registration fee.....	$ 73,028
Blue sky fees and expenses.....	15,000
Accountants' fees and expenses...	25,000
Legal fees and expenses.....	100,000
Printing and engraving expenses..	25,000
Trustee's fees and expenses.....	8,000
Rating agency fees.....	137,250
Miscellaneous expenses.....	20,000
Total.....	$403,278

Item 15. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section 7 of the registrant's bylaws provides for indemnification by the registrant of its directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law.

The registrant maintains standard policies of insurance under which coverage is provided (a) to its directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act, and (b) to the registrant with respect to payments which may be made by the registrant to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

Item 16. Exhibits.

See Index to Exhibits.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment of this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate,

represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if registration statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned registrant hereby undertakes that, insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in King of Prussia, Commonwealth of Pennsylvania, on September 14, 2000.

UNIVERSAL HEALTH SERVICES, INC.

By: /s/ ALAN B. MILLER

Alan B. Miller
Chairman of the Board, President &
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Alan B. Miller and Kirk E. Gorman, jointly and severally, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ALAN B. MILLER Alan B. Miller	Chairman of the Board, President, Chief Executive Officer and Director (Principal Executive Officer)	September 14, 2000
/s/ LEATRICE DUCAT Leatrice Ducat	Director	September 15, 2000
/s/ JOHN H. HERRELL John H. Herrell	Director	September 14, 2000
/s/ ROBERT H. HOTZ Robert H. Hotz	Director	September 14, 2000
/s/ SIDNEY MILLER Sidney Miller	Director	September 15, 2000
/s/ ANTHONY PANTALEONI Anthony Pantaleoni	Director	September 15, 2000
/s/ JOSEPH T. SEBASTIANELLI Joseph T. Sebastianelli	Director	September 14, 2000
/s/ JOHN F. WILLIAMS, JR. John F. Williams, Jr.	Director	September 14, 2000
/s/ KIRK E. GORMAN Kirk E. Gorman	Senior Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer)	September 15, 2000
/s/ STEVE G. FILTON Steve G. Filton	Vice President, Controller and Secretary (Principal Accounting Officer)	September 14, 2000

INDEX TO EXHIBITS

1.1 Purchase Agreement, dated as of June 19, 2000, between Universal Health Services, Inc. and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc., UBS Warburg LLC and Banc of America Securities LLC.

4.1 Indenture, dated as of June 23, 2000, between Universal Health Services, Inc. and Bank One Trust Company, N.A. (includes form of Convertible Debenture due 2020)./1/

4.2 Registration Rights Agreement, dated as of June 23, 2000, between Universal Health Services, Inc. and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc., UBS Warburg LLC and Banc of America Securities LLC.

5.1 Opinion of Fulbright & Jaworski L.L.P.

8.1 Opinion of Fulbright & Jaworski L.L.P., as to certain tax matters.

12.1 Computation of Ratio of Earnings to Fixed Charges.

23.1 Consent of Arthur Andersen LLP.

23.2 Consent of Fulbright & Jaworski L.L.P. (included in Exhibit 5.1).

24.1 Power of Attorney (included on signature page).

25.1 Statement of Eligibility of Trustee on Form T-1.

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/1/ Incorporated by reference to Exhibit 10.1 filed with the registrant's quarterly report on Form 10-Q for the quarter ended June 30, 2000.

EXHIBIT 1.1

EXECUTION COPY

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UNIVERSAL HEALTH SERVICES, INC.

(a Delaware corporation)

$525,000,000
Convertible Debentures due 2020

PURCHASE AGREEMENT

Dated: June 19, 2000

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TABLE OF CONTENTS

UNIVERSAL HEALTH SERVICES, INC.
(a Delaware corporation)

$525,000,000
Convertible Debentures due 2020

PURCHASE AGREEMENT

June 19, 2000

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
J.P. Morgan Securities Inc.
UBS Warburg LLC
Banc of America Securities LLC
as Representatives of the several Initial Purchasers
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281-1209

Ladies and Gentlemen:

Universal Health Services, Inc., a Delaware corporation (the "Company"), confirms its agreement with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and each of the other Initial Purchasers named in Schedule A hereto (collectively, the "Initial Purchasers", which term shall also include any initial purchaser substituted as hereinafter provided in Section 11 hereof), for whom Merrill Lynch, J.P. Morgan Securities Inc., UBS Warburg LLC and Banc of America Securities LLC are acting as representatives (in such capacity, the "Representatives"), with respect to the issue and sale by the Company and the purchase by the Initial Purchasers, acting severally and not jointly, of the respective principal amounts at maturity set forth in said Schedule A of $525,000,000 aggregate principal amount at maturity of the Company's Convertible Debentures due 2020 (the "Initial Securities") and the grant by the Company to the Initial Purchasers of the option described in Section 2(b) to purchase all or any part of an additional $61,992,000 aggregate principal amount at maturity of the Company's Convertible Debentures due 2020 to cover over-allotments, if any (the "Option Securities"). The Initial Securities, together with the Option Securities, are collectively referred to herein as the "Securities". The Securities are to be issued pursuant to an

indenture dated as of June 23, 2000 (the "Indenture") between the Company and Bank One Trust Company, N.A., as trustee (the "Trustee"). The Securities issued in book-entry form will be issued to Cede & Co. as nominee of The Depository Trust Company ("DTC") pursuant to a letter agreement, to be dated as of the Closing Time (as defined in Section 2(b)) (the "DTC Agreement"), among the Company, the Trustee and DTC.

The Securities will be convertible into shares of class B common stock, par value $0.01 per share, of the Company (the "Class B Common Stock") in accordance with the terms of the Securities and the Indenture, at the initial conversion rate specified in Schedule B hereto. Upon the sixth, tenth and fifteenth anniversaries of the initial issuance date of the Securities, each holder of Securities may require the Company to purchase such Securities for a price to be paid, at the Company's option, in cash or (subject to certain limitations) shares of Class B Common Stock, or any combination thereof, at a purchase price equal to the issue price of the Securities plus the accrued original issue discount and the accrued cash interest thereon to the date of such purchase. If prior to such date of purchase the Securities have been converted to semiannual coupon debentures following the occurrence of a Tax Event (as defined in the Indenture), such purchase price will be equal to the Restated Principal Amount (as defined in the Indenture) plus accrued and unpaid interest from the date of such conversion to, but excluding, such date of purchase. Upon each Change in Control (as defined in the Indenture) occurring prior to the sixth anniversary of the initial issuance date of the Securities, each holder of Securities may require the Company to purchase for cash such holder's Securities (subject to certain restrictions described below) at a purchase price equal to the issue price of the Securities plus the accrued original issue discount and accrued cash interest thereon to the date of such purchase. If prior to such date of purchase the Securities have been converted to semiannual coupon debentures following the occurrence of a Tax Event, the Company will be required to purchase such Securities at a cash price equal to the Restated Principal Amount plus accrued and unpaid interest from the date of such conversion to, but excluding, such date of purchase.

The holders of Securities will be entitled to the benefits of a Registration Rights Agreement, substantially in the form attached hereto as Exhibit A with such changes as shall be agreed to by the parties hereto (the "Registration Rights Agreement"), pursuant to which the Company will file a registration statement with the Securities and Exchange Commission (the "Commission") registering resales of the Securities and the shares of Class B Common Stock issuable upon conversion thereof, as referred to in the Registration Rights Agreement under the Securities Act of 1933, as amended (the "1933 Act").

The Company understands that the Initial Purchasers propose to make an offering of the Securities on the terms and in the manner set forth herein and agrees that the Initial Purchasers may resell, subject to the conditions set forth herein, all or a portion of the Securities to purchasers ("Subsequent Purchasers") at any time after the date of this Agreement. The Securities are to be offered and sold through the Initial Purchasers without being registered under the 1933 Act, in reliance upon exemptions therefrom. Pursuant to the terms of the Securities and the Indenture, investors that acquire Securities may only resell or otherwise transfer such Securities if such Securities are hereafter registered under the 1933 Act or if an exemption from the registration requirements of the 1933 Act is available (including the exemption afforded by Rule 144A ("Rule 144A") of the rules and regulations promulgated under the 1933 Act (the "1933 Act Regulations") by the Commission).

The Company has prepared and delivered to each Initial Purchaser copies of a preliminary offering memorandum dated June 13, 2000 (the "Preliminary Offering Memorandum") and has prepared and will deliver to each Initial Purchaser on the date hereof or the next succeeding day, copies of a final offering memorandum dated June 19, 2000 (the "Final Offering Memorandum") each for use by such Initial Purchaser in connection with its solicitation of purchases of, or offering of, the Securities. "Offering Memorandum" means, with respect to any date or time referred to in this Agreement, the most recent offering memorandum (whether the Preliminary Offering Memorandum or the Final Offering Memorandum, or any amendment or supplement to either such document), including exhibits thereto and any documents incorporated therein by reference, which has been prepared and delivered by the Company to the Initial Purchasers in connection with their solicitation of purchases of, or offering of, the Securities.

All references in this Agreement to financial statements and schedules and other information which is "contained", "included" or "stated" in the Offering Memorandum (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which are incorporated by reference in the Offering Memorandum; and all references in this Agreement to amendments or supplements to the Offering Memorandum shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934 (the "1934 Act") which is incorporated by reference in the Offering Memorandum.

SECTION 1. Representations and Warranties by the Company.

(a) Representations and Warranties. The Company represents and warrants to the Initial Purchasers as of the date hereof and as of the Closing Time referred to in Section 2(c) hereof, and as of the Date of Delivery (if any) referred to in Section 2(b) hereof, and agrees with the Initial Purchasers, as follows:

(i) Similar Offerings. Neither the Company nor any of its affiliates, as such term is defined in Rule 501(b) under the 1933 Act (each, an "Affiliate"), has, directly or indirectly, solicited any offer to buy, sold or offered to sell or otherwise negotiated in respect of, or will solicit any offer to buy or offer to sell or otherwise negotiate in respect of any security which is or would be integrated with the sale of the Securities in a manner that would require the Securities to be registered under the 1933 Act.

(ii) Offering Memorandum. The Final Offering Memorandum does not, and at the Closing Time (as defined herein) (and, if any Option Securities are purchased, at the Date of Delivery (as defined herein)) will not, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that this representation, warranty and agreement shall not apply to statements in or omissions from the Offering Memorandum made in reliance upon and in conformity with information furnished to the Company in writing by any Initial Purchaser through Merrill Lynch expressly for use in the Offering Memorandum.

(iii) Incorporated Documents. The Offering Memorandum as delivered from time to time shall incorporate by reference the most recent Annual Report of the Company on Form 10-K filed with the Commission and each Quarterly Report of the Company on Form 10-Q and each Current Report of the Company on Form 8-K filed with the Commission since the end of the fiscal year to which such Annual Report relates. The documents incorporated or deemed to be incorporated by reference in the Offering Memorandum at the time they were or hereafter are filed with the Commission complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the "1934 Act Regulations"), and, when read together with the other information in the Offering Memorandum, at the time the Offering Memorandum was issued and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery), do not and will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(iv) Independent Accountants. The accountants who certified the financial statements and supporting schedules included in the Offering Memorandum are independent public accountants with respect to the Company and its subsidiaries within the meaning of Regulation S-X under the 1933 Act.

(v) Financial Statements. The financial statements, together with the related schedules and notes, included in the Offering Memorandum present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statements of operations, stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, included in the Offering Memorandum present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Offering Memorandum present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Offering Memorandum.

(vi) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Offering Memorandum, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(vii) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of

Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum and to enter into and perform its obligations under this Agreement, the Indenture and the Registration Rights Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(viii) Capitalization. The authorized, issued and outstanding capital stock and the debt of the Company is as set forth in the Offering Memorandum in the column entitled "Actual" under the caption "Capitalization" (except for subsequent repurchases pursuant to the Company's stock repurchase program or subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements, employee benefit plans referred to in the Offering Memorandum or pursuant to the exercise of convertible securities or options referred to in the Offering Memorandum). The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; none of the outstanding shares of capital stock of the Company was issued in violation of the preemptive or other similar rights of any securityholder of the Company.

Upon issuance and delivery of the Securities in accordance with this Agreement and the Indenture, the Securities will be convertible at the option of the holder thereof into shares of Class B Common Stock, subject to the Company's right to elect instead to pay such holder in cash the market value of such shares of Class B Common Stock, in accordance with the terms of the Securities and the Indenture; the shares of Class B Common Stock issuable upon such conversion of the Securities have been duly authorized and reserved for issuance upon such conversion by all necessary corporate action and such shares, when issued upon such conversion, will be validly issued and will be fully paid and non-assessable; the shares of Class B Common Stock issuable at the Company's option upon purchase of the Securities at the option of the holder thereof will have been, prior to the issuance thereof, duly authorized by all necessary corporate action, and such shares, if and when issued in accordance with the terms of the Securities and the Indenture, will be validly issued, fully paid and non-assessable; no holder of Class B Common Stock will be subject to personal liability by reason of being such a holder and the issuance of such shares upon such conversion or purchases will not be subject to the preemptive or other similar rights of any securityholder of the Company.

(ix) Corporate Subsidiaries. All of the consolidated corporations, partnerships (including, without limitation, general, limited and limited liability partnerships) and limited liability companies in which the Company has a direct or indirect ownership interest are listed in Schedule C to this Agreement (collectively, the "Subsidiaries"). Each Subsidiary that is a corporation (a "Corporate Subsidiary") has been duly organized and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum. Each Corporate Subsidiary is duly qualified and in good standing as a foreign corporation

authorized to do business in each other jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect. All of the outstanding shares of capital stock of each Corporate Subsidiary have been duly authorized and validly issued, are fully paid and non-assessable, were not issued in violation of or subject to any preemptive or similar rights, and, except as disclosed in the Offering Memorandum, are owned by the Company directly, or indirectly through one of the other Subsidiaries, free and clear of any perfected security interests, and, to the Company's knowledge, any liens, encumbrances and equities and adverse claims; and no options, warrants or other rights to purchase, agreements or other obligations to issue or other rights to convert any obligations into shares of capital stock or ownership interests in any Corporate Subsidiary are outstanding.

(x) Partnerships. Each Subsidiary that is a partnership (a "Partnership") has been duly organized, is validly existing as a partnership in good standing under the laws of its jurisdiction of organization and has the partnership power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum. Each Partnership is duly qualified and in good standing as a foreign partnership authorized to do business in each other jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect. Except as disclosed in the Offering Memorandum, the general and limited partnership interests therein held directly or indirectly by the Company are owned free and clear of any perfected security interests, and, to the Company's knowledge, any liens, encumbrances and equities and adverse claims; and no options, warrants or other rights to purchase, agreements or other obligations to issue or other rights to convert any obligations into ownership interests in any Partnership are outstanding. Each partnership agreement pursuant to which the Company or a Subsidiary holds an interest in a Partnership is in full force and effect and constitutes the legal, valid and binding agreement of the parties thereto, enforceable against such parties in accordance with the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally. There has been no material breach of or default under, and no event which with notice or lapse of time would constitute a material breach of or default under, such partnership agreements by the Company or any Subsidiary or, to the Company's knowledge, any other party to such agreements.

(xi) Limited Liability Companies. Each Subsidiary that is a limited liability company (an "LLC") has been duly organized, is validly existing as a limited liability company in good standing under the laws of its jurisdiction of organization and has the power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum. Each LLC is duly qualified and in good standing as a foreign limited liability company authorized to do business in each other jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect. All outstanding membership interests in the LLCs were issued and sold in compliance with the applicable operating agreements of such LLCs and all

applicable federal and state securities laws, and, except as disclosed in the Offering Memorandum, the membership interests therein held directly or indirectly by the Company are owned free and clear of any perfected security interests, and, to the Company's knowledge, any liens, encumbrances and equities and adverse claims; and no options, warrants or other rights to purchase, agreements or other obligations to issue or other rights to convert any obligations into ownership interests in any LLC are outstanding. Each operating agreement pursuant to which the Company or a Subsidiary holds a membership interest in an LLC is in full force and effect and constitutes the legal, valid and binding agreement of the parties thereto, enforceable against such parties in accordance with the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally. There has been no material breach of or default under, and no event which with notice or lapse of time would constitute a material breach of or default under, such operating agreements by the Company or any Subsidiary or, to the Company's knowledge, any other party to such agreements.

(xii) Actions of Subsidiaries. Except to the extent disclosed in the Offering Memorandum, each of the hospitals described in the Offering Memorandum as owned or leased by the Company is owned or leased and operated by a Subsidiary in which the Company directly or indirectly owns at least 50% of the outstanding ownership interests. Except as disclosed in the Offering Memorandum, there are no consensual encumbrances or restrictions on the ability of any Subsidiary (i) to pay any dividends or make any distributions on such Corporate Subsidiary's capital stock, such Partnership's partnership interests or such LLC's membership interests or to pay any indebtedness owed to the Company or any other Subsidiary, (ii) to make any loans or advances to, or investments in, the Company or any other Subsidiary, or (iii) to transfer any of its property or assets to the Company or any other Subsidiary.

(xiii) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(xiv) Authorization of the Indenture. The Indenture has been duly authorized by the Company and, when executed and delivered by the Company and the Trustee, will constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(xv) Authorization of the Registration Rights Agreement. The Registration Rights Agreement has been duly authorized by the Company and, when executed and delivered by the Company and the Initial Purchasers, will constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization,

moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(xvi) Authorization of the Securities. The Securities have been duly authorized and, at the Closing Time, will have been duly executed by the Company and, when authenticated, issued and delivered in the manner provided for in the Indenture and delivered against payment of the purchas price therefor as provided in this Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and will be in the form contemplated by, and entitled to the benefits of, the Indenture and the Registration Rights Agreement.

(xvii) Description of the Securities, the Indenture and the Registration Rights Agreement. The Securities, the Indenture and the Registration Rights Agreement will conform in all material respects to the respective statements relating thereto contained in the Offering Memorandum and will be in substantially the respective forms last delivered to the Initial Purchasers prior to the date of this Agreement.

(xviii) Absence of Defaults and Conflicts. Neither the Company nor any of its subsidiaries is in violation of its charter, by-laws or other organizational documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it may be bound or to which any of the property or assets of the Company or any of its subsidiaries may be subject (collectively, "Agreements and Instruments"), except for such defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the Indenture, the Registration Rights Agreement and the Securities and any other agreement or instrument entered into or issued or to be entered into or issued by the Company in connection with the transactions contemplated hereby or thereby or in the Offering Memorandum and the consummation of the transactions contemplated herein the Offering Memorandum (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described in the Offering Memorandum under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or a Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, the Agreements and Instruments except for such conflicts, breaches or defaults or liens, charges or encumbrances that, individually or in the aggregate, would not result in a Material Adverse Effect, nor will such action result in any violation of the

provisions of the charter or by-laws of the Company or any of its subsidiaries or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(xix) Absence of Labor Dispute. No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent, which may reasonably be expected to result in a Material Adverse Effect.

(xx) Absence of Proceedings. Except as disclosed in the Offering Memorandum, there is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets of the Company or any of its subsidiaries or the consummation of the transactions contemplated by this Agreement or the performance by the Company of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Company or any of its subsidiaries is a party or of which any of their respective property or assets is the subject which are not described in the Offering Memorandum, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xxi) Possession of Intellectual Property. The Company and its subsidiaries own or possess, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) trademarks, service marks, trade names or other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, individually or in the aggregate, would result in a Material Adverse Effect.

(xxii) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this

Agreement or for the due execution, delivery or performance of this Agreement and the Indenture by the Company, except such as have been already obtained.

(xxiii) Possession of Licenses and Permits. The Company and its subsidiaries have operated and currently operate their business in conformity with all applicable laws, rules and regulations of each jurisdiction in which they are conducting business, except where the failure to so be in compliance would not, individually or in the aggregate, have a Material Adverse Effect. The Company and each of its subsidiaries hold all certificates, consents, exemptions, orders, licenses, authorizations, accreditations, permits or other approvals or rights from all governmental authorities, all self-regulatory organizations, all governmental and private accrediting bodies and all courts and other tribunals (collectively, "Permits") which are necessary to own their properties and to conduct their businesses, including, without limitation, such Permits as are required (i) under such federal and state healthcare laws as are applicable to the Company and such subsidiary and (ii) with respect to those facilities operated by the Company or any of its subsidiaries that participates in Medicare and/or Medicaid, to receive reimbursement thereunder, except for such failures to have Permits which would not, individually or in the aggregate, result in a Material Adverse Effect. The Company and each of its subsidiaries have fulfilled and performed all of their material obligations with respect to such Permits, and no event or change in condition has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such Permit, except as to such qualifications as may be set forth in the Offering Memorandum and except for such failures which would not, individually or in the aggregate, result in a Material Adverse Effect. During the period for which financial statements are included in the Offering Memorandum, denials by third party payors of claims for reimbursement for services rendered by the Company have not had a Material Adverse Effect.

(xxiv) Accounts Receivable. The accounts receivable of the Company and its subsidiaries have been and will continue to be adjusted to reflect reimbursement policies of third party payors such as Medicare, Medicaid, private insurance companies, health maintenance organizations, preferred provider organizations, managed care systems and other third party payors. The accounts receivable relating to such third party payors do not and shall not exceed amounts the Company and its subsidiaries are entitled to receive, subject to adjustments to reflect reimbursement policies of third party payors and normal discounts in the ordinary course of business.

(xxv) Actions with Respect to Medicare and Medicaid. None of the Company, its subsidiaries nor any of their respective officers, directors or stockholders, or, to the knowledge of the Company, any employee or other agent of the Company or any of its subsidiaries, has engaged on behalf of the Company or such subsidiary in any of the following: (A) knowingly and willfully making or causing to be made a false statement or representation of a material fact in any applications for any benefit or payment under the Medicare or Medicaid program or from any third party (where applicable federal or state law prohibits such payments to third parties); (B) knowingly and willfully making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment under the Medicare or Medicaid program or

from any third party (where applicable federal or state law prohibits such payments to third parties); (C) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment under the Medicare or Medicaid program or from any third party (where applicable federal or state law prohibits such payments to third parties) on its own behalf or on behalf of another, with intent to secure such benefit or payment fraudulently; (D) knowingly and willfully offering, paying, soliciting or receiving any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid or any third party (where applicable federal or state law prohibits such payments to third parties), or (2) in return for purchasing, leasing or ordering or arranging for or recommending the purchasing, leasing or ordering of any good, facility, service, or item for which payment may be made in whole or in part by Medicare or Medicaid or any third party (where applicable federal or state law prohibits such payments to third parties); provided, however, that it is agreed and understood that (x) from time to time the Company settles claims made by governmental authorities which allege conduct which may be deemed to violate clause (A) or (B) above and (y) such settlements have not been, individually or in the aggregate, had a Material Adverse Effect.

(xxvi) Regulatory Filings. Neither the Company nor any of its subsidiaries has failed to file with applicable regulatory authorities any statement, report, information or form required by any applicable law, regulation or order, except where the failure to be so in compliance would not, individually or in the aggregate, have a Material Adverse Effect, all such filings or submissions were in material compliance with applicable laws when filed and no material deficiencies have been asserted by any regulatory commission, agency or authority with respect to any such filings or submissions.

(xxvii) Title to Property. The Company and each of its subsidiaries have good and marketable title to all real property owned by the Company and such subsidiary and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (a) are described in the Offering Memorandum or (b) do not, individually or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or such subsidiary; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the Offering Memorandum, are in full force and effect, and neither the Company nor any of its subsidiaries has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any of its subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of such the Company or any of its subsidiaries to the continued possession of the leased or subleased premises under any such lease or sublease.

(xxviii) Tax Returns. All United States federal income tax returns of the Company and its subsidiaries required by law to be filed have been filed and all taxes shown by

such returns or otherwise assessed, which are due and payable, have been paid, except assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided. The United States federal income tax returns of the Company through the fiscal year ended December 31, 1997 have been settled and all assessments in connection therewith made against the Company have been paid. The Company and its subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable foreign, state, local or other law except insofar as the failure to file such returns would not result in a Material Adverse Effect, and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company and its subsidiaries, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. The charges, accruals and reserves on the books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not result in a Material Adverse Effect.

(xxix) Internal Controls. The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, (C) access to assets is permitted only in accordance with management's general or specific authorization and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxx) Insurance. The Company and its subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect.

(xxxi) Environmental Laws. Except as described in the Offering Memorandum and except such matters as would not, individually or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory

or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (D) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or Environmental Laws.

(xxxii) Rule 144A Eligibility. The Securities are eligible for resale pursuant to Rule 144A and will not be, at the Closing Time, of the same class as securities listed on a national securities exchange registered under Section 6 of the 1934 Act, or quoted in a U.S. automated interdealer quotation system.

(xxxiii) No General Solicitation. None of the Company, its Affiliates or any person acting on its or any of their behalf (other than the Initial Purchasers, as to whom the Company makes no representation) has engaged or will engage, in connection with the offering of the Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act.

(xxxiv) No Registration Required. Subject to compliance by the Initial Purchasers with the representations and warranties set forth in Section 2 and the procedures set forth in Section 6 hereof, it is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers and to each Subsequent Purchaser in the manner contemplated by this Agreement and the Offering Memorandum to register the Securities under the 1933 Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "1939 Act").

(xxxv) Reporting Company. The Company is subject to the reporting requirements of Section 13 or Section 15(d) of the 1934 Act.

(xxxvi) Investment Company Act. The Company is not, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Offering Memorandum will not be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(xxxvii) Similar Registration Rights. There are no persons with registration rights or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the 1933 Act.

(xxxviii) Acquisitions. Neither the execution, delivery or performance of any purchase agreement in connection with the acquisitions of (1) St. Mary's Mercy Hospital, (2) 12 behavioral health facilities and associated real estate assets from Charter Behavioral Health Systems, LLC and Crescent Real Estate Funding VII LP, as described in the Offering Memorandum (collectively, the "Acquisitions"), by the Company nor the consummation by the Company of the transactions contemplated thereby (x) conflicted, conflicts or will conflict with or constituted, constitutes or will constitute a breach of, or a default under the certificate or articles of incorporation or bylaws or other organizational documents of the Company or any of its subsidiaries or (y) conflicted, conflicts or will conflict with or constituted, constitutes or will constitute a breach of, or a

default under, any agreement, indenture, lease or other instrument to which the Company or any of its subsidiaries is a party or by which any of them or any of their respective properties may be bound, or, subject to the Company's receipt of all required regulatory approvals, violates or will violate any statute, law, regulation or filing or judgment, injunction, order or decree applicable to the Company or any of its subsidiaries or any of their respective properties, or will result in the creation or imposition of any lien, charge or incumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to the terms of an agreement or instrument to which any of them is a party or by which any of them may be bound or to which any of the property or assets of any of them is subject. The Company reasonably believes that all closing conditions for the Acquisitions will be satisfied prior to their respective closings and anticipates that the Acquisitions will be consummated in accordance with the terms of the respective purchase agreements.

(b) Officer's Certificates. Any certificate signed by any officer of the Company or any of the Subsidiaries delivered to the Representatives or to counsel for the Initial Purchasers shall be deemed a representation and warranty by the Company to each Initial Purchaser as to the matters covered thereby.

SECTION 2. Sale and Delivery to Initial Purchasers; Closing.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Initial Purchaser, severally and not jointly, and each Initial Purchaser, severally and not jointly, agrees to purchase from the Company, at the price set forth in Schedule B, the aggregate principal amount at maturity of Initial Securities set forth in Schedule A opposite the name of such Initial Purchaser, plus any additional principal amount at maturity of Initial Securities which such Initial Purchaser may become obligated to purchase pursuant to the provisions of Section 11 hereof.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Initial Purchasers, severally and not jointly, to purchase any or all of the Option Securities (in multiples of $1,000 principal amount at maturity) at the price set forth in Schedule B hereto plus accrued Original Issue Discount, if any, from the Closing Time to the Date of Delivery. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments that may be made in connection with the offering and distribution of the Initial Securities upon notice by the Representatives to the Company setting forth the number of Option Securities as to which the several Initial Purchasers are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Representatives, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined. If the option is exercised as to all or any portion of the Option Securities, each of the Initial Purchasers, acting severally and not jointly, will purchase

that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Initial Purchaser bears to the total number of Initial Securities, subject in each case to such adjustments as the Representatives in their discretion shall make to eliminate any sales or purchases of fractional shares.

(c) Payment. Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the office of Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, or at such other place as shall be agreed upon by the Representatives and the Company, at 10:00 A.M. (New York City time) on June 23, 2000, or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called the "Closing Time").

In addition, in the event that any or all of the Option Securities are purchased by the Initial Purchasers, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representatives and the Company, on each Date of Delivery as specified in the notice from the Representatives to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the Representatives for the respective accounts of the Initial Purchasers of certificates for the Securities to be purchased by them. It is understood that each Initial Purchaser has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Securities which it has agreed to purchase. Merrill Lynch, individually and not as representative of the Initial Purchasers, may (but shall not be obligated to) make payment of the purchase price for the Securities to be purchased by any Initial Purchaser whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Initial Purchaser from its obligations hereunder.

(d) Qualified Institutional Buyer. Each Initial Purchaser represents and warrants to, and agrees with, the Company that it is a "qualified institutional buyer" within the meaning of Rule 144A under the 1933 Act (a "Qualified Institutional Buyer") and an "accredited investor" within the meaning of Rule 501(a) under the 1933 Act (an "Accredited Investor").

(e) Denominations; Registration. Certificates for the Securities shall be in such denominations ($1,000 or integral multiples thereof) and registered in such names as the Representatives may request in writing at least one full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates representing the Securities shall be registered in the name of Cede & Co. pursuant to the DTC Agreement and shall be made available for examination and packaging by the Initial Purchasers in The City of New York not later than 10:00 A.M. on the last business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

SECTION 3. Covenants of the Company. The Company covenants with the Initial Purchasers as follows:

(a) Offering Memorandum. The Company, as promptly as possible, will furnish to each Initial Purchaser, without charge, such number of copies of the Preliminary Offering Memorandum, the Final Offering Memorandum and any amendments and supplements thereto and documents incorporated by reference therein as such Initial Purchaser may reasonably request.

(b) Notice and Effect of Material Events. The Company will immediately notify each Initial Purchaser, and confirm such notice in writing, of (x) any filing made by the Company of information relating to the offering of the Securities with any securities exchange or any other regulatory body in the United States or any other jurisdiction, and (y) prior to the completion of the placement of the Securities by the Initial Purchasers as evidenced by a notice in writing from the Initial Purchasers to the Company, any material changes in or affecting the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company and its subsidiaries, considered as one enterprise, which (i) make any statement in the Offering Memorandum false or misleading or (ii) are not disclosed in the Offering Memorandum. In such event or if during such time any event shall occur as a result of which it is necessary, in the reasonable opinion of any of the Company, its counsel, the Initial Purchasers or counsel for the Initial Purchasers, to amend or supplement the Final Offering Memorandum in order that the Final Offering Memorandum not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances then existing, the Company will forthwith amend or supplement the Final Offering Memorandum by preparing and furnishing to each Initial Purchaser an amendment or amendments of, or a supplement or supplements to, the Final Offering Memorandum (in form and substance satisfactory in the reasonable opinion of counsel for the Initial Purchasers) so that, as so amended or supplemented, the Final Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a Subsequent Purchaser, not misleading.

(c) Amendment to Offering Memorandum and Supplements. The Company will advise each Initial Purchaser promptly of any proposal to amend or supplement the Offering Memorandum and will not effect such amendment or supplement without the consent of the Initial Purchasers. Neither the consent of the Initial Purchasers, nor the Initial Purchaser' delivery of any such amendment or supplement, shall constitute a waiver of any of the conditions set forth in Section 5 hereof.

(d) Qualification of Securities for Offer and Sale. The Company will use its best efforts, in cooperation with the Initial Purchasers, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions as the Representatives may designate and will maintain such qualifications in effect as long as required for the sale of the Securities; provided, however, that the Company shall not be obligated to
file any general consent to service of process or to qualify as a foreign corporation or as a dealer in

securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(e) Rating of Securities. The Company shall take all reasonable action necessary to enable Standard & Poor's Ratings Services, a division of McGraw Hill, Inc. ("S&P"), and Moody's Investors Service Inc. ("Moody's") to provide their respective credit ratings of the Securities.

(f) DTC. The Company will cooperate with the Representatives and use its best efforts to permit the Securities to be eligible for clearance and settlement through the facilities of DTC.

(g) Use of Proceeds. The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Offering Memorandum under "Use of Proceeds".

(h) Restriction of Sale of Securities. During a period of 75 days from the date of the Final Offering Memorandum, the Company will not, without the prior written consent of Merrill Lynch, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or lend or otherwise dispose of or transfer any shares of the Company's Class B Common Stock or any securities convertible into or exchangeable or exercisable for Class B Common Stock, whether now owned or hereafter acquired by the Company or with respect to which the Company has or hereafter acquires the power of disposition, or it being expressly understood that the filing of any registration statement under the 1933 Act with respect to any of the foregoing shall not constitute an "offer" for purposes of this Section 3(h)or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of Class B Common Stock or any securities convertible into or exchangeable for Class B Common Stock, whether any such swap or transaction is to be settled by delivery of Class B Common Stock or other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Securities to be sold hereunder, (B) any shares of Common Stock issued by the Company upon the exercise of an option or warrant or upon the conversion of a security outstanding on the date hereof and referred to in the Offering Memorandum or the conversion of the Securities or (C) any shares of Common Stock issued or options to purchase Common Stock granted pursuant to existing employee benefit plans of the Company.

(i) PORTAL Designation. The Company will use its best efforts to permit the Securities to be designated PORTAL securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc.("NASD") relating to trading in the PORTAL Market.

(j) Reservation of Common Stock. The Company will reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Class B Common Stock for the purpose of enabling the Company to satisfy any obligations to issue Class B Common Stock upon conversion of the Securities.

(k) Listing of Class B Common Stock. The Company will use its best efforts to cause all shares of Class B Common Stock issuable upon conversion of the Securities to be listed on the New York Stock Exchange.

(l) Reporting Requirements. The Company, during the period when the Offering Memorandum is required to be delivered pursuant to Section 6(a)(vii) hereof, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

SECTION 4. Payment of Expenses.

(a) Expenses. The Company will pay all expenses incident to the performance of its obligations under this Agreement, the Securities, the Indenture and the Registration Rights Agreement, including, but not limited to, (i) the preparation, printing, delivery to the Initial Purchasers and any filing of the Offering Memorandum (including financial statements and any schedules or exhibits and any document incorporated therein by reference) and of each amendment or supplement thereto, (ii) the preparation, printing and delivery to the Initial Purchasers of this Agreement, the Indenture, the Registration Rights Agreement and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Initial Purchasers, including any charges of DTC in connection therewith, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Initial Purchasers in connection therewith and in connection with the preparation of the Blue Sky Survey, any supplement thereto and any Legal Investment Survey, (vi) the fees and expenses of the Trustee, including the reasonable fees and disbursements of counsel for the Trustee in connection with the Indenture and the Securities, (vii) any fees payable in connection with the rating of the Securities and (viii) any fees and expenses payable in connection with the initial and continued designation of the Securities as PORTAL securities under the PORTAL Market Rules pursuant to NASD Rule 5322. The Company shall not pay the fees and disbursements of counsel to the Initial Purchasers with respect to any of the foregoing, except with respect to clause (v) above.

(b) Termination of Agreement. If this Agreement is terminated by the Representatives in accordance with the provisions of Section 5 or Section 10(a)(i) hereof, the Company shall reimburse the Initial Purchasers for their reasonable out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Initial Purchasers.

SECTION 5. Conditions of Initial Purchaser's Obligations. The obligations of the Initial Purchasers hereunder are subject to the accuracy of the representations and warranties of the Company contained in Section 1 hereof or in certificates of any officer of the Company or any of its subsidiaries delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) Opinion of Counsel for the Company. At the Closing Time, the Representatives shall have received the favorable opinion, dated as of the Closing Time, of Fulbright & Jaworski L.L.P., counsel for the Company in form and substance satisfactory to counsel for the Initial Purchasers, to the effect set forth in Exhibit B hereto.

(b) Opinion of General Counsel for the Company. At the Closing Time, the Initial Purchasers shall have received the opinion, dated as of the Closing Time, of Bruce R. Gilbert, General Counsel of the Company, in form and substance reasonably satisfactory to counsel for the Initial Purchasers, to the effect set forth in Exhibit C hereto and to such further effect as counsel to the Initial Purchasers may reasonably request.

(c) Opinion of Counsel for Initial Purchasers. At the Closing Time, the Representatives shall have received the opinion, dated as of the Closing Time, of Shearman & Sterling, counsel for the Initial Purchasers, in form and substance satisfactory to the Initial Purchasers. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York, the federal law of the United States and the General Corporation Law of the State of Delaware, upon the opinions of counsel satisfactory to the Representatives. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and its subsidiaries and certificates of public officials.

(d) Officers' Certificates. At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Offering Memorandum, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Representatives shall have received a certificate of the President or a Senior Vice President of the Company and of the chief financial or chief accounting officer of the Company, dated as of the Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1 hereof are true and correct with the same force and effect as though expressly made at and as of the Closing Time, and (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time.

(e) Accountants' Comfort Letters. At the time of the execution of this Agreement, the Representatives shall have received from Arthur Andersen LLP ("Arthur Andersen"), a letter dated such date, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountants' "comfort letters" to Initial Purchasers with respect to the financial statements and certain financial information contained in the Offering Memorandum.

(f) Bring-down Comfort Letter. At the Closing Time, the Representatives shall have received from Arthur Andersen a letter, dated as of the Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (e) of this Section, except that the specified date referred to shall be a date not more than three business days prior to the Closing Time.

(g) Maintenance of Rating. Since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to the Securities or any of the Company's other debt securities by any "nationally recognized statistical rating agency", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the 1933 Act, and no such securities rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Securities or any of the Company's other debt securities.

(h) Registration Rights Agreement. At the Closing Time, the Registration Rights Agreement, in form and substance reasonably satisfactory to the Representatives, shall have been duly executed and delivered by the Company and (assuming due execution, delivery and performance by the Initial Purchasers) be in full force and effect.

(i) PORTAL. At the Closing Time, the Securities shall have been designated for trading on PORTAL.

(j) Lock-up Agreement. At the date of this Agreement, the Representatives shall have received an agreement substantially in the form of Exhibit D hereto signed by the executive officers and directors of the Company.

(k) Conditions to Purchase of Option Securities. In the event that the Initial Purchasers exercise their option provided in Section 2(b) to purchase all or any portion of the Option Securities, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company and any subsidiary of the Company hereunder shall be true and correct as of the Date of Delivery and, at the Date of Delivery, the Representatives shall have received:

(i) Officers' Certificates. Certificates, dated the Date of Delivery, of the President or a Senior Vice President of the Company and of the chief financial or chief accounting officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(d) remains true and correct as of the Date of Delivery.

(ii) Opinions of Counsel. The opinions of Fulbright & Jaworski L.L.P., counsel for the Company, and Bruce R. Gilbert, General Counsel of the Company, each in form and substance satisfactory to counsel for the Initial Purchasers, dated the Date of Delivery, relating to the Option Securities to be purchased on the Date of Delivery and otherwise to substantially the same effect as the opinions provided in Sections 5(a) and 5(b).

(iii) Opinion of Counsel for the Initial Purchasers. The opinion of Shearman & Sterling, counsel for the Initial Purchasers, dated the Date of Delivery, relating to the Option Securities to be purchased on the Date of Delivery and otherwise to the same effect as the opinion provided in Section 5(c).

(iv) Bring-down Comfort Letters. Letter from Arthur Andersen in form and substance reasonably satisfactory to the Representatives and dated the Date of Delivery, substantially in the same form and substance as the letters furnished to the Initial Purchasers pursuant to Section 5(e), except that the "specified date" in the letters

furnished pursuant to this paragraph shall be a date not more than three business days prior to the Date of Delivery.

(v) Additional Documents. At the Closing Time and at each Date of Delivery counsel for the Initial Purchasers shall have been furnished with such documents as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the Representatives and counsel for the Initial Purchasers.

(1) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the Initial Purchasers to purchase the Option Securities, may be terminated by the Representatives by notice to the Company at any time at or prior to the Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 7, 8 and 9 shall survive any such termination and remain in full force and effect.

SECTION 6. Subsequent Offers and Resales of the Securities.

(a) Offer and Sale Procedures. Each of the Initial Purchasers and the Company hereby establish and agree to observe the following procedures in connection with the offer and sale of the Securities:

(i) Offers and Sales Only to Qualified Institutional Buyers. Offers and sales of the Securities shall only be made to persons whom the offeror or seller reasonably believes to be qualified institutional buyers (as defined in Rule 144A under the Securities Act).

(ii) No General Solicitation. No general solicitation or general advertising (within the meaning of Rule 502(c) under the 1933 Act) will be used in the United States in connection with the offering or sale of the Securities.

(iii) Purchases by Non-Bank Fiduciaries. In the case of a non-bank Subsequent Purchaser of a Security acting as a fiduciary for one or more third parties, each third party shall, in the judgment of the applicable Initial Purchasers, be a Qualified Institutional Buyer.

(iv) Subsequent Purchaser Notification. Each Initial Purchaser will take reasonable steps to inform, and cause each of its U.S. Affiliates to take reasonable steps to inform, persons acquiring Securities from such Initial Purchaser or affiliate, as the case may be, in the United States that the Securities (A) have registered under the 1933 Act, (B) are being sold to them without registration under the 1933 Act in reliance on Rule 144A or in accordance with another exemption from

registration under the 1933 Act, as the case may be, and (C) may not be offered, sold or otherwise transferred except (1) to the Company, (2) outside the United States in accordance with Regulation S or (3) inside the United States in accordance with (x) Rule 144A to a person whom the seller reasonably believes is a Qualified Institutional Buyer that is purchasing such Securities for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A or (y) pursuant to another available exemption from registration under the 1933 Act.

(v) Restrictions on Transfer. The transfer restrictions and the other provisions set forth in the Offering Memorandum under the heading "Notice to Investors", including the legend required thereby, shall apply to the Securities except as otherwise agreed by the Company and the Initial Purchasers.

(b) Covenants of the Company. The Company covenants with the Initial Purchasers as follows:

(i) Integration. The Company agrees that it will not and will cause its Affiliates not to, directly or indirectly, solicit any offer to buy or make any offer or sale of, or otherwise negotiate in respect of, securities of the Company of any class if, as a result of the doctrine of "integration" referred to in Rule 502 under the 1933 Act, such offer or sale would render invalid (for the purpose of (i) the sale of the Securities by the Company to the Initial Purchasers, (ii) the resale of the Securities by the Initial Purchasers to Subsequent Purchasers or (iii) the resale of the Securities by such Subsequent Purchasers to others) the exemption from the registration requirements of the 1933 Act provided by Section 4(2) thereof or by Rule 144A thereunder or otherwise.

(ii) Rule 144A Information. The Company agrees that, in order to render the Securities eligible for resale pursuant to Rule 144A under the 1933 Act, while any of the Securities remain outstanding, it will make available, upon request, to any holder of Securities or prospective purchasers of Securities the information specified in Rule 144A(d)(4), unless the Company furnishes information to the Commission pursuant to Section 13 or 15(d) of the 1934 Act (such information, whether made available to holders or prospective purchasers or furnished to the Commission, is herein referred to as "Additional Information").

(iii) Restriction on Repurchases. Until the expiration of two years after the original issuance of the Securities, the Company will not, and will cause its Affiliates not to, purchase or agree to purchase or otherwise acquire any Securities which are "restricted securities" (as such term is defined under Rule 144(a)(3) under the 1933 Act), whether as beneficial owner or otherwise (except as agent acting as a securities broker on behalf of and for the account of customers in the ordinary course of business in unsolicited broker's transactions).

SECTION 7. Indemnification.

(a) Indemnification of Initial Purchasers. The Company agrees to indemnify and hold armless each Initial Purchaser and each person, if any, who controls any Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Memorandum or the Final Offering Memorandum (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 7(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by Merrill Lynch), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Initial Purchaser through Merrill Lynch expressly for use in the Offering Memorandum (or any amendment thereto).

(b) Indemnification of Company, Directors and Officers. Each Initial Purchaser agrees to indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Offering Memorandum in reliance upon and in conformity with written information furnished to the Company by such Initial Purchaser through Merrill Lynch expressly for use in the Offering Memorandum.

(c) Actions Against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so

notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 7(a) above, counsel to the indemnified parties shall be selected by Merrill Lynch, and, in the case of parties indemnified pursuant to Section 7(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel
to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section or Section 8 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Settlement Without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 7(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into, and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 8. Contribution. If the indemnification provided for in
Section 7 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Initial Purchasers on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Initial Purchasers on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discount received by the Initial Purchasers, bear to the aggregate initial offering price of the Securities.

The relative fault of the Company on the one hand and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Initial Purchasers and the parties? relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to investors were offered to investors exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section, each person, if any, who controls an Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Initial Purchaser, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Initial Purchasers' respective obligations to contribute pursuant to this Section are several in proportion to the principal amount at maturity of Securities set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 9. Representations, Warranties and Agreements to Survive
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Delivery. All representations, warranties and agreements contained in
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this Agreement or in certificates of officers of the Company or any of its subsidiaries submitted pursuant hereto shall remain

operative and in full force and effect, regardless of any investigation made by or on behalf of any Initial Purchaser or controlling person, or by or on behalf of the Company, and shall survive delivery of the Securities to the Initial Purchasers.

SECTION 10. Termination of Agreement.

(a) Termination; General. The Representatives may terminate this Agreement, by notice to the Company, at any time at or prior to the Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Offering Memorandum, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representatives, impracticable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the New York Stock Exchange, or if trading generally on the American Stock Exchange or the New York Stock Exchange or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the National Association of Securities Dealers, Inc. or any other governmental authority or (iv) if a banking moratorium has been declared by either Federal or New York authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 7, 8 and 9 shall survive such termination and remain in full force and effect.

SECTION 11. Default by One or More of the Initial Purchasers. If one or more of the Initial Purchasers shall fail at the Closing Time to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representatives shall have the right, but not the obligation, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Initial Purchasers, or any other Initial Purchasers, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representatives shall not have completed such arrangements within such 24-hour period, then this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchaser.

No action pursuant to this Section shall relieve any defaulting Initial Purchaser from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, either the Representatives or the Company shall have the right to postpone the

Closing Time for a period not exceeding seven days in order to effect any required changes in the Offering Memorandum or in any other documents or arrangements.

SECTION 12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Initial Purchasers shall be directed to the Representatives at North Tower, World Financial Center, New York, New York 10281, attention of James D. Forbes (telecopier no. 212-449-7171); notices to the Company shall be directed to it at Universal Corporate Center, 367 South Gulph Road, P. O. Box 61558, King of Prussia, Pennsylvania 19406-0958, attention of General Counsel.

SECTION 13. Parties. This Agreement shall inure to the benefit of and be binding upon the Initial Purchasers and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Initial Purchasers and the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 7 and 8 hereof and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Initial Purchasers and the Company and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor by reason merely of such purchase.

SECTION 14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Specified times of day refer to New York City time.

SECTION 15. Effect of Headings. The Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 16. Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Initial Purchasers and the Company in accordance with its terms.

Very truly yours,

UNIVERSAL HEALTH SERVICES, INC.

By:_____
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
J.P. MORGAN SECURITIES INC.
UBS WARBURG LLC
BANC OF AMERICA SECURITIES LLC

By: MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By:_____

Name:
Title:

SCHEDULE A

Name of Initial Purchaser	Principal Amount at Maturity of Securities
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$243,075,000
J.P. Morgan Securities Inc	158,550,000
UBS Warburg LLC	74,025,000
Banc of America Securities LLC	49,350,000
Total	$525,000,000

SCHEDULE B

UNIVERSAL HEALTH SERVICES, INC.
$525,000,000 Convertible Debentures due 2020

1. The initial offering price per $1,000 principal amount at maturity of the Securities shall be $425.90, which, together with the 0.426% cash interest thereon, represents a yield to maturity of 5.0% per annum (computed on a semiannual bond equivalent basis).

2. The Securities shall be convertible into shares of class B common stock, par value $0.01 per share, of the Company (the ?Class B Common Stock?) at an initial rate of 5.6024 shares of Class B Common Stock per $1,000 principal amount at maturity of Securities.

3. The purchase price to be paid by the Initial Purchasers for the Securities shall be $414.19, being an amount equal to the initial offering price per $1,000 principal amount at maturity of Securities set forth above, less $11.71 per $1,000 principal amount at maturity of Securities.

4. Prior to June 23, 2006, the Securities will not be redeemable.

5. The redemption prices to be supplied on page 27 of the Offering Memorandum (and correspondingly in the Indenture) shall be:

Redemption Date	(1) Debenture Issue Price	(2) Accrued Original Issue Discount	(3) Redemption Price (1) + (2)
June 23, 2006.....	$425.90	$117.51	$ 543.41
June 23, 2007.....	$425.90	$140.70	$ 566.60
June 23, 2008.....	$425.90	$165.07	$ 590.97
June 23, 2009.....	$425.90	$190.68	$ 616.58
June 23, 2010.....	$425.90	$217.58	$ 643.48
June 23, 2011.....	$425.90	$245.84	$ 671.74
June 23, 2012.....	$425.90	$275.53	$ 701.43
June 23, 2013.....	$425.90	$306.73	$ 732.63
June 23, 2014.....	$425.90	$339.51	$ 765.41
June 23, 2015.....	$425.90	$373.94	$ 799.84
June 23, 2016.....	$425.90	$410.12	$ 836.02
June 23, 2017.....	$425.90	$448.13	$ 874.03
June 23, 2018.....	$425.90	$488.06	$ 913.96
June 23, 2019.....	$425.90	$530.02	$ 955.92
At stated maturity.....	$425.90	$574.10	$1,000.00

6. The Purchase Dates and Purchase Prices to be supplied on page 28 of the Offering Memorandum and correspondingly in the Indenture shall be:

Purchase Date	Purchase Price
June 23, 2006	$543.41
June 23, 2010	$643.48
June 23, 2015	$799.84

7. The prices referred to in paragraphs 5 and 6 above are subject to adjustment upon the occurrence of a Tax Event, and the subsequent conversion of the Securities to semiannual coupon notes in the manner specified in the Offering Memorandum.

SCHEDULE C

List of Subsidiaries

Name of Subsidiary	Jurisdiction of Incorporation
ASC of Corona, Inc.	California
ASC of Las Vegas, Inc.	Nevada
ASC of Littleton, Inc.	Colorado
ASC of Midwest City, Inc.	Oklahoma
ASC of New Albany, Inc.	Indiana
ASC of Palm Springs, Inc.	California
ASC of Ponca City, Inc.	Oklahoma
ASC of Springfield, Inc.	Missouri
ASC of St. George, Inc.	Utah
Aiken Regional Medical Centers, Inc.	South Carolina
Arbour Elder Services, Inc.	Massachusetts
Arkansas Surgery Center of Fayetteville, L.P.	Arkansas
Auburn Regional Medical Center, Inc.	Washington
Bluegrass Regional Cancer Center, L.L.P.	Kentucky
Capitol Radiation Therapy, L.L.P.	Kentucky
Chalmette Medical Center, Inc.	Louisiana
Children's Reach, L.L.C.	Pennsylvania
Choate Health Management, Inc.	Massachusetts
Comprehensive Occupational and Clinical Health, Inc.	Delaware
Danville Radiation Therapy, L.L.P.	Kentucky
Del Amo Hospital, Inc.	California
District Hospital Partners, L.P.	District of Columbia
Doctors' Hospital of Shreveport, Inc.	Louisiana
Eye West Laser Vision, L.P.	Delaware

Forest View Psychiatric Hospital, Inc.	Michigan
Fort Duncan Medical Center, L.P.	Delaware
Fort Duncan Medical Center, Inc.	Delaware
Glen Oaks Hospital, Inc.	Texas
HRI Clinics, Inc.	Massachusetts
HRI Hospital, Inc.	Massachusetts
Health Care Finance & Construction Corp.	Delaware
Hope Square Surgical Center, L.P.	Delaware
Inland Valley Regional Medical Center, Inc.	California
Internal Medicine Associates of Doctors' Hospital, Inc.	Louisiana
La Amistad Residential Treatment Center, Inc.	Florida
Laredo Holdings, Inc.	Delaware
Laredo Regional Medical Center, L.P.	Delaware
Laredo Regional, Inc.	Delaware
Madison Radiation Oncology Associates, L.L.C.	Indiana
Manatee Memorial Hospital, L.P.	Delaware
McAllen Holdings, Inc.	Delaware
McAllen Medical Center Physicians Group, Inc.	Texas
McAllen Medical Center, Inc.	Texas
McAllen Medical Center, L.P.	Delaware
Meridell Achievement Center, Inc.	Texas
Merion Building Management, Inc.	Delaware
Nevada Radiation Oncology Center-West, L.L.C.	Nevada
New Albany Outpatient Surgery, L.P.	Delaware
Northern Nevada Medical Center, L.P.	Delaware
Northwest Texas Healthcare System, Inc.	Texas
Northwest Texas Surgical Hospital, L.L.C.	Texas

Oasis Health Systems, L.L.C.	Nevada
Professional Probation Services, Inc.	Georgia
Professional Surgery Corporation of Arkansas	Arkansas
Pueblo Medical Center, Inc.	Nevada
RCW of Edmond, Inc.	Oklahoma
Radiation Therapy Associates of California, L.L.C.	California
Relational Therapy Clinic, Inc.	Louisiana
Renaissance Women's Center of Austin, L.L.C.	Texas
Renaissance Women's Center of Edmond, L.L.C.	Oklahoma
River Crest Hospital, Inc.	Texas
River Oaks, Inc.	Louisiana
River Parishes Internal Medicine, Inc.	Louisiana
SOSC, Inc.	New Hampshire
Southern Indiana Radiation Oncology Associates, L.L.C.	Indiana
Sparks Family Hospital, Inc.	Nevada
St. George Surgical Center, L.P.	Delaware
St. Louis Behavioral Medicine Institute, Inc.	Missouri
Summerlin Hospital Medical Center, L.L.C.	Delaware
Summerlin Hospital Medical Center, L.P.	Delaware
Surgery Center of Littleton, L.P.	Delaware
Surgery Center of Midwest City, L.P.	Delaware
Surgery Center of Ponca City, L.P.	Delaware
Surgery Center of Springfield, L.P.	Delaware
Surgery Center of Waltham, Limited Partnership	Massachusetts
The Alliance for Creative Development, Inc.	Pennsylvania
The Arbour, Inc.	Massachusetts

The Bridgeway, Inc.	Arkansas
The Pavilion Foundation	Illinois
Tonopah Health Services, Inc.	Nevada
Trenton Street Corporation	Texas
Turning Point Care Center, Inc.	Georgia
Two Rivers Psychiatric Hospital, Inc.	Delaware
UHS Advisory, Inc.	Delaware
UHS Holding Company, Inc.	Nevada
UHS Las Vegas Properties, Inc.	Nevada
UHS Managed Care Operations, L.L.C.	Pennsylvania
UHS Midwest Center for Youth and Families, Inc.	Indiana
UHS Receivables Corp.	Delaware
UHS Recovery Foundation, Inc.	Pennsylvania
UHS of Anchor, L.P.	Delaware
UHS of Belmont, Inc.	Delaware
UHS of Bethesda, Inc.	Delaware
UHS of D.C., Inc.	Delaware
UHS of Delaware, Inc.	Delaware
UHS of Eagle Pass, Inc.	Delaware
UHS of Fairmount, Inc.	Delaware
UHS of Fayetteville, Inc.	Arkansas
UHS of Florida, Inc.	Florida
UHS of Fuller, Inc.	Massachusetts
UHS of Georgia, Inc.	Delaware
UHS of Georgia Holdings, Inc.	Delaware
UHS of Greenville, Inc.	Delaware
UHS of Hampton Learning Center, Inc.	New Jersey
UHS of Hampton, Inc.	New Jersey

UHS of Hartgrove, Inc.	Illinois
UHS of Hidalgo, Inc.	Delaware
UHS of Hidalgo Holdings, Inc.	Delaware
UHS of Lakeside, Inc.	Delaware
UHS of Laurel Heights, L.P.	Delaware
UHS of Manatee, Inc.	Florida
UHS of New Orleans, Inc.	Louisiana
UHS of Odessa, Inc.	Texas
UHS of Palms, L.P.	Delaware
UHS of Parkwood, Inc.	Delaware
UHS of Peachford, L.P.	Delaware
UHS of Pennsylvania, Inc.	Pennsylvania
UHS of Provo Canyon, Inc.	Delaware
UHS of Puerto Rico, Inc.	Delaware
UHS of Ridge, Inc.	Delaware
UHS of River Parishes, Inc.	Louisiana
UHS of Rockford, Inc.	Delaware
UHS of Talbot, L.P.	Delaware
UHS of Timberlawn, Inc.	Texas
UHS of Waltham, Inc.	Massachusetts
UHSMS, Inc.	Delaware
UHSR Corporation	Delaware
Universal Community Behavioral Health, Inc.	Pennsylvania
Universal Health Network, Inc.	Nevada
Universal Health Pennsylvania Properties, Inc.	Pennsylvania
Universal Health Recovery Centers, Inc.	Pennsylvania
Universal Health Services of Cedar Hill, Inc.	Texas
Universal Health Services of Concord, Inc.	California

Universal Probation Services, Inc.	Georgia
Universal Treatment Centers, Inc.	Delaware
Valley Health System, L.L.C.	Delaware
Valley Hospital Medical Center, Inc.	Nevada
Valley Surgery Center, L.P.	Delaware
Victoria Regional Medical Center, Inc.	Texas
Wellington Physician Alliances, Inc.	Florida
Wellington Regional Medical Center Incorporated	Florida
Westlake Medical Center, Inc.	California

Exhibit A

FORM OF REGISTRATION RIGHTS AGREEMENT

[Filed separately]

Exhibit B

FORM OF OPINION OF COUNSEL TO THE COMPANY

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware;

(ii) The Company has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum and to enter into and perform its obligations under the Purchase Agreement;

(iii) The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect;

(iv) The authorized capital stock of the Company is as set forth in the Offering Memorandum in the column entitled "Actual" under the caption "Capitalization"; the shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; and free of statutory and contractual preemptive rights;

(v) The Purchase Agreement and the Registration Rights Agreement have each been duly authorized, executed and delivered by the Company;

(vi) The Indenture has been duly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery thereof by the Trustee) constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws relating to or affecting enforcement of creditors' rights generally, or by general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law);

(vii) The Securities are in the form contemplated by the Indenture, have been duly authorized by the Company and, when executed and authenticated in accordance with the provisions of the Indenture and issued and delivered against payment of the purchase price therefor will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms , except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium (including, without limitation, all laws relating to fraudulent transfers), or other similar laws relating to or affecting enforcement of creditor's rights generally, or by general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and will be entitled to the benefits of the Indenture;

(viii) Upon issuance and delivery of the Securities in accordance with the Purchase Agreement and the Indenture, the Securities will be convertible at the option of the holder thereof for shares of Class B Common Stock in accordance with the terms of the Securities and the Indenture; the shares of Class B Common Stock issuable upon conversion of the Securities have been duly authorized and reserved for issuance upon such conversion by all necessary corporate action; such shares, when issued upon such conversion, will be validly issued and will be fully paid and non-assessable and no holder of Class B Common Stock will be subject to personal liability by reason of being such a holder;

(ix) The issuance of the shares of Class B Common Stock upon conversion of the Securities is not subject to (a) any preemptive rights under the Certificate of Incorporation or By-Laws of the Company or (b) to our knowledge, other similar rights of any securityholder of the Company;

(x) The Securities, the Indenture and the Registration Rights Agreement conform in all material respects to the descriptions thereof contained in the Offering Memorandum;

(xi) The documents incorporated by reference in the Offering Memorandum (other than the financial statements and supporting schedules therein, as to which we express no opinion), when they were filed with the Commission (or, if an amendment with respect to any such document was filed, when such amendment was filed) complied as to form in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder;

(xii) To our knowledge, there is not pending or threatened any action, suit or proceeding, to which the Company or any subsidiary of the Company is a party, or to which the property of the Company or any subsidiary of the Company is subject, before or brought by any court or governmental agency or body, which would be required to be described in the Offering Memorandum if the Offering Memorandum were a prospectus, but is not so described;

(xiii) The statements in the Offering Memorandum, including the information under the captions "Description of Debentures," "Description of Capital Stock," "Federal Income Tax Considerations" and "Plan of Distribution," to the extent that they are descriptions of contracts, agreements or other legal documents, or refer to statements of law or legal conclusions, are accurate in all material respects and present fairly the information required to be shown;

(xiv) To our knowledge, neither the Company nor any of its subsidiaries is in violation of its charter or by-laws or other organizational documents and no default by the Company or any of its subsidiaries exists in the due performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument that is described or referred to in the Offering Memorandum or filed or incorporated by reference therein or known to us;

(xv) Except with respect to matters covered in opinion (xvi) below, no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of,

any court or governmental authority or agency, domestic or foreign (other than such as may be required under the applicable securities or Blue Sky laws of the various jurisdictions in which the Securities will be offered or sold, as to which we express no opinion) is necessary or required in connection with the due authorization, execution and delivery of the Purchase Agreement or the due execution, delivery or performance of the Indenture by the Company or for the offering, issuance, sale or delivery of the Securities to the Initial Purchasers or the resale by the Initial Purchasers in accordance with the terms of the Purchase Agreement or the issuance of shares of Class B Common Stock upon conversion of the Securities;

(xvi) Assuming the accuracy of the representations and warranties of the Company and the Initial Purchasers contained in the Purchase Agreement and compliance with the agreements of the Company and the Initial Purchasers contained in the Purchase Agreement, no registration of the Securities under the 1933 Act is required, and no qualification of the Indenture under the 1939 Act is necessary, for the offer and sale of the Securities to the Initial Purchasers as contemplated by the Purchase Agreement or in connection with the initial resale of the Securities by the Initial Purchasers in accordance with Section 6 of the Purchase Agreement;

(xvii) The execution, delivery and performance of the Purchase Agreement, the Indenture, the Registration Rights Agreement and the Securities and the consummation of the transactions contemplated in the Purchase Agreement and the Offering Memorandum (including the use of the proceeds from the sale of the Securities as described in the Offering Memorandum under the caption "Use Of Proceeds" and the issuance of the shares of Class B Common Stock issuable upon conversion of the Securities) and compliance by the Company with its obligations under the Purchase Agreement, the Registration Rights Agreement, the Indenture and the Securities do not and will not, whether with or without the giving of notice or lapse of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined in Section 1(a)(xviii) of the Purchase Agreement) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary of the Company pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument, known to us, to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any subsidiary of the Company is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not have a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any of its subsidiaries, or any applicable law, statute, rule regulation (assuming compliance with all applicable state securities and Blue Sky laws), judgment order, writ or decree, known to us, of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, assets or operations; and

(xviii) The Company is not an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the 1940 Act.

We have participated in conferences with officers and other representatives of the Company, representatives of the independent public accountants of the Company and representatives of the Initial Purchasers at which the contents of the Offering Memorandum were discussed and, although we are not passing upon and do not assume responsibility for the

accuracy, completeness or fairness of the statements contained in the Offering Memorandum (except and to the extent stated in paragraphs (iv) (except with respect to the shares of issued and outstanding capital stock of the Company being fully paid and non-assessable), (x) and (xiii) above), or the basis of the foregoing (relying as to materiality to a large extent upon the opinions of officers and other representatives of the Company), nothing has come to our attention that would lead us to believe that the Offering Memorandum or any amendment or supplement thereto (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted thereof, as to which we make no statement), at the time the Offering Memorandum was issued, at the time any such amended or supplemented Offering Memorandum was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

FORM OF OPINION OF GENERAL
COUNSEL OF THE COMPANY

(i) Each of the Company and each of its subsidiaries is duly qualified as a foreign corporation, partnership or limited liability company, as applicable, to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a material adverse effect on the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries listed on Schedule C to the Purchase Agreement (each, a "Subsidiary," and, collectively, the "Subsidiaries") considered as one enterprise, whether or not arising in the ordinary course of business ("Material Adverse Effect");

(ii) Each Subsidiary that is a corporation (a "Corporate Subsidiary") has been duly organized and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum. Each Corporate Subsidiary is duly qualified and in good standing as a foreign corporation authorized to do business in each other jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect. All of the outstanding shares of capital stock of each Corporate Subsidiary have been duly authorized and validly issued, are fully paid and non-assessable, and, except as disclosed in the Offering Memorandum, are owned of record by the Company directly, or indirectly through one of the other Subsidiaries, free and clear of any perfected security interests, or to my knowledge, any other liens, encumbrances and equities and adverse claims.

(iii) Each Subsidiary that is a partnership (a "Partnership") has been duly organized, is validly existing as a partnership in good standing under the laws of its jurisdiction of organization and has the partnership power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum. Each Partnership is duly qualified and in good standing as a foreign partnership authorized to do business in each other jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect. Except as disclosed in the Offering Memorandum, the general and limited partnership interests therein owned of record directly or indirectly by the Company are owned free and clear of any perfected security interests, or, to my knowledge, any other liens, encumbrances and equities and adverse claims.

(iv) Each Subsidiary that is a limited liability company (an "LLC") has been duly organized, is validly existing as a limited liability company in good standing under the laws of its jurisdiction of organization and has the power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum. Each LLC is duly qualified and in good standing as a foreign limited liability company authorized to do business in each other jurisdiction in which the nature of its business or its ownership or leasing

of property requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect. Except as disclosed in the Offering Memorandum, the membership interests therein owned of record directly or indirectly by the Company are owned free and clear of any perfected security interests, or, to my knowledge, any other liens, encumbrances and equities and adverse claims.

(v) To the best of my knowledge, none of the Subsidiaries is in violation of its certificate or articles of incorporation or bylaws, or partnership or operating agreement, or is in breach of, or in default under (nor has any event occurred which with notice, lapse of time, or both would constitute a breach of, or default under), any license, indenture, mortgage, deed of trust, bank loan or credit agreement or any other agreement or instrument to which the Company or any Subsidiary is a party or by which any of them or their respective properties may be bound or affected or under any law, regulation or rule or any decree, judgment or order applicable to the Company or any Subsidiary.

(vi) There is not pending or, to the best of my knowledge, threatened any action, suit, proceeding, inquiry or investigation, to which the Company or any Subsidiary is a party, or to which the property of the Company or any Subsidiary is subject, before or brought by any court or governmental agency or body, which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in the Purchase Agreement or the performance by the Company of its obligations thereunder or transactions contemplated by the Offering Memorandum.

(vii) To the best of my knowledge, neither the Company nor any Subsidiary is in violation of any law, ordinance, administrative or governmental rule or regulation applicable to the Company or any such Subsidiary, the violation of which would have a Material Adverse Effect, or of any decree of any court or governmental agency or body having jurisdiction over the Company or any Subsidiary.

(viii) The Company and each Subsidiary have all necessary Permits (except where the failure to have such Permits, individually or in the aggregate, would not have a Material Adverse Effect), to own their respective properties and to conduct their respective businesses as now being conducted, and as described in the Offering Memorandum, including, without limitation, such Permits as are required (a) under such federal and state health care laws as are applicable to the Company and the Subsidiaries and their respective businesses and (b) under such HMO or similar licensure laws and such insurance laws and regulations as are applicable to the Company and the Subsidiaries, except where the failure to have such Permits would not have a Material Adverse Effect.

Nothing has come to my attention that would lead me to believe that the Offering Memorandum or any amendment or supplement thereto (except for financial statements and schedules and other financial data included or incorporated by reference therein or omitted thereof, as to which we need to make no statement), at the time the Offering Memorandum was issued, at the time any such amended or supplemented Offering Memorandum was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits

to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Exhibit D

FORM OF LOCK-UP LETTER AGREEMENT

June , 2000

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
J.P. Morgan Securities Inc.
UBS Warburg LLC
Banc of America Securities LLC
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

North Tower
World Financial Center
New York, New York 10281-1209

Re: Proposed Offering by Universal Health Services, Inc. of
Convertible Debentures due 2020

Dear Sirs:

The undersigned, a stockholder and an executive officer and/or director of Universal Health Services, Inc., a Delaware corporation (the "Company"), understands that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), J.P. Morgan Securities Inc., UBS Warburg LLC and Banc of America Securities LLC (collectively, the "Initial Purchasers") propose to enter into a Purchase Agreement (the "Purchase Agreement") with the Company providing for the offering of the Company"s Convertible Debentures due 2020 (the "Initial Securities") and the grant by the Company to the Initial Purchasers of the option to purchase additional Securities to cover over-allotments, if any (the "Option Securities"). The Initial Securities, together with the Option Securities, are collectively the "Securities." In recognition of the benefit that such an offering will confer upon the undersigned as a stockholder and an executive officer and/or director of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Initial Purchasers that, during a period of 75 days from the date of the Final Offering Memorandum (as defined in the Purchase Agreement), the undersigned will not, without the prior written consent of Merrill Lynch, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or lend or otherwise dispose of or transfer any shares of the Company's class B common stock, par value $0.01 per share (the "Common Stock"), or any securities convertible into or exchangeable or exercisable for Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or file any registration

statement under the Securities Act of 1933, as amended, with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of Common Stock or any securities convertible into or exchangeable for Common Stock, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

The foregoing sentence shall not apply to (i) transfers of shares of Common Stock or options to purchase the Common Stock made as a bona fide gift or gifts, provided that the donee or donees thereof agree to be bound by the restrictions set forth herein and (ii) transfers of shares of Common Stock or options to purchase the Common Stock made to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that the trustee of the trust agrees to be bound by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value.

Very truly yours,

Signature:_____
Print Name:

EXHIBIT 4.2

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT is made and entered into as of June 23, 2000 by and between Universal Health Services, Inc., a Delaware corporation (the "Company"), and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), J.P. Morgan Securities Inc., UBS Warburg LLC and Banc of America Securities LLC (collectively, the "Initial Purchasers") pursuant to the Purchase Agreement, dated as of June 19, 2000 (the "Purchase Agreement"), between the Company and the Initial Purchasers. In order to induce the Initial Purchasers to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

The Company agrees with the Initial Purchasers, (i) for the benefit of the Initial Purchasers and (ii) for the benefit of the beneficial owners (including the Initial Purchasers) from time to time of the Securities (as defined herein) and the beneficial owners from time to time of the Underlying Common Stock (as defined herein) issued upon conversion of the Securities (each of the foregoing a "Holder" and together the "Holders"), as follows:

Section 1. Definitions. Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any specified person, an "affiliate," as defined in Rule 144, of such person.

"Amendment Effectiveness Deadline Date" has the meaning specified in Section 2(d) hereof.

"Applicable Conversion Price" means the Applicable Conversion Price as of any date of determination means the Applicable Principal Amount per $1,000 principal amount at maturity of Securities as of such date of determination divided by the Conversion Rate in effect as of such date of determination or, if no Securities are then outstanding, the Conversion Rate that would be in effect were Securities then outstanding.

"Applicable Principal Amount" means the Applicable Principal Amount as of any date of determination, with respect to each $1,000 principal amount at maturity of Securities means the sum of the initial issue price of such Securities ($425.90) plus accrued original issue discount with respect to such Securities through such date of determination or, if no Securities are then outstanding, such sum calculated as if such Securities were then outstanding.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to close.

"Common Stock" means any shares of Class B Common Stock, par value $.01 per share, of the Company and any other shares of common stock as may constitute "Common Stock" for purposes of the Indenture, including the Underlying Common Stock.

"Conversion Rate" has the meaning assigned to that term in the Indenture.

"Damages Accrual Period" has the meaning specified in Section 2(e) hereof.

"Damages Payment Date" means each [Month/Day] and [Month/Day] in the case of Securities and the Underlying Common Stock.

"Deferral Notice" has the meaning specified in Section 3(i) hereof.

"Deferral Period" has the meaning specified in Section 3(i) hereof.

"Effectiveness Deadline Date" has the meaning specified in Section 2(a) hereof.

"Effectiveness Period" means the period of two years from the date the Shelf Registration Statement is declared effective or such shorter period that will terminate upon the earliest of the following: (A) when all the Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement, (B) when all shares of Common Stock issued upon conversion of any such Securities that had not been sold pursuant to the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement and (C) when, in the written opinion of counsel to the Company, all outstanding Registrable Securities held by persons which are not affiliates of the Company may be resold without registration under the Securities Act pursuant to Rule 144(k) under the Securities Act or any successor provision thereto.

"Event" has the meaning specified in Section 2(e) hereof.

"Event Termination Date" has the meaning specified in Section 2(e) hereof.

"Event Date" has the meaning specified in Section 2(e) hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Filing Deadline Date" has the meaning specified in Section 2(a) hereof.

"Holder" has the meaning specified in the second paragraph of this Agreement.

"Indenture" means the Indenture dated as of the date hereof between the Company and the Trustee, pursuant to which the Securities are being issued.

"Initial Purchasers" means Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc., UBS Warburg LLC and Banc of America Securities LLC.

"Initial Shelf Registration Statement" has the meaning specified in Section 2(a) hereof.

"Issue Date" means June 23, 2000.

"Liquidated Damages Amount" has the meaning specified in Section 2(e) hereof.

"Losses" has the meaning specified in Section 6 hereof.

"Material Event" has the meaning specified in Section 3(i) hereof.

"Notice and Questionnaire" means a written notice delivered to the Company containing substantially the information called for by the Selling Securityholder Notice and Questionnaire attached as Annex A to the Offering Memorandum of the Company issued June 19, 2000 relating to the Securities.

"Notice Holder" means, on any date, any Holder that has delivered a Notice and Questionnaire to the Company on or prior to such date.

"Prospectus" means the prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Prospectus.

"Purchase Agreement" has the meaning specified in the first paragraph of this Agreement.

"Record Holder" means, with respect to any Damages Payment Date relating to any Securities or Underlying Common Stock as to which any Liquidated Damages Amount has accrued, the registered holder of such Securities or Underlying Common Stock, as the case may be, 15 days prior to the next succeeding Damages Payment Date.

"Registrable Securities" means the Securities and the Underlying Common Stock, until such securities have been converted or exchanged, and, at all times subsequent to any such conversion or exchange, any securities into or for which such securities have been converted or exchanged, and any security issued with respect thereto upon any stock dividend, split or similar event until, in the case of any such security, the earliest of (i) its effective registration under the Securities Act and resale in accordance with the Registration Statement covering it, (ii) expiration of the holding period that would be applicable thereto under Rule 144(k) were it not held by an Affiliate of the Company or (iii) its sale to the public pursuant to Rule 144.

"Registration Expenses" has the meaning specified in Section 5 hereof.

"Registration Statement" means any registration statement of the
Company that covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such registration statement.

"Restricted Securities" has the meaning assigned to that term in Rule 144.

"Rule 144A" means Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"Rule 144A" means Rule 144A under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"SEC" means the U.S. Securities and Exchange Commission and any successor agency.

"Securities" means the Convertible Debentures due 2020 of the Company to be purchased pursuant to the Purchase Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC thereunder.

"Shelf Registration Statement" has the meaning specified in Section 2(a) hereof.

"Subsequent Shelf Registration Statement" has the meaning specified in Section 2(b) hereof.

"TIA" means the Trust Indenture Act of 1939, as amended.

"Trustee" means Bank One Trust Company, N.A. (or any successor entity), the Trustee under the Indenture.

"Underlying Common Stock" means the Common Stock into which the Securities are convertible or issued upon any such conversion.

Section 2. Shelf Registration. (a) The Company shall prepare and file or cause to be prepared and filed with the SEC, as soon as practicable but in any event by the date (the "Filing Deadline Date") ninety (90) days after the Issue Date, a Registration Statement for an offering to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act (a "Shelf Registration Statement") registering the resale from time to time by Holders thereof of all of the Registrable Securities (the "Initial Shelf Registration Statement"). The Initial Shelf Registration Statement shall be on Form S-3 or another appropriate form permitting registration of such Registrable Securities for resale by such Holders in accordance with the methods of distribution elected by the Holders and set forth in the Initial Shelf Registration Statement. The Company shall use reasonable efforts to cause the Initial Shelf Registration Statement to be declared effective under the Securities Act as promptly as is practicable but in any event by the date (the "Effectiveness Deadline Date") that is one hundred and eighty (180)

days after the Issue Date, and to keep the Initial Shelf Registration Statement (or any Subsequent Shelf Registration Statement) continuously effective under the Securities Act until the expiration of the Effectiveness Period; provided, however, that no Holder shall be entitled to have the Registrable Securities held by it covered by such Shelf Registration Statement unless such Holder shall have provided a Notice and Questionnaire in accordance with Section 2(d) and is in compliance with Section 4. None of the Company's security holders (other than the Holders of Registrable Securities) shall have the right to include any of the Company's securities in the Shelf Registration Statement.

(b) If the Initial Shelf Registration Statement or any Subsequent Shelf Registration Statement ceases to be effective for any reason at any time during the Effectiveness Period (other than because all Registrable Securities registered thereunder shall have been resold pursuant thereto or shall have otherwise ceased to be Registrable Securities), the Company shall use all reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall within thirty (30) days of such cessation of effectiveness amend the Shelf Registration Statement in a manner reasonably expected to obtain the withdrawal of the order suspending the effectiveness thereof, or file an additional Shelf Registration Statement covering all of the securities that as of the date of such filing are Registrable Securities (a "Subsequent Shelf Registration Statement"). If a Subsequent Shelf Registration Statement is filed, the Company shall use all reasonable efforts to cause the Subsequent Shelf Registration Statement to become effective as promptly as is practicable after such filing and to keep such Registration Statement (or subsequent Shelf Registration Statement) continuously effective until the end of the Effectiveness Period.

(c) The Company shall supplement and amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement, if required by the Securities Act or, to the extent to which the Company does not reasonably object, as reasonably requested by the Initial Purchasers or by the Trustee on behalf of the registered Holders.

(d) Each Holder of Registrable Securities agrees that if such Holder wishes to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(d) and Section 3(i). Each Holder of Registrable Securities wishing to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus agrees to deliver a Notice and Questionnaire to the Company at least three (3) Business Days prior to any intended distribution of Registrable Securities under the Shelf Registration Statement. From and after the date the Initial Shelf Registration Statement is declared effective, the Company shall, as promptly as is practicable after the date a Notice and Questionnaire is delivered, and in any event within five (5) Business Days after such date, (i) if required by applicable law, file with the SEC a post-effective amendment to the Shelf Registration Statement or prepare and, if required by applicable law, file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that the Holder delivering such Notice and Questionnaire is named as a selling security holder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of the Registrable Securities in accordance with applicable law and, if the Company shall file a post-effective amendment to the Shelf Registration Statement, use reasonable efforts

to cause such post-effective amendment to be declared effective under the Securities Act as promptly as is practicable, but in any event by the date (the "Amendment Effectiveness Deadline Date") that is thirty (30) days after the date such post-effective amendment is required by this clause to be filed; (ii) provide such Holder copies of any documents filed pursuant to Section 2(d)(i); and (iii) notify such Holder as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 2(d)(i); provided, that if such Notice and Questionnaire is delivered during a Deferral Period, the Company shall so inform the Holder delivering such Notice and Questionnaire and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with Section 3(i), provided, further, that if under applicable law the Company has more than one option as to the type or manner of making any such filing, it will make the required filing or filings in the manner or of a type that is reasonably expected to result in the earliest availability of the Prospectus for effecting resales of Registrable Securities. Notwithstanding anything contained herein to the contrary, the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling security holder in any Registration Statement or related Prospectus; provided, however, that any Holder that becomes a Notice Holder pursuant to the provisions of Section 2(d) of this Agreement (whether or not such Holder was a Notice Holder at the time the Registration Statement was declared effective) shall be named as a selling security holder in the Registration Statement or related Prospectus in accordance with the requirements of this Section 2(d).

(e) The parties hereto agree that the Holders of Registrable Securities will suffer damages, and that it would not be feasible to ascertain the extent of such damages with precision, if (i) the Initial Shelf Registration Statement has not been filed on or prior to the Filing Deadline Date, (ii) the Initial Shelf Registration Statement has not been declared effective under the Securities Act on or prior to the Effectiveness Deadline Date, (iii) the Company has failed to perform its obligations set forth in Section 2(d) hereof within the time period required therein, (iv) the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period pursuant to Section 3(i) hereof or (v) the number of Deferral Periods in any period exceeds the number permitted in respect of such period pursuant to Section 3(i) (each of the events of a type described in any of the foregoing clauses (i) through (v) are individually referred to herein as an "Event," and the Filing Deadline Date in the case of clause (i), the Effectiveness Deadline Date in the case of clause (ii), the date by which the Company is required to perform its obligations set forth in Section 2(d) in the case of clause (iii) (including the filing of any post-effective amendment prior to the Amendment Effectiveness Deadline Date), the date on which the aggregate duration of Deferral Periods in any period exceeds the number of days permitted by Section 3(i) hereof in the case of clause (iv), and the date of the commencement of a Deferral Period that causes the limit on the number of Deferral Periods in any period under Section 3(i) hereof to be exceeded in the case of clause (v), being referred to herein as an "Event Date"). Events shall be deemed to continue until the "Event Termination Date," which shall be the following dates with respect to the respective types of Events: the date the Initial Shelf Registration Statement is filed in the case of an Event of the type described in clause (i), the date the Initial Shelf Registration Statement is declared effective under the Securities Act in the case of an Event of the type described in clause (ii), the date the Company performs its obligations set forth in Section 2(d) in the case of an Event of the type described in clause (iii) (including, without limitation, the date the relevant post-effective amendment to the Shelf Registration Statement is declared effective under the Securities Act), termination of the

Deferral Period that caused the limit on the aggregate duration of Deferral Periods in a period set forth in Section 3(i) to be exceeded in the case of the commencement of an Event of the type described in clause (iv), and termination of the Deferral Period the commencement of which caused the number of Deferral Periods in a period permitted by Section 3(i) to be exceeded in the case of an Event of the type described in clause (v).

Accordingly, commencing on (and including) any Event Date and ending on (but excluding) the next date on which there are no Events that have occurred and are continuing (a "Damages Accrual Period"), the Company agrees to pay, as liquidated damages and not as a penalty, an amount (the "Liquidated Damages Amount"), payable on the Damages Payment Dates to Record Holders of then outstanding Securities that are Registrable Securities and of then outstanding shares of Underlying Common Stock issued upon conversion of Securities that are Registrable Securities, as the case may be, accruing, for each portion of such Damages Accrual Period beginning on and including a Damages Payment Date (or, in respect of the first time that the Liquidation Damages Amount is to be paid to Holders on a Damages Payment Date as a result of the occurrence of any particular Event, from the Event Date) and ending on but excluding the first to occur of (A) the date of the end of the Damages Accrual Period or (B) the Next Damages Payment Date, at a rate per annum equal to one-quarter of one percent (0.25%) for the first 90-day period from the Event Date, and thereafter at a rate per annum equal to one-half of one percent (0.5%) of the aggregate Applicable Principal Amount of such Securities and the aggregate Applicable Conversion Price of such shares of Underlying Common Stock, as the case may be, in each case determined as of the Business Day immediately preceding the next Damages Payment Date; provided, that in the case of a Damages Accrual Period that is in effect solely as a result of an Event of the type described in clause (iii) of the immediately preceding paragraph, such Liquidated Damages Amount shall be paid only to the Holders that have delivered Notice and Questionnaires that caused the Company to incur the obligations set forth in Section 2(d) the non-performance of which is the basis of such Event; provided further, that any Liquidated Damages Amount accrued with respect to any Securities or portion thereof called for redemption on a redemption date or converted into Underlying Common Stock on a conversion date prior to the Damages Payment Date, shall, in any such event, be paid instead to the Holder who submitted such Securities or portion thereof for redemption or conversion on the applicable redemption date or conversion date, as the case may be, on such date (or promptly following the conversion date, in the case of conversion). Notwithstanding the foregoing, no Liquidated Damages Amounts shall accrue as to any Registrable Security from and after the earlier of (x) the date such security is no longer a Registrable Security and (y) expiration of the Effectiveness Period. The rate of accrual of the Liquidated Damages Amount with respect to any period shall not exceed the rate provided for in this paragraph notwithstanding the occurrence of multiple concurrent Events. Following the cure of all Events requiring the payment by the Company of Liquidated Damages Amounts to the Holders of Registrable Securities pursuant to this Section, the accrual of Liquidated Damages Amounts will cease (without in any way limiting the effect of any subsequent Event requiring the payment of Liquidated Damages Amount by the Company).

The Trustee shall be entitled, on behalf of Holders of Securities or Underlying Common Stock, to seek any available remedy for the enforcement of this Agreement, including for the payment of any Liquidated Damages Amount. Notwithstanding the foregoing, the parties agree that the sole monetary damages payable for a violation of the terms of this Agreement with respect to which liquidated damages are expressly provided shall be such liquidated damages.

Nothing shall preclude a Notice Holder or Holder of Registrable SecNothing shall preclude a Notice Holder or Holder of Registrable Securities from pursuing or obtaining specific performance or other equitable relief with respect to this Agreement.

All of the Company's obligations set forth in this Section 2(e) that are outstanding with respect to any Registrable Security at the time such security ceases to be a Registrable Security shall survive until such time as all such obligations with respect to such security have been satisfied in full (notwithstanding termination of this Agreement pursuant to Section 8(k)).

The parties hereto agree that the liquidated damages provided for in this Section 2(e) constitute a reasonable estimate of the damages that may be incurred by Holders of Registrable Securities by reason of the failure of the Shelf Registration Statement to be filed or declared effective or available for effecting resales of Registrable Securities in accordance with the provisions hereof.

Section 3. Registration Procedures. In connection with the registration obligations of the company under Section 2 hereof, the Company shall:

(a) Before filing any Registration Statement or Prospectus or any amendments or supplements thereto with the SEC, furnish to the Initial Purchasers copies of all such documents proposed to be filed and use reasonable efforts to reflect in each such document when so filed with the SEC such comments as the Initial Purchasers reasonably shall propose within three (3) Business Days of the delivery of such copies to the Initial Purchasers.

(b) Prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective for the applicable period specified in Section 2(a); cause the related Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act; and use all reasonable efforts to comply with the provisions of the Securities Act applicable to it with respect to the disposition of all securities covered by such Registration Statement during the Effectiveness Period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement as so amended or such Prospectus as so supplemented.

(c) As promptly as practicable give notice to the Notice Holders and the Initial Purchasers (i) when any Prospectus, Prospectus supplement, Registration Statement or post-effective amendment to a Registration Statement has been filed with the SEC and, with respect to a Registration Statement or any post-effective amendment, when the same has been declared effective, (ii) of any request, following the effectiveness of the Initial Shelf Registration Statement under the Securities Act, by the SEC or any other federal or state governmental authority for amendments or supplements to any Registration Statement or related Prospectus or for additional information, (iii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of any Registration Statement or the initiation or threatening of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (v) of the occurrence of (but not

the nature of or details concerning) a Material Event (provided, however, that no notice by the Company shall be required pursuant to this clause (v) in the event that the Company either promptly files a Prospectus supplement to update the Prospectus or a Form 8-K or other appropriate Exchange Act report that is incorporated by reference into the Registration Statement, which, in either case, contains the requisite information with respect to such Material Event that results in such Registration Statement no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements contained therein not misleading) and (vi) of the determination by the Company that a post-effective amendment to a Registration Statement will be filed with the SEC, which notice may, at the discretion of the Company (or as required pursuant to Section 3(i)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(i) shall apply.

(d) Use all reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction in which they have been qualified for sale, in either case at the earliest possible moment.

(e) If reasonably requested by the Initial Purchasers or any Notice Holder, promptly as reasonably practicable incorporate in a Prospectus supplement or post-effective amendment to a Registration Statement such information as the Initial Purchasers or such Notice Holder shall, on the basis of an opinion of nationally-recognized counsel experienced in such matters, determine to be required to be included therein by applicable law and make any required filings of such Prospectus supplement or such post-effective amendment; provided, that the Company shall not be required to take any actions under this Section 3(e) that are not, in the reasonable opinion of counsel for the Company, in compliance with applicable law.

(f) Promptly as reasonably practicable furnish to each Notice Holder and the Initial Purchasers, upon their request and without charge, at least one (1) conformed copy of the Registration Statement and any amendment thereto, including financial statements but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference and all exhibits (unless requested in writing to the Company by such Notice Holder or the Initial Purchasers, as the case may be).

(g) During the Effectiveness Period, deliver to each Notice Holder in connection with any sale of Registrable Securities pursuant to a Registration Statement, without charge, as many copies of the Prospectus or Prospectuses relating to such Registrable Securities (including each preliminary prospectus) and any amendment or supplement thereto as such Notice Holder may reasonably request; and the Company hereby consents (except during such periods that a Deferral Notice is outstanding and has not been revoked) to the use of such Prospectus or each amendment or supplement thereto by each Notice Holder in connection with any offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto in the manner set forth therein.

(h) Prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use all reasonable efforts to register or qualify or cooperate with the Notice Holders in connection with the registration or qualification (or exemption from such

registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any Notice Holder reasonably requests in writing (which request may be included in the Notice and Questionnaire); prior to any public offering of the Registrable Securities pursuant to the Shelf Registration Statement, use all reasonable efforts to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period in connection with such Notice Holder's offer and sale of Registrable Securities pursuant to such registration or qualification (or exemption therefrom) and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of such Registrable Securities in the manner set forth in the relevant Registration Statement and the related Prospectus; provided, that the Company will not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Agreement or (ii) take any action that would subject it to general service of process in suits or to taxation in any such jurisdiction where it is not then so subject.

(i) Upon (A) the issuance by the SEC of a stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of proceedings with respect to the Shelf Registration Statement under Section 8(d) or 8(e) of the Securities Act, (B) the occurrence of any event or the existence of any fact (a "Material Event") as a result of which any Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (C) the occurrence or existence of any pending corporate development that, in the discretion of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related Prospectus, (i) in the case of clause (B) above, subject to the next sentence, as promptly as practicable prepare and file a post-effective amendment to such Registration Statement or a supplement to the related Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such Registration Statement and Prospectus so that such Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to a Registration Statement, subject to the next sentence, use all reasonable efforts to cause it to be declared effective as promptly as is reasonably practicable, and (ii) give notice to the Notice Holders that the availability of the Shelf Registration Statement is suspended (a "Deferral Notice") and, upon receipt of any Deferral Notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to the Registration Statement until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in clause (i) above, or until it is advised in writing by the Company that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. The Company will all use reasonable efforts to ensure that the use of the Prospectus may be resumed (x) in the case of clause (A) above, as promptly as is practicable, (y)

in the case of clause (B) above, as soon as, in the sole judgment of the Company, public disclosure of such Material Event would not be prejudicial to or contrary to the interests of the Company or, if necessary to avoid unreasonable burden or expense, as soon as reasonable practicable thereafter and (z) in the case of clause (C) above, as soon as, in the discretion of the Company, such suspension is no longer appropriate. The period during which the availability of the Registration Statement and any Prospectus is suspended (the "Deferral Period") shall, without the Company incurring any obligation to pay liquidated damages pursuant to Section 2(e), not exceed forty-five (45) days in any three (3) month period and ninety (90) days in any twelve (12) month period.

(j) If reasonably requested in writing in connection with a disposition of Registrable Securities pursuant to a Registration Statement, make reasonably available for inspection during normal business hours by a representative for the Notice Holders of such Registrable Securities and any broker-dealers, attorneys and accountants retained by such Notice Holders, all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the appropriate executive officers, directors and designated employees of the Company and its subsidiaries to make reasonably available for inspection during normal business hours all relevant information reasonably requested by such representative for the Notice Holders or any such broker-dealers, attorneys or accountants in connection with such disposition, in each case as is customary for similar "due diligence" examinations; provided, however, that such persons shall first agree in writing with the Company that any information that is reasonably and in good faith designated by the Company in writing as confidential at the time of delivery of such information shall be kept confidential by such persons and shall be used solely for the purposes of exercising rights under this Agreement, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (ii) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of any Registration Statement or the use of any Prospectus referred to in this Agreement), (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by any such person or (iv) such information becomes available to any such person from a source other than the Company and such source is not bound by a confidentiality agreement; and provided further, that the foregoing inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of all the Notice Holders and the other parties entitled thereto by the counsel referred to in Section 5.

(k) Comply with all applicable rules and regulations of the SEC and make generally available to its securityholders earning statements (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) commencing on the first day of the first fiscal quarter of the Company commencing after the effective date of a Registration Statement, which statements shall cover said 12-month periods.

(l) Cooperate with each Notice Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities sold pursuant to a Registration Statement, and cause such Registrable Securities to be in such denominations as are permitted by

the Indenture and registered in such names as such Notice Holder may request in writing at least two Business Days prior to any sale of such Registrable Securities.

(m) Provide a CUSIP number for all Registrable Securities covered by each Registration Statement not later than the effective date of such Registration Statement and provide the Trustee for the Securities and the transfer agent for the with printed certificates for the Registrable Securities that are in a form eligible for deposit with The Depository Trust Company.

(n) Make a reasonable effort to provide such information as is required for any filings required to be made with the National Association of Securities Dealers, Inc.

(o) Upon (i) the filing of the Initial Shelf Registration Statement and (ii) the effectiveness of the Initial Shelf Registration Statement, announce the same, in each case by release to Reuters Economic Services and Bloomberg Business News.

(p) Enter into such customary agreements and take all such other reasonable necessary actions in connection therewith (including those reasonably requested by the holders of a majority of the Registrable Securities being sold) in order to expedite or facilitate disposition of such Registrable Securities.

(q) Cause the Indenture to be qualified under the TIA not later than the effective date of any Registration Statement; and in connection therewith, cooperate with the Trustee to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and execute, and use all reasonable efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner.

Section 4. Holder's Obligations. Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to a Registration Statement or to receive a Prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(d) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. Each Notice Holder agrees promptly to furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as may be required to be disclosed in the Registration Statement under applicable law.

Section 5. Registration Expenses. The Company shall bear all fees and expenses incurred in connection with the performance by the Company of its obligations under Sections 2 and 3 of this Agreement whether or not any of the Registration Statements are declared effective. Such fees and expenses shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (x) with respect to filings required to be made with the National Association of Securities Dealers, Inc. and (y) of

compliance with federal and state securities or Blue Sky laws (including, without limitation, reasonable fees and disbursements of the counsel specified in the next sentence in connection with Blue Sky qualifications of the Registrable Securities under the laws of such jurisdictions as the Notice Holders of a majority of the Registrable Securities being sold pursuant to a Registration Statement may designate), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company), (iii) duplication expenses relating to copies of any Registration Statement or Prospectus delivered to any Holders hereunder, (iv) fees and disbursements of counsel for the Company in connection with the Shelf Registration Statement, and (v) reasonable fees and disbursements of the Trustee and its counsel and of the registrar and transfer agent for the Common Stock. In addition, the Company shall bear or reimburse the Notice Holders for the reasonable fees and disbursements of one firm of legal counsel for the Holders, which shall initially be Shearman & Sterling, but which may, upon the written consent of the Initial Purchasers (which shall not be unreasonably withheld), be another nationally recognized law firm experienced in securities law matters designated by the Company. In addition, the Company shall pay the internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange on which similar securities of the Company are then listed and the fees and expenses of any person, including special experts, retained by the Company.

Section 6. Indemnification; Contribution. (a) The Company agrees to indemnify and hold harmless the Initial Purchasers and each holder of Registrable Securities and each person, if any, who controls the Initial Purchasers or any holder of Registrable Securities within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, provided that (subject to Section 6(d) below) any such settlement is effected with the prior written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Initial Purchasers or such holder of Registrable Securities (which also acknowledges the indemnity provisions herein) and each person, if any, who controls the Initial Purchasers or any such holder of Registrable Securities expressly for use in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(b) In connection with any Shelf Registration in which a holder, including, without limitation, the Initial Purchasers, of Registrable Securities is participating, in furnishing information relating to such holder of Registrable Securities to the Company in writing expressly for use in such Registration Statement, any preliminary prospectus, the Prospectus or any amendments or supplements thereto, the holders of such Registrable Securities agree, severally and not jointly, to indemnify and hold harmless the Initial Purchasers and each person, if any, who controls the Initial Purchasers within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and the Company, and each person, if any, who controls the Company within the meaning of either such Section, against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such holder of Registrable Securities (which also acknowledges the indemnity provisions herein) and each person, if any, who controls any such holder of Registrable Securities expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

Each of the Initial Purchasers agrees to indemnify and hold harmless the Company, the holders of Registrable Securities, and each person, if any, who controls the Company or any holder of Registrable Securities within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by the Initial Purchasers expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with
- -------- -------
the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) If the indemnification provided for in this Section 6 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative fault of the Company on the one hand and the holders of the Registrable Securities or the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the holder of the Registrable Securities or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(e) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 6(e). The aggregate amount of losses, liabilities, claims, damages, and expenses incurred by an indemnified party and referred to above in this Section 6(e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 6, neither the holder of any Registrable Securities nor the Initial Purchasers, shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which the Registrable Securities sold by such holder of Registrable Securities or unwritten by the Initial Purchasers, as the case may be, and distributed to the public were offered to the public exceeds the amount of any damages that such holder of Registrable Securities or the Initial Purchasers has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 6(e), each person, if any, who controls the Initial Purchasers or any holder of Registrable Securities within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Initial Purchasers or such holder, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company.

Section 7. Information Requirements. (a) The Company covenants that, if at any time before the end of the Effectiveness Period the Company is not subject to the reporting requirements of the Exchange Act, it will cooperate with any Holder of Registrable Securities and take such further reasonable action as any Holder of Registrable Securities may reasonably request in writing (including, without limitation, making such reasonable representations as any such Holder may reasonably request), all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 and Rule 144A under the Securities Act and customarily taken in connection with sales pursuant to such exemptions. Upon the written request of any Holder of Registrable Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such filing requirements, unless such a statement has been included in the Company's most recent report required to be filed and filed pursuant to Section 13 or Section 15(d) of Exchange Act. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its securities (other than the Common Stock) under any section of the Exchange Act.

Section 8. Miscellaneous.

(a) No Conflicting Agreements. The Company is not, as of the date hereof, a party to, nor shall it, on or after the date of this Agreement, enter into, any agreement with respect to its securities that conflicts with the rights granted to the Holders of Registrable Securities in this Agreement. The Company represents and warrants that the rights granted to the Holders of Registrable Securities hereunder do not in any way conflict with the rights granted to the holders of the Company's securities under any other agreements.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority of the then outstanding Underlying Common Stock constituting Registrable Securities (with Holders of Securities deemed to be the Holders, for purposes of this Section, of the number of outstanding shares of Underlying Common Stock into which such Securities are or would be convertible or exchangeable as of the date on which such consent is requested). Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Securities whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other Holders of Registrable Securities may be given by Holders of at least a majority of the Registrable Securities being sold by such Holders pursuant to such Registration Statement; provided, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence. Each Holder of Registrable Securities outstanding at the time of any such amendment, modification, supplement, waiver or consent or thereafter shall be bound by any such amendment, modification, supplement, waiver or consent effected pursuant to this Section 8(b), whether or not any notice, writing or marking indicating such amendment, modification, supplement, waiver or consent appears on the Registrable Securities or is delivered to such Holder.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, by telecopier, by courier guaranteeing overnight delivery or by first-class mail, return receipt requested, and shall be deemed given (i) when made, if made by hand delivery, (ii) upon confirmation, if made by telecopier, (iii) one (1) Business Day after being deposited with such courier, if made by overnight courier or (iv) on the date indicated on the notice of receipt, if made by first-class mail, to the parties as follows:

(w) if to a Holder of Registrable Securities, at the most current address given by such Holder to the Company in a Notice and Questionnaire or any amendment thereto;

(x) if to the Company, to:

Universal Health Services, Inc.
367 South Gulph Road
P.O. Box 61558
King of Prussia, PA 19406-0958
Attention: General Counsel
Telecopy No.: (610) 768-3318

and

(y) if to the Initial Purchasers, to:

Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith
Incorporated
World Financial Center
North Tower
250 Vesey Street
New York, New York 10281
Attention: Syndicate Department
Telecopy No.: (212) 738-1069

or to such other address as such person may have furnished to the other persons identified in this Section 8(c) in writing in accordance herewith.

(d) Approval of Holders. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, the Registrable Securities held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act) (other than the Initial Purchasers or subsequent Holders of Registrable Securities if such subsequent Holders are deemed to be such affiliates solely by reason of their holdings of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(e) Successors and Assigns. Any person who purchases any Registrable Securities from the Initial Purchasers shall be deemed, for purposes of this Agreement, to be an assignee of the Initial Purchasers. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties and shall inure to the benefit of and be binding upon each Holder of any Registrable Securities.

(f) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be original and all of which taken together shall constitute one and the same agreement.

(g) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

(i) Severability. If any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction, it being

intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

(j) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and the registration rights granted by the Company with respect to the Registrable Securities. Except as provided in the Purchase Agreement, there are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and undertakings among the parties with respect to such registration rights.

(k) Termination. This Agreement and the obligations of the parties hereunder shall terminate upon the expiration of the Effectiveness Period, except for any liabilities or obligations under Sections 4, 5 or 6 hereof and the obligations to make payments of and provide for liquidated damages under Section 2(e) hereof to the extent such damages accrue prior to the end of the Effectiveness Period, each of which shall remain in effect in accordance with its terms.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

UNIVERSAL HEALTH SERVICES, INC.

By: _____

Name:
Title:

Confirmed and accepted as of the date first above written:

MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
J.P. MORGAN SECURITIES INC.
UBS WARBURG LLC
BANC OF AMERICA SECURITIES LLC

By:MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: _____

Name:
Title:

EXHIBIT 5.1

FULBRIGHT & JAWORSKI L.L.P.
A Registered Limited Liability Partnership
666 Fifth Avenue
New York, NY 10103

September 19, 2000

Universal Health Services, Inc.
Universal Corporate Center
367 South Gulph Road
King of Prussia, Pennsylvania 19406

Ladies and Gentlemen:

We have acted as counsel to Universal Health Services, Inc., a Delaware corporation (the "Company"), in connection with the registration under the Securities Act of 1933, as amended (the "Act"), of $586,992,000 aggregate principal amount at maturity of the Company's Convertible Debentures Due 2020 (the "Debentures"), and such indeterminate number of shares of class B common stock, $0.01 par value, of the Company, as may be required for issuance upon conversion of the Debentures (the "Conversion Shares"), on a Registration Statement on Form S-3 (such Registration Statement, as it may be amended from time to time, the "Registration Statement"). The Debentures and the Conversion Shares are to be offered and sold by certain securityholders of the Company.

We have examined such corporate records, other documents and questions of law as we have considered necessary or appropriate for the purposes of this opinion. Our opinions set forth below are limited to the General Corporation Law of the State of Delaware and the laws of the State of New York.

In our examination of the foregoing documents, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such latter documents.

Based on the foregoing, we advise you that in our opinion:

1. The Debentures are valid and binding obligations of the Company entitled to the benefits of the Indenture, dated as of June 23, 2000, between the Company and Bank One Trust

Company, N.A., as trustee, and enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

2. The Conversion Shares have been duly authorized, and, if and when issued by the Company upon conversion of the Debentures in accordance with the terms of the Debentures and the Indenture, will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion, and our opinion, dated June 19, 2000, as to certain tax matters relating to the Debentures, as exhibits to the Registration Statement and the reference to this firm under the caption "Legal Matters" in the Prospectus contained therein. This consent is not to be construed as an admission that we are a party whose consent is required to be filed with the Registration Statement under the provisions of the Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

The opinions expressed herein are solely for your benefit, and may be relied upon only by you.

Very truly yours,

/s/ Fulbright & Jaworski L.L.P

EXHIBIT 8.1

FULBRIGHT & JAWORSKI L.L.P.
A Registered Limited Liability Partnership
666 Fifth Avenue
New York, New York 10103

June 19, 2000

Universal Health Services, Inc.
367 South Gulph Road
King of Prussia, Pennsylvania 19406-0958

Re: Convertible Debentures Due 2020

Ladies and Gentlemen:

At your request, we have examined the Offering Memorandum prepared in connection with the issuance by Universal Health Services, Inc. (the "Company") and sale to Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc., UBS Warburg LLC and Banc of America Securities LLC, as initial purchasers (the "Initial Purchasers"), of the Company's convertible debentures due 2020 (the "Debentures") in the aggregate principal amount at maturity of $586,992,000 (which amount includes $61,992,000 aggregate principal amount at maturity of Debentures to be purchased by the Initial Purchasers pursuant to the exercise in full of their over-allotment option), which Debentures may be converted to class B common stock, par value $.01, of the Company.

For the purpose of rendering this opinion, we have examined and relied upon the current and continued truth and accuracy of the assumptions and factual matters we have considered as well as the current and continued truth and accuracy of the statements, covenants, representations and warranties contained in the Indenture and that certain tax representation letter delivered to us by the Company (including, without limitation, a representation by the Company that it reasonably believes, and in fact will, have the capacity to repay the principal amount of the Debentures in the event none of the Debentures are converted). We have also assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of all copies of documents submitted to us.

Based upon and subject to the qualifications and limitations contained herein and in the Offering Memorandum, it is our opinion that the Debentures will be treated as indebtedness for United States Federal income tax purposes.

Notwithstanding our opinion set forth in the preceding paragraph, there is no legal precedent or binding authority directly addressing the status as "debt" for Federal income tax purposes of a security having terms identical to the Debentures. This opinion merely represents and is based upon our best judgment regarding the application of Federal income tax laws and is not binding on the Internal Revenue Service or the courts. The Internal Revenue Service is not precluded from successfully asserting a contrary position.

This opinion addresses only whether the Debentures will be treated as indebtedness for United States Federal income tax purposes. The opinion does not address any other federal or any state, local or foreign tax matters arising in connection with the Debentures.

Any change after the date hereof in the facts and circumstances relating to the Debentures or any inaccuracy in the representations, statements and assumptions upon which we have relied may affect the continuing validity of the opinion set forth herein. Further, there can be no assurance that changes in the law or its interpretation will not take place that could, either on a prospective or retroactive basis, affect the United States Federal income tax status of the Debentures for the United States Federal income tax purposes.

Very truly yours,

/s/ Fulbright & Jaworski L.L.P.

EXHIBIT 12.1

Universal Health Services, Inc. and Subsidiaries
Computation of Ratio of Earnings to Fixed Charges
(Dollar amounts in thousands)

	For the Twelve Months Ended December 31,				
	1995	1996	1997	1998	1999
Earnings:					
Income before minority interests and income taxes	$52,402	$ 78,857	$106,174	$132,095	$129,034
Fixed charges	23,805	34,974	34,961	45,357	45,486
Amortization of capitalized interest	-----	-----	28	110	110
	$76,207	$113,831	$141,163	$177,562	$174,630
Fixed charges:					
Interest expense, including capitalized interest	$12,062	$ 22,231	$ 21,782	$ 29,717	$ 29,123
Interest portion of lease/rental expense	11,171	11,658	11,927	14,592	15,388
Amortization of debt issuance costs	572	1,085	1,252	1,048	975
	$23,805	$ 34,974	$ 34,961	$ 45,357	$ 45,486
Fixed charge coverage ratio	3.2	3.3	4.0	3.9	3.8

	For the Six Months Ended June 30,	
	1999	2000
Earnings:		
Income before minority interests and income taxes	$ 91,325	$ 87,185
Fixed charges	22,269	23,925
Amortization of capitalized interest	55	55
	$113,649	$111,165
Fixed charges:		
Interest expense, including capitalized interest	$ 14,076	$ 15,945
Interest portion of lease/rental expense	7,706	7,492
Amortization of debt issuance costs	487	488
	$ 22,269	$ 23,925
Fixed charge coverage ratio	5.1	4.6

EXHIBIT 23.1

Consent of Independent Accountants

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement of our report dated February 11, 2000 included in Universal Health Services, Inc.'s Form 10-K for the year ended December 31, 1999 and to all references to our Firm included in this Registration Statement.

Arthur Andersen LLP

Philadelphia, Pennsylvania
September 19, 2000

EXHIBIT 25.1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)

Bank One Trust Company, National Association
(Exact name of trustee as specified in its charter)

A National Banking Association	31-0838515 I.R.S. employer identification number)
100 East Broad Street, Columbus, Ohio (Address of principal executive offices)	43271-0181 (Zip Code)

Bank One Trust Company, N.A.
One North State Street, 9/th/ Floor
Chicago, Illinois 60602
Attn: Sandra L. Caruba, Vice President and Senior Counsel, (312) 336-9436
(Name, address and telephone number of agent for service)

UNIVERSAL HEALTH SERVICES, INC.
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	23-2077891 (I.R.S. employer identification number)
367 South Gulph Road King of Prussia, Pennsylvania (Address of principal executive offices)	19406 (ZIP Code)

Convertible Debentures due 2020
(Title of Indenture Securities)

Item 1. General Information. Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of Currency, Washington, D.C.; Federal Deposit Insurance Corporation, Washington, D.C.; The Board of Governors of the Federal Reserve System, Washington D.C.

(b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations With the Obligor. If the obligor is an affiliate of the trustee, describe each such affiliation.

No such affiliation exists with the trustee.

Item 16. List of exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the articles of association of the trustee now in effect.*

2. A copy of the certificate of authority of the trustee to commence business.*

3. A copy of the authorization of the trustee to exercise corporate trust powers.*

4. A copy of the existing by-laws of the trustee.*

5. Not Applicable.

6. The consent of the trustee required by Section 321(b) of the Act.

7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

8. Not Applicable.

9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Bank One Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 14th day of August, 2000.

Bank One Trust Company, National Association,
Trustee

By /s/ Sandra L. Caruba
Sandra L. Caruba
Vice President

* Exhibits 1, 2, 3, and 4 are herein incorporated by reference to Exhibits bearing identical numbers in Item 16 of the Form T-1 of Bank One Trust Company, National Association, filed as Exhibit 25 to the Registration Statement on Form S-3/A of Universal Health Services, Inc., filed with the Securities and Exchange Commission on February 1, 2000 (Registration No. 333-85781).

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

August 14, 2000

Securities and Exchange Commission
Washington, D.C. 20549

Ladies and Gentlemen:

In connection with the qualification of an indenture between Universal Health Services, Inc. and Bank One Trust Company, National Association, as Trustee, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

Bank One Trust Company, National Association

By: /s/ Sandra L. Caruba
Sandra L. Caruba
Vice President

EXHIBIT 7

Legal Title of Bank:	Bank One Trust Company, N.A.	Call Date: 03/31/00	State #: 391581	FFIEC 032
Address:	100 Broad Street	Vendor ID: D	Cert #: 21377	Page RC-1
City, State Zip:	Columbus, OH 43271	Transit #: 04400003		

Consolidated Report of Condition for Insured Commercial
and State-Chartered Savings Banks for March 31, 2000

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

Schedule RC--Balance Sheet

	Dollar Amounts in thousands RCON BIL MIL THOU	C300
ASSETS		
1. Cash and balances due from depository institutions (from Schedule RC-A):	RCON	
a. Noninterest-bearing balances and currency and coin(1)	0081 48,450	1.a
b. Interest-bearing balances(2)	0071 17,750	1.b
2. Securities		
a. Held-to-maturity securities(from Schedule RC-B, column A)	1754 0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D)	1773 5,714	2.b
3. Federal funds sold and securities purchased under agreements to resell	1350 396,644	3.
4. Loans and lease financing receivables:		
a. Loans and leases, net of unearned income (from Schedule RC-C)	RCON 2122 87,817	4.a
b. LESS: Allowance for loan and lease losses	3123 10	4.b
c. LESS: Allocated transfer risk reserve	3128 0	4.c
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)	RCON 2125 87,807	4.d
5. Trading assets (from Schedule RD-D)	3545 0	5.
6. Premises and fixed assets (including capitalized leases)	2145 25,200	6.
7. Other real estate owned (from Schedule RC-M)	2150 0	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	2130 0	8.
9. Customers' liability to this bank on acceptances outstanding	2155 0	9.
10. Intangible assets (from Schedule RC-M)	2143 26,345	10.
11. Other assets (from Schedule RC-F)	2160 176,297	11.
12. Total assets (sum of items 1 through 11)	2170 784,207	12.

(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.

Schedule RC-Continued

		Dollar Amounts in Thousands	
LIABILITIES			
13. Deposits:			
a. In domestic offices (sum of totals of columns A and C	RCON		
from Schedule RC-E, part 1)	2200	567,764	13.a
(1) Noninterest-bearing(1)	6631	506,455	13.a1
(2) Interest-bearing	6636	61,309	13.a2
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)...			
(1) Noninterest bearing			
(2) Interest-bearing			
14. Federal funds purchased and securities sold under agreements to repurchase:	RCFD 2800	0	14.
15. a. Demand notes issued to the U.S. Treasury	RCON 2840	0	15.a
b. Trading Liabilities(from Sechedule RC-D)	RCFD 3548	0	15.b
16. Other borrowed money:	RCON		
a. With original maturity of one year or less	2332	0	16.a
b. With original maturity of more than one year	A547	0	16.b
c. With original maturity of more than three years	A548	0	16.c
17. Not applicable			
18. Bank's liability on acceptance executed and outstanding	2920	0	18.
19. Subordinated notes and debentures	32000	0	19.
20. Other liabilities (from Schedule RC-G)	2930	83,885	20.
21. Total liabilities (sum of items 13 through 20)	2948	651,649	21.
22. Not applicable			
EQUITY CAPITAL			
23. Perpetual preferred stock and related surplus	3838	0	23.
24. Common stock	3230	800	24.
25. Surplus (exclude all surplus related to preferred stock)	3839	45,157	25.
26. a. Undivided profits and capital reserves	3632	86,585	26.a
b. Net unrealized holding gains (losses) on available-for-sale securities	8434	16	26.b
c. Accumulated net gains (losses) on cash flow hedges	4336	0	26.c
27. Cumulative foreign currency translation adjustments..			
28. Total equity capital (sum of items 23 through 27)	3210	132,558	28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)	3300	784,207	29.

Memorandum
To be reported only with the March Report of Condition. N/A
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1996 . . . . . .RCFD 6724 . ....
Number M.1.

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
3 = Director's examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
4. = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
5 = Review of the bank's financial statements by external auditors
6 = Compilation of the bank's financial statements by external auditors
7 = Other audit procedures (excluding tax preparation work)
8 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.