

=====

FORM 8-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 13, 2003

UNIVERSAL HEALTH SERVICES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	1-10765	23-2077891
-----	-----	-----
(State or other jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

UNIVERSAL CORPORATE CENTER
367 SOUTH GULPH ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406

(Address of principal executive office) (Zip Code)

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

Not Applicable

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

=====

Item 5. Other Events.

On February 13, 2003, Universal Health Services, Inc. issued a press release announcing the Company's final financial results for the full year ended December 31, 2002 and the appointment of Steve Filton as the Company's Chief Financial Officer. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated by reference herein in its entirety.

Item 7. Financial Statements and Exhibits.

(c) Exhibits:

99.1 Press release, dated February 13, 2003

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

Universal Health Services, Inc.

By: /s/ Alan B. Miller

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

By: /s/ Steve Filton

Name: Steve Filton
Title: Vice President, Controller
and Chief Financial Officer

Date: February 14, 2003

Exhibit Index

Exhibit No.	Exhibit
-----	-----
99.1	Press release, dated February 13, 2003

FOR IMMEDIATE RELEASE

CONTACT: Steve Filton
Chief Financial Officer
610-768-3300

February 13, 2003

Universal Health Services, Inc. Reports a 19% Increase in Net Income, its Tenth Consecutive Annual Net Income Increase; Steve Filton Appointed CFO

Universal Health Services, Inc. (NYSE: UHS) announced today its final results for the fourth quarter and full year ended December 31, 2002. Reported net income was \$43.9 million or \$.69 per share (diluted) during the fourth quarter of 2002 as compared to \$927,000 or \$.02 per share (diluted) during the fourth quarter of 2001. For the full year of 2002, reported net income was \$175.4 million or \$2.74 per share (diluted) as compared to \$99.7 million or \$1.60 per share (diluted) during 2001. Included in the reported results were various non-operating items as listed on the attached Summary of Consolidated Operating Results.

Excluding these items, net income and earnings per share (diluted) increased 19% to \$42.5 million and 20% to \$.67, respectively, during the fourth quarter of 2002 as compared to \$35.7 million and \$.56, respectively, in the prior year quarter. Net revenues increased 15% during the three month period ended December 31, 2002 to \$835.5 million as compared to \$724.2 million during the prior year's fourth quarter. During the quarter ended December 31, 2002, EBITDA (as defined on the attached Summary of Consolidated Operating Results) increased 23% to \$110.7 million as compared to \$90.2 million during the prior year's fourth quarter.

For the year ended December 31, 2002 (excluding the items listed on the attached Summary of Consolidated Operating Results), net income and earnings per share (diluted) increased 19% and 18%, respectively, to \$174.0 million and \$2.72 as compared to \$146.2 million and \$2.30, respectively, during 2001. During 2002, net revenues increased 15% to \$3.26 billion as compared to \$2.84 billion during 2001. EBITDA increased 17% during 2002 to \$434.6 million as compared to \$370.5 million during 2001.

Chairman and CEO Alan Miller said, "Our hospitals provided increasing quality of care to their patients in 2002 and the Company continues its efforts to improve patient safety through training programs and new information systems such as the recently

completed installation of a pharmacy management system that will greatly reduce the possibility of medication errors. The high quality reputations of our hospitals continue to attract an increasing number of patients. The efforts of the many talented people at UHS produced satisfying financial results even though hospitals continue to be challenged by rapidly rising labor and malpractice costs. We anticipate that 2003 will bring continued growth for our hospitals in both patient admissions and financial results. In addition to continuing to invest aggressively to provide the health care needed by our existing communities, UHS will also continue to look selectively to acquire hospitals where we believe our skills can improve the quality and financial viability of the hospital."

The strong growth in revenues and earnings resulted primarily from continuing substantial growth in admissions of patients to the Company's hospitals. Admissions to the Company's acute care hospitals located in the U.S. and Puerto Rico owned for more than a year increased 7.9% during the fourth quarter of 2002 over the prior year quarter. Admissions to the Company's behavioral health care facilities owned more than a year increased 7.7% during the fourth quarter of 2002 as compared to the prior year's fourth quarter. Also contributing to the increase in revenues and earnings during the fourth quarter of 2002, as compared to the prior year quarter, was a 5.2% increase in net revenue per adjusted admission achieved at the Company's acute care hospitals located in the U.S. and Puerto Rico. Net revenue per adjusted admission at the Company's behavioral health hospitals increased 1% during the quarter. Admissions to the Company's acute care hospitals located in the U.S. and Puerto Rico owned for more than a year increased 6.9% during 2002 over the prior year while admissions to the Company's behavioral health care facilities owned more than a year increased 6.4% during 2002 as compared to 2001. Net revenue per adjusted admission at the Company's acute care hospitals located in the U.S. and Puerto Rico increased 3.6% during 2002 as compared to the prior year. Net revenue per adjusted admission at the Company's behavioral health hospitals decreased less than 1% during the year as compared to 2001.

Cash flow from operations for the full year was \$333 million, an increase of 12% from the prior year. During 2002, the Company invested \$196 million in capital expenditures, purchased 1.7 million of its shares for \$77 million and made net debt repayments of \$67 million. By year-end 2002, the Company's shareholders' equity increased 14% to \$917 million and debt declined to \$689 million. The Company's return on capital, defined as net income (excluding from both years the items listed on the attached Summary of Consolidated Operating Results) divided by the sum of debt plus shareholders' equity, increased to 10.8% compared to 9.6% in 2001. The Company expects its return on capital to increase again in 2003 as recent investments in capital expenditures and acquisitions mature.

The Company also announced the planned departure of Kirk Gorman, the Company's Senior Vice President and Chief Financial Officer. Steve Filton, Vice President and Controller, will assume the title of Chief Financial Officer effective today. Mr. Gorman will remain with the Company during the transition period leading to the appointment of a permanent Chief Financial Officer, who will be selected from a search that will include internal and external candidates. Alan B. Miller, President and Chief Executive Officer of the Company, stated that the Company's Board of Directors concluded these management changes were necessary as a result of issues raised by KPMG, the Company's independent auditors, as a result of a recent communication from Mr. Gorman to KPMG regarding his views on their respective responsibilities and the level of expertise required of a chief financial officer with respect to the Company's financial statements. Although no issue whatsoever has been raised regarding the integrity of the Company's financial statements, KPMG has concluded that, because of Mr. Gorman's communication regarding the responsibilities and required expertise of a chief financial officer, it could no longer rely on the representations made by Mr. Gorman as the CFO of the Company.

The Company believes that the Company's stockholders will be well served by having Mr. Filton appointed the Company's interim Chief Financial Officer. Mr. Filton has extensive knowledge of the Company's business in his various roles within the Company for 18 years, including his position as Controller.

Mr. Miller emphasized that the Company has the utmost regard for Mr. Gorman's integrity and capabilities and is very disappointed that the situation has arisen which caused Mr. Gorman's departure.

Universal Health Services, Inc. is one of the nation's largest hospital companies, operating acute care and behavioral health hospitals and ambulatory centers nationwide, in Puerto Rico and in France. It acts as the advisor to Universal Health Realty Income Trust, a real estate investment trust (NYSE: UHT).

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

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

Universal Health Services, Inc.
Summary of Consolidated Operating Results
(in thousands, except per share amounts)
(unaudited)

	Three months ended December 31,			Twelve months ended December 31,		
	2002 -----	2001 -----	% Incr -----	2002 -----	2001 -----	% Incr -----
Net revenues	\$835,478	\$724,162	15%	\$3,258,898	\$2,840,491	15%
EBITDA (a)	\$110,711	\$ 90,181	23%	\$ 434,649	\$ 370,458	17%
Net income (loss):						
Reported net income, excluding goodwill amortization, recovery of facility closure costs, provision for insurance settlements, loss on early termination of interest rate swaps and loss on early extinguishment of debt	\$ 42,514	\$ 35,698	19%	\$ 173,985	\$ 146,213	19%
Goodwill amortization (net of tax)	---	(3,900)		---	(15,600)	
Reported net income, excluding recovery of facility closure costs, provision for insurance settlements, loss on early termination of interest rate swaps and loss on early extinguishment of debt	\$ 42,514	\$ 31,798	34%	\$ 173,985	\$ 130,613	33%
Recovery of facility closure costs (net of tax) (b)	1,376	---		1,376	---	
Provision for insurance settlements (net of tax) (c)	---	(25,220)		---	(25,220)	
Loss on early termination of interest rate swaps (net of tax) (d)	---	(4,643)		---	(4,643)	
Loss on early extinguishment of debt (net of tax) (e)	---	(1,008)		---	(1,008)	
Reported net income	\$ 43,890	\$ 927		\$ 175,361	\$ 99,742	
Diluted earnings (loss) per share:						
Reported net income, excluding goodwill amortization, recovery of facility closure costs, provision for insurance settlements, loss on early termination of interest rate swaps and loss on early extinguishment of debt	\$ 0.67	\$ 0.56	20%	\$ 2.72	\$ 2.30	18%
Goodwill amortization (net of tax)	---	(\$0.06)		---	(\$0.24)	
Reported net income, excluding recovery of facility closure costs, provision for insurance settlements, loss on early termination of interest rate swaps and loss on early extinguishment of debt	\$ 0.67	\$ 0.50	34%	\$ 2.72	\$ 2.06	32%
Recovery of facility closure costs (net of tax)	\$ 0.02	---		\$ 0.02	---	
Provision for insurance settlements (net of tax)	---	(\$0.38)		---	(\$0.38)	
Loss on early termination of interest rate swaps (net of tax)	---	(\$0.07)		---	(\$0.07)	
Loss on early extinguishment of debt (net of tax)	---	(\$0.01)		---	(\$0.01)	
Anti-dilutive effect of assumed conversion of debentures	---	(\$0.02)		---	---	
Reported net income	\$ 0.69	\$ 0.02		\$ 2.74	\$ 1.60	

(a) EBITDA is defined as income before depreciation and amortization, interest expense, recovery of facility closure costs, provision for insurance settlements, loss on early termination of interest rate swaps, loss on early extinguishment of debt and income taxes.

Below is a reconciliation of consolidated EBITDA to consolidated net income before income taxes and extraordinary charge

Consolidated EBITDA	\$ 110,711	\$ 90,181	\$ 434,649	\$ 370,458
Less: Depreciation and amortization	(34,350)	(32,893)	(124,794)	(127,523)
Interest expense, net	(9,248)	(7,368)	(34,746)	(36,176)
Recovery of facility closure costs	2,182	---	2,182	---
Provision for insurance settlements	---	(40,000)	---	(40,000)
Gain/(losses) on foreign exchange and derivative transactions	50	(7,353)	(220)	(8,862)
Consolidated income before income tax	\$ 69,345	\$ 2,567	\$ 277,071	\$157,897

(b) \$2.2 million pre-tax recovery of facility closure costs resulting from the fourth quarter of 2002 sale of real estate of a facility closed in a prior year.

(c) \$40 million pre-tax charge to earnings recorded during the fourth quarter of 2001 to reserve for general and professional liability claims that may result from PHICO's liquidation.

(d) \$7.4 million pre-tax charge recorded during the fourth quarter of 2001 resulting from the early termination of interest rate swaps.

(e) \$1.6 million pre-tax charge recorded during the fourth quarter of 2001 resulting from the early extinguishment of a \$135 million, 8-3/4% notes issued in 1995.

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

	Three months ended December 31,		Twelve months ended December 31,	
	2002	2001	2002	2001
Net revenues	\$835,478	\$724,162	\$3,258,898	\$2,840,491
Operating charges:				
Salaries, wages and benefits	334,334	289,643	1,298,967	1,122,428
Other operating expenses	201,209	179,286	787,408	668,026
Supplies expense	111,395	91,469	425,142	368,091
Provision for doubtful accounts	58,033	53,438	231,362	240,025
Depreciation and amortization	34,350	32,893	124,794	127,523
Lease and rental expense	15,623	13,951	61,712	53,945
Interest expense, net	9,248	7,368	34,746	36,176
Provision for insurance settlements	0	40,000	0	40,000
Recovery of facility closure costs	(2,182)	0	(2,182)	0
(Gain)/losses on foreign exchange and derivative transactions	(50)	7,353	220	8,862
	761,960	715,401	2,962,169	2,665,076
Income before minority interests, income taxes and extraordinary charge	73,518	8,761	296,729	175,415
Minority interests in earnings of consolidated entities	4,173	6,194	19,658	17,518
Income before income taxes	69,345	2,567	277,071	157,897
Provision for income taxes	25,455	632	101,710	57,147
Net income before extraordinary charge	43,890	1,935	175,361	100,750
Extraordinary charge from early extinguishment of debt, net of taxes	0	1,008	0	1,008
Net income	\$ 43,890	\$ 927	\$ 175,361	\$ 99,742
Earnings per common share - basic	\$ 0.74	\$ 0.02	\$ 2.94	\$ 1.67
Earnings per common share - diluted	\$ 0.69	\$ 0.02	\$ 2.74	\$ 1.60
Weighted average number of common shares - basic	59,241	59,829	59,730	59,874
Weighted average number of common share equivalents	7,582	688	7,345	7,346
Weighted average number of common shares and equiv. - diluted	66,823	60,517	67,075	67,220
 EARNINGS PER SHARE CALCULATION				
Net income	\$ 43,890	\$ 927	\$ 175,361	\$ 99,742
Add: Debenture interest, net of taxes	2,134	0	8,451	8,120
Adjusted net income	\$ 46,024	\$ 927	\$ 183,812	\$ 107,862
Weighted average number of common shares - basic	59,241	59,829	59,730	59,874
Add: Shares for conversion of convertible debentures	6,577	0	6,577	6,577
Other share equivalents	1,005	688	768	769
Weighted average number of common shares and equiv. - diluted	66,823	60,517	67,075	67,220
Earnings per common share - diluted	\$ 0.69	\$ 0.02	\$ 2.74	\$ 1.60

Universal Health Services, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	December 31, 2002	December 31, 2001
	-----	-----
Assets:		
Cash and cash equivalents	\$ 17,750	\$ 22,848
Accounts receivable, net	474,763	418,083
Other current assets	114,063	107,331
Property, plant and equipment, net	1,167,287	1,031,205
Other assets	549,366	589,122
	-----	-----
	\$2,323,229	\$2,168,589
	=====	=====
Liabilities and Stockholders' Equity:		
Current portion of long-term debt	\$ 3,714	\$ 2,436
Other current liabilities	362,160	320,280
Other noncurrent liabilities	206,238	164,390
Minority interest	134,339	125,914
Long-term debt	685,053	718,830
Deferred income taxes	14,266	28,839
Stockholders' equity	917,459	807,900
	-----	-----
	\$2,323,229	\$2,168,589
	=====	=====

Universal Health Services, Inc.
Supplemental Statistical Information
(unaudited)

----- Same Store: -----	% Change Quarter Ended 12/31/2002	% Change 12 mos. ended 12/31/2002 -----
Acute Care Hospitals		
Revenues	12.6%	10.2%
Adjusted Admissions	7.0%	6.3%
Adjusted Patient Days	5.7%	5.3%
Revenue Per Adjusted Admission	5.2%	3.6%
Revenue Per Adjusted Patient Day	6.6%	4.6%

Behavioral Health Hospitals		
Revenues	8.1%	5.7%
Adjusted Admissions	7.1%	6.1%
Adjusted Patient Days	7.0%	4.5%
Revenue Per Adjusted Admission	0.9%	-0.4%
Revenue Per Adjusted Patient Day	1.6%	1.1%

----- UHS Consolidated -----	Quarter Ended		Twelve months Ended	
	12/31/2002	12/31/2001	12/31/2002	12/31/2001
Revenues	\$835,478	\$724,162	\$3,258,898	\$2,840,491
EBITDA /(1)/	\$110,711	\$ 90,181	\$ 434,649	\$ 370,458
EBITDA Margin /(1)/	13.3%	12.5%	13.3%	13.0%
Cash Flow From Operations	\$ 87,417	\$ 44,132	\$ 332,598	\$ 297,543
Days Sales Outstanding	52	53	53	54
Capital Expenditures	\$ 38,956	\$ 41,393	\$ 195,640	\$ 152,938
Debt (net of cash)	-	-	\$ 671,017	\$ 698,418
Shareholders Equity	-	-	\$ 917,459	\$ 807,900
Debt / Total Capitalization	-	-	42.2%	46.4%
Debt / EBITDA /(2)/	-	-	1.54	1.89
Debt / Cash From Operations /(2)/	-	-	2.02	2.35
Acute Care EBITDAR Margin /(3)/	17.6%	17.4%	17.3%	17.8%
Behavioral Health EBITDAR Margin /(3)/	20.8%	17.8%	20.2%	19.0%

/(1)/ Net of Minority Interest

/(2)/ Latest 4 quarters

/(3)/ Before Corporate overhead allocation and minority interest

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
DECEMBER 31, 2002

AS REPORTED:

FOR THE THREE MONTHS ENDED

	ACUTE (1)			BEHAVIORAL HEALTH		
	12/31/02	12/31/01	%	12/31/02	12/31/01	%
	-----	-----	-	-----	-----	-
Hospitals owned and leased	25	24	4.2%	37	37	0.0%
Average licensed beds	5,713	5,596	2.1%	3,754	3,749	0.1%
Patient days	310,478	281,059	10.5%	248,708	231,907	7.2%
Average daily census	3,374.8	3,055.0	10.5%	2,703.3	2,520.7	7.2%
Occupancy-licensed beds	59.1%	54.6%	8.2%	72.0%	67.2%	7.1%
Admissions	67,395	59,797	12.7%	20,379	18,929	7.7%
Length of stay	4.6	4.7	-2.0%	12.2	12.3	-0.4%
Inpatient revenue	\$1,384,584	\$1,037,270	33.5%	\$241,497	\$218,163	10.7%
Outpatient revenue	474,790	370,306	28.2%	37,434	35,985	4.0%
Total patient revenue	1,859,374	1,407,576	32.1%	278,931	254,148	9.8%
Other revenue	13,865	15,604	-11.1%	7,923	10,411	-23.9%
Gross hospital revenue	1,873,239	1,423,180	31.6%	286,854	264,559	8.4%
Total deductions	1,224,075	870,787	40.6%	147,211	132,626	11.0%
Net hospital revenue	\$ 649,164	\$ 552,393	17.5%	\$139,643	\$131,933	5.8%

SAME STORE:

FOR THE THREE MONTHS ENDED

	ACUTE (1) (2)			BEHAVIORAL HEALTH (3)		
	12/31/02	12/31/01	%	12/31/02	12/31/01	%
	-----	-----	-	-----	-----	-
Hospitals owned and leased	23	24	-4.2%	37	37	0.0%
Average licensed beds	5,446	5,596	-2.7%	3,754	3,749	0.1%
Patient days	297,804	281,051	6.0%	248,722	231,895	7.3%
Average daily census	3,237.0	3,054.9	6.0%	2,703.5	2,520.6	7.3%
Occupancy-licensed beds	59.4%	54.6%	8.9%	72.0%	67.2%	7.1%
Admissions	64,512	59,797	7.9%	20,379	18,929	7.7%
Length of stay	4.6	4.7	-1.8%	12.2	12.3	-0.4%

(1) Does not include hospitals located in France.

(2) Central Montgomery and Lancaster are excluded in both current and prior years. Rancho Springs is included in the current and prior year totals from February 1st through year to date. Inland Valley and Rancho Springs merged to become one entity called Southwest Health Care effective July 1, 2002.

(3) Pembroke, San Juan Capistrano and Westwood Lodge are included in current and prior years from February 1 through year to date.

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
DECEMBER 31, 2002

AS REPORTED:

FOR THE TWELVE MONTHS ENDED

	ACUTE (1)			BEHAVIORAL HEALTH		
	12/31/02	12/31/01	%	12/31/02	12/31/01	%
Hospitals owned and leased	25	24	4.2%	37	37	0.0%
Average licensed beds	5,813	5,514	5.4%	3,752	3,732	0.5%
Patient days	1,239,040	1,123,264	10.3%	1,005,882	950,236	5.9%
Average daily census	3,394.6	3,077.4	10.3%	2,755.8	2,603.4	5.9%
Occupancy-licensed beds	58.4%	55.8%	4.6%	73.4%	69.8%	5.3%
Admissions	266,261	237,802	12.0%	84,348	78,688	7.2%
Length of stay	4.7	4.7	-1.5%	11.9	12.1	-1.2%
Inpatient revenue	\$5,183,944	\$4,032,623	28.6%	\$ 979,824	\$ 908,424	7.9%
Outpatient revenue	1,814,757	1,432,232	26.7%	149,604	143,907	4.0%
Total patient revenue	6,998,701	5,464,855	28.1%	1,129,428	1,052,331	7.3%
Other revenue	58,609	57,663	1.6%	36,021	40,094	-10.2%
Gross hospital revenue	7,057,310	5,522,518	27.8%	1,165,449	1,092,425	6.7%
Total deductions	4,533,018	3,340,466	35.7%	599,864	553,982	8.3%
Net hospital revenue	\$2,524,292	\$2,182,052	15.7%	\$ 565,585	\$ 538,443	5.0%

SAME STORE:

FOR THE TWELVE MONTHS ENDED

	ACUTE (1) (2)			BEHAVIORAL HEALTH (3)		
	12/31/02	12/31/01	%	12/31/02	12/31/01	%
Hospitals owned and leased	23	24	-4.2%	37	37	0.0%
Average licensed beds	5,538	5,506	0.6%	3,723	3,712	0.3%
Patient days	1,184,060	1,122,448	5.5%	997,910	948,526	5.2%
Average daily census	3,244.0	3,075.2	5.5%	2,734.0	2,598.7	5.2%
Occupancy-licensed beds	58.6%	55.9%	4.9%	73.4%	70.0%	4.9%
Admissions	253,899	237,477	6.9%	83,645	78,588	6.4%
Length of stay	4.7	4.7	-1.3%	11.9	12.1	-1.2%

(1) Does not include hospitals located in France.

(2) Central Montgomery and Lancaster are excluded in both current and prior years. Rancho Springs is included in the current and prior year totals from February 1st through year to date. Inland Valley and Rancho Springs merged to become one entity called Southwest Health Care effective July 1, 2002.

(3) Pembroke, San Juan Capestrano and Westwood Lodge are included in current and prior years from February 1 through year to date.