UNIVERSAL HEALTH SERVICES’ PURPOSE-DRIVEN MISSION

In the late 1970’s, Alan B. Miller had a vision for a healthcare company that would provide superior quality healthcare services that patients recommend to family and friends, physicians prefer for their patients, purchasers select for their clients, employees are proud of and investors seek for long-term returns. That vision stands as the Mission Statement of UHS. Repeatedly praised by industry experts for being honest and authentic, the Mission Statement identifies value offered to all key stakeholders.

OUR MISSION

To provide superior quality healthcare services that:

Patients recommend to family and friends,
Physicians prefer for their patients,
Purchasers select for their clients,
Employees are proud of, and
Investors seek for long-term returns.

The UHS operating philosophy is as effective today as it was 40 years ago: Develop high quality hospitals in growing markets and invest in the people and equipment needed to allow each facility to become the leading healthcare provider in each and every community we serve. UHS owes its success to a responsive management style and to a philosophy that is based on integrity, competence and compassion. Believing in the power of people and strong leadership, we seek the best talent in the industry to instill excellence in all we do.

UHS today is one of the nation’s largest and most respected providers of hospital and healthcare services. Through its subsidiaries, the company currently operates approximately 400 facilities all across the United States, Puerto Rico and the United Kingdom.

We look forward to continuing to successfully deliver upon our Mission for decades to come.
Since our founding 40 years ago, Universal Health Services has grown from six employees with a single hospital management contract to 90,000 employees across an expansive international network.

Through a combination of strategic acquisitions, new construction in attractive markets, expansions at existing facilities and joint-venture partnerships, the company has steadily grown through the years to boast a diversified set of assets delivering value to all stakeholders.

We remain as committed today as we were in 1979 to providing superior quality care and being the preferred provider in all of the markets we serve.
40 years is a milestone of which I personally am very proud: 40 years of growth, innovation and care delivery. Over the past four decades, we have worked hard to deliver upon our mission, care for patients in the most effective manner, grow strategically and turn challenges into golden opportunities.

Our company anniversary is the perfect time to acknowledge and review our accomplishments – and to look ahead to a future of continued success. On this very special occasion, please accept my sincere thanks for your significant contributions to our Company’s success.

UHS today is one of the nation’s largest and most respected providers of hospital and healthcare services, with a strong and diverse portfolio of hospital-based care, ambulatory care, behavioral health, an insurance offering, a physician network and various related services. With 90,000 employees, we currently operate approximately 400 facilities across the United States, Puerto Rico and the United Kingdom.

In 2019, we delivered care to 3.5 million patients across inpatient and outpatient access points. UHS generated net revenues of approximately $11.4 billion, an increase of 5.6% over 2018. On a same facility basis, adjusted admissions increased 4.8% across the Acute Care Division, and 1.2% within the Behavioral Health Division.

Highlights in Acute Care include expansions and renovations at a number of our hospitals, as well as addition of new service lines and acquisition of innovative technologies to support the advancement of care. We continue to invest in access points across the integrated delivery of care continuum - including six new Freestanding Emergency Departments - as well as engage in strategic partnerships that will enable patients to access the right level of care at the right location. In October, we broke ground on Northern Nevada Sierra Medical Center, which, when open in 2022, will be the first new full-service hospital in the growing Reno market in 100 years. Our seven Accountable Care Organizations across the country, covering 130,000 Medicare lives, drove physician alignment through value-based care initiatives, yielding over $65 million Medicare cost savings and earning $30 million for the 3,000 participating physicians.

Our significant achievements in Behavioral Health during the year include the announcement of five de novo facilities currently under construction across the U.S. that are new joint ventures with established and highly respected not-for-profit health systems, and two de novo fully owned facilities in markets identified to us by referral entities as currently underserved markets. Our quality of care data continues to exceed the national average, UHS is named to the Wall Street Journal Shareholder Honor Roll, Alan B. Miller first named among 100 Most Influential People by Modern Healthcare.
Henderson Hospital opens in Henderson, NV

Over 35,000 people are employed by UHS

UHS acquires Psychiatric Solutions Inc. (PSI) adding 105 facilities to the Behavioral Health Division

UHS is added to the S&P 500 index; acquires Cygnet Health Care (UK); acquires Prominence Health Plan, entering healthcare insurance industry; rings the NYSE Closing Bell in recognition of its 35th anniversary

We are currently ranked #293 on the Fortune 500 list, and our employees and facilities continue to be honored by national, state and local organizations for delivering high quality care, for pioneering innovation, for their thought leadership and for their commitment to serving their local communities.

We look ahead with great optimism. 2020 will be a year of continued growth and expansion, operational excellence and achievement of new milestones. Thank you for your continuing interest and investment in UHS.

Sincerely,

Alan B. Miller
Founder, Chairman of the Board and Chief Executive Officer

Alan B. Miller received the Admiral Charles LeMoyne Distinguished Civilian Award on December 13, 2019, presented by The Ben Franklin Global Forum in recognition of his leadership and accomplishments in providing superior behavioral healthcare to active duty military, veterans and their families.

(l to r) Rear Admiral Frank Mitchell Bradley, Assistant Commander — Navy, Joint Special Operations Command; Bob Daniels, Chairman, Ben Franklin Global Forum; Alan B. Miller, Founder, Chairman and CEO, Universal Health Services; and Major General Xavier T. Brunson, Commanding General, 7th Infantry Division

In recognition of the Company’s 40th anniversary, the UHS Board of Directors and Corporate Officers were invited to ring the Closing Bell at the New York Stock Exchange on April 30, 2019.
2019 BY THE NUMBERS

3.5 MILLION
PATIENTS SERVED

90,000
EMPLOYEES, GLOBALLY

22,000
NURSES

1,200+
PROVIDERS OF PHYSICIAN SERVICES

$634 MILLION
INVESTMENT IN
EQUIPMENT, FACILITY
EXPANSIONS AND
RENOVATIONS

ACUTE CARE
1.4 million
ER visits

33,000 births

243,000 surgeries

7 Accountable
Care Organizations
(ACOs)

BEHAVIORAL
HEALTH
328 inpatient
facilities

488,000
inpatients served

256,000
outpatients served

25 facilities
offering Patriot
Support Programs

21
JOINT VENTURE
PARTNERSHIPS

10 YEARS ON
THE FORTUNE
WORLD’S
MOST ADMIREDA COMPANIES LIST

16 YEARS ON THE
FORTUNE 500

17 YEARS OUR CEO
HAS BEEN NAMED
TO THE MODERN
HEALTHCARE “MOST
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2019 was a year of solid performance and continued growth for the Acute Care Division. We delivered superior quality care to approximately 2.7 million patients, expanded our geographic reach and service lines, earned distinguished accolades from accrediting bodies, signed new partnerships and expanded our ACO offerings and delivered solid financial results.

Our dedication to delivering clinical excellence to our communities sets us apart and has driven sustainable growth. In 2019, adjusted admissions were up 5%; surgeries were up 3% and ER visits were up 8%.
Our division has the clinical leadership and expertise to raise the bar in quality and patient experience, and ensure that UHS acute care services are at the center of the healthcare delivery model.

As a division, we are well positioned to continue to grow, expand our integrated networks and deliver the continuum of care to millions of patients across the communities we serve.

**GROWTH AND EXPANSION**

In 2019, we completed a number of significant expansions – increasing bed capacity, adding new service lines, installing innovative medical technologies – to better meet the healthcare needs of the communities we serve.

An historic milestone for The George Washington University Hospital (GW Hospital) and the Washington, D.C., community was achieved in November with the opening of a helipad, expanding access to lifesaving care in the region. In addition, we also opened 42 additional beds for trauma care and neurology care.

In Florida, at Manatee Memorial Hospital, we opened a new bi-plane neuro-interventional catheterization suite. At Lakewood Ranch Medical Center, we added two new operating rooms and a new radiology unit including new CT and MRI. At Texoma Medical Center, we opened the 4th floor of the new patient tower adding 36 new medical-surgical beds. We completed a two-floor vertical expansion with shell space to allow for future beds on the 5th and 6th floors.

*Above: When minutes matter, airlifting trauma patients can mean the difference between life and death, especially in mass casualty situations. The GW Hospital team officially dedicated the new helipad in November 2019. Left to right: Vincent Gray, D.C. Councilmember and Chairperson on the Committee on Health; LaQuandra Nesbitt, MD, Director, D.C. Department of Health; Jonathan Reiner, MD, Director of the Cardiac Catheterization Laboratory, GW Hospital; Babak Sarani, MD, Director of Trauma and Acute Care Surgery, GW Hospital; Kimberly Russo, Chief Executive Officer, GW Hospital; Robert Kelly, MD, Former Chief Executive Officer, The GW Medical Faculty Associates; Jeffrey Akman, MD, Former Vice President for Health Affairs and Former Dean, GW School of Medicine and Health Sciences.*
DELIVERING LIFE-SAVING CARE

The Stroke Center at Valley Hospital Medical Center in Las Vegas provides comprehensive care that helps patients address a number of physical, emotional and lifestyle issues. Our stroke response team is deployed to evaluate and treat stroke emergencies.

Meet Marlene Boersma, patient, and Dr. Paul Janda, D.O., J.D., Director of Neurology Residency Program at Valley Hospital, part of The Valley Health System in Las Vegas. Marlene was airlifted to Valley Hospital for treatment of stroke symptoms. According to Dr. Janda, Marlene presented in a critical condition, yet, due to the prompt medical care delivered by the Valley Hospital team, she stabilized and today is doing outstanding.

HEALING HEARTS IN WASHINGTON, D.C.

Heart disease is the leading cause of death in the U.S., according to the CDC. At GW Hospital, advanced technology and medical expertise come together to provide patients with a comprehensive program for advanced treatment of heart disease and vascular disorders, available in one convenient location. The goal is to help each patient live a long life with a healthy heart.

Meet Bonita Bell. Bonita had a large blood clot in her lungs (pulmonary embolism). Doctors placed her on an ECMO machine and removed large volumes of clot from her arteries. Bonita comments that, were it not for the care she received, she would not be here today.

Cardiologists, cardiac surgeons and other heart specialists at GW Hospital provide advanced detection, diagnosis and treatment of a wide range of diseases and conditions, including heart attack, heart failure, heart rhythm disorders, deep vein thrombosis, peripheral arterial disease and more.
Expansion of Centennial Hills Hospital in Las Vegas:

As Northwest Las Vegas, North Las Vegas and the outlying communities continue to grow, our goal is to meet the demand for expanded services. When all five floors of the new patient tower are completely built out, the hospital’s capacity will reach 390 beds. This continued expansion aligns with our commitment to meet our community’s requests and keep care close to home.

At South Texas Health System McAllen, we converted a nursing unit into an inpatient rehabilitation unit with 18 beds, a physical therapy gym and activity room. And at South Texas Health System Edinburg, we have begun planning for a new bed tower, which will add more beds in the ER, ICU, inpatient rehab and medical-surgical areas.

In Nevada, at Henderson Hospital in Las Vegas, we completed the build-out of two new operating rooms. We have also begun the planning for a new bed tower.

Centennial Hills Hospital Medical Center in Las Vegas announced a master plan project that begins with the build-out of a new $95 million five-story patient tower. Phase one will add 56 new beds, increasing the total to 318. This addition will provide increased capacity in the NICU, ICU, intermediate unit and medical-surgical units across the hospital.

At Northern Nevada Medical Center in Sparks, Nevada, we added 16 new medical-surgical beds. Additionally, we opened a new orthopedic surgery room and a new pharmacy.

INTEGRATED DELIVERY NETWORKS

A key strategy for the division is to further expand our integrated delivery networks – providing patients with improved access to a full range of healthcare services. The hospital serves as the hub, with affiliated outpatient and ancillary services conveniently located across the local geography. The expansion of ambulatory service offerings – whether owned or aligned through partnerships – keeps patients in-network and provides a coordinated care experience.

We announced a partnership with Regent Surgical Health to build and operate Ambulatory Surgery Centers in key markets. These will provide patients with convenient access to more outpatient surgical services, and physician practices with more efficient outpatient locations to perform appropriate procedures.

We announced a partnership with Vera Whole Health to add advanced primary care services to UHS’ clinically integrated delivery network, boosting access, improving member experience and generating better health outcomes.

Finally, we expanded our Accountable Care Organizations (ACOs) to seven across the country, covering 130,000 Medicare lives; 12,500 lives in Nevada and Texas; and 30,000 commercial lives in Nevada.

Prominence Health Plan announced the results of its ACOs showing a continued trend of increased cost savings and improved quality. In 2018, the ACOs saved Medicare $65.2 million, earning $30 million for its 3,000 participating physicians. Since the establishment of the first UHS ACO in 2014, the entities have saved more than $113 million and averaged a 96% quality score.
OPERATIONAL EFFICIENCIES YIELD RESULTS

At our Acute Care hospitals, we are committed to continuous improvement – driving clinical outcomes, enhancing the patient experience, streamlining operations and supporting staff satisfaction.

The effort to reduce reliance on registry continued in 2019, despite the pressure on staffing due to strong census growth. Registry nursing contract expenses decreased by 8.3%, saving $3.68 million versus 2018.

Our process improvement efforts yielded a 23% reduction in the patient’s length of stay in the Emergency Department (ED). In part, this was achieved by streamlining the time it takes to move a patient from the ED to an inpatient bed and deploying capacity management software in half of our facilities. As a result, patients are more likely to be placed in an inpatient bed within 30 minutes of bed assignment and bed assignments are occurring within 45 minutes of the admission order. ED holding hours across the division have declined by 17% from the previous year. In 2019, ED patients discharged from the ED had an average length of stay of 2.5 hours, representing a 10% decrease from 2018.

Patients are discharged earlier in the day across the division by 62 minutes and a third of our facilities have executed the discharge of a patient within two hours versus waiting in excess of three hours. This was achieved in part by streamlining the discharge process by targeting 50% of all discharges to depart the facility by 2:00 p.m. and deploying capacity management software in a third of our facilities, allowing for transparency of eligible discharges and admissions from the ED and Operating Room (OR).

QUALITY DISTINCTIONS

We are honored to receive industry accolades that recognize the care and services we provide.

U.S. News & World Report recognized The George Washington University Hospital as a Best Regional Hospital, ranking it among the top 10% of hospitals in the Washington, D.C. metropolitan area.
In 2019, nine UHS Acute Care hospitals earned an “A” safety grade from The Leapfrog Group, recognizing our commitment to protect patients from harm and meet the highest safety standards. In addition, two UHS Acute Care hospitals – Henderson Hospital and Northern Nevada Medical Center – were named Top General Hospitals by The Leapfrog Group.

Aiken Regional Medical Centers was named a Top Teaching Hospital. Performance across many areas of hospital care are considered in establishing the qualifications for the award including infection rates, practices for safer surgery, maternity care, and the hospital’s capacity to prevent medication errors.

Award-winning care

UHS Hospitals Recognized with an “A” Safety Grade from Leapfrog in 2019

- Aiken Regional Medical Centers
- Henderson Hospital
- Northern Nevada Medical Center
- South Texas Health System Edinburg
- South Texas Health System Heart
- South Texas Health System McAllen
- St. Mary's Regional Medical Center
- Wellington Regional Medical Center
Process improvement efforts in MRI continue across the division with 18 facilities completing work to reduce patient turnaround time by 50% for routine inpatient and observation patients.

The Acute Inpatient Rehabilitation Units saw an improvement in their Program Evaluation Model (PEM) through October, with 8 out of 13 units ranking in the top 10% of the country. One 18-bed Rehabilitation Unit was opened in 2019 in McAllen, Texas. More than 80% of all of the rehab patients in the 14 units were discharged to the community. Marketing efforts that included updated marketing materials and operational improvements resulted in a $7.2 million increase over 2018.

Outpatient Rehabilitation Services came together in 2019 with an emphasis on same store growth and operational efficiencies. Growth included the addition of two new locations in 2019 for a total of 20 Outpatient Rehabilitation Services locations. With a focus on volume growth and operational efficiencies, the outpatient revenue grew $13.9 million over 2018. To provide consistent management oversight and outcome data, an Outpatient EMR was selected for 2020 implementation.

We continue to make improvements in our OR efficiency with year-over-year gains in prime time utilization and block utilization.

One Patient’s Story: Maine’s U.S. Senator Angus King completed his last day of radiation treatment at GW Hospital in Washington, D.C., thanking the medical team as well as his family, friends and his staff for their compassion and support.
NEW HOSPITAL UNDER CONSTRUCTION IN RENO

In October, we broke ground on Northern Nevada Sierra Medical Center, the first new full-service hospital to be built in Reno in 100 years.

Expected to open in 2022, Sierra Medical Center will join a comprehensive continuum of care in this region, including Northern Nevada Medical Center, Northern Nevada Medical Group, Quail Surgical and Pain Management and a Freestanding Emergency Department, ER at McCarran NW.

Upon completion of the initial phase of the project, the hospital campus is projected to include 350,000 square feet of hospital and medical office space. The new hospital will feature nearly 200 private patient rooms. Our expansion in this region will improve access to healthcare, offer more choices for patients and serve as an extension of the quality care already offered in the greater Reno area.

Sierra Medical Center will introduce comprehensive services including emergency care, orthopedics, surgery, labor and delivery, neonatal intensive care, oncology, cardiovascular care and neurosurgery. In addition, the campus will be home to medical office buildings that will provide outpatient services.
We provide compassionate care that transforms lives and families.

The Behavioral Health Division recorded another year of industry-leading clinical outcomes for patients, good financial performance and continued growth in the U.S. and the U.K.

In 2019, our dedicated clinicians and staff delivered compassionate care to over 700,000 patients, providing hope and healing to patients and families who struggle with mental health challenges.
Through a continuum of inpatient, partial hospitalization and outpatient programs, we provide a broad range of behavioral health services. Additionally, our specialty programs provide treatment for eating disorders and substance use.

As we continue to increase awareness and change the conversation about mental health and addiction issues, we remain committed to our top priority of taking care of patients – providing superior quality care – treating individuals with respect and operating with integrity. This is the philosophy that has powered past accomplishments and will continue to fuel our success into the future.

GROWTH AND EXPANSION TO SERVE MORE PATIENTS

We continued to expand the delivery of care, providing more services to more patients. In response to the need for more acute inpatient psychiatric capacity in the U.S., we added a total of 178 acute psychiatric beds in existing facilities during the year.

We also added programs and services at a number of our facilities, working closely with our referral sources to anticipate and meet demand in our served communities.

Above: Universal Health Services has a long-standing commitment to serving the behavioral health needs of the military, including active duty service members, veterans and their families. In 2019, we served over 7,500 service members through our Patriot Support Programs. We are proud to work with Herschel Walker, former professional NFL player and mental health advocate. Walker has made over 300 visits to military installations across the U.S. and abroad, since partnering with the UHS Patriot Support Program in 2008. He has engaged with thousands of members of the military, sharing his message of hope and resilience, and inspiring others to seek care. Pictured above: Herschel Walker (center) with U.S. troops in Germany.
AN EMPHASIS ON QUALITY MEASURES

Quality of care and patient satisfaction continue to be our most important metrics. UHS is one of few behavioral health providers voluntarily measuring clinical outcomes. Examining a variety of metrics, we are able to quantify changes in patients’ conditions from admission to discharge.

A subsidiary of UHS, Mental Health Outcomes (MHO), is a leading consultancy specializing in the design and implementation of custom outcomes measurement, aggregating patient satisfaction surveys and outcomes. In CMS’ Inpatient Psychiatric Facility Quality Reporting requirements, our facilities are compared to approximately 1,500 other psychiatric providers across the country. Our results exceed the national averages in 11 out of 14 indicators.

Patient satisfaction is a key indicator of the effectiveness of our treatment programs. In 2019, our patients rated their overall care as 4.5 on a 5-point scale in our patient satisfaction surveys. More than 91% indicated they felt better following care at one of our facilities; 90% were satisfied with their treatment; and 86% would refer a friend or family member in need of care.

Patient responses to our aftercare survey indicate that the vast majority of patients sustain the improvements made during treatment, with 89% reporting no re-hospitalization and 73% reporting a positive quality of life.

THE VOICE OF OUR PATIENTS

Quality is our passion, improving lives is our reward.

Every day, at each of our facilities, care providers are making a difference in the lives of patients. It is evident in the expertise, quality of care and time they provide. It is shown by their compassion, kindness and patience. It is documented in the tangible improvement patients make from admission to discharge. But the biggest testament is hearing from patients following their stay – being told that we made a lasting impact, that they now live healthier, happier, more productive lives. Pictured here just three of the thousands of testimonials received each year from patients we have been privileged to serve.
Roman R.

Roman R. was a patient at Laurel Ridge Treatment Center receiving treatment for PTSD and other post-deployment issues. A retired sergeant first class in the Special Forces, Roman served in the U.S. Army for 13.5 years. “You do what you have to do and then you put it all back into a mental box,” said Roman. “That worked. Until it didn’t.” Roman completed treatment at Laurel Ridge (6-week stay). “Once I really stepped into the process and got on-board with treatment, the panic attacks stopped. Getting help doesn’t keep you from your job, it makes you better at your job.”

Chris D.

Chris D. was a patient at Fuller Hospital at the age of 17 struggling with Anxiety and Obsessive-Compulsive Disorder. Two years later, the Fuller team had the opportunity to meet Chris...again; this time as a visitor on his way home from college where he is studying criminal justice. It was a special reunion moment for both Chris and the Fuller staff.

“If I could talk to my 17 year-old self I would let him know that he is never alone. Just be truthful. The safety and security I felt at Fuller I had not felt for a long time. I would tell myself not to be scared, and to be willing to make necessary changes, for it would only benefit my health and well-being.” – Chris D.

“The happy ending to our story is that after being discharged, Chris did extremely well. He is under the care of both a psychologist and a psychiatrist, and he is flourishing at college in his freshman year. There aren’t enough words to describe our level of gratitude for all the work the Fuller team gave our son. They perform God’s work every day and help to de-stigmatize the mental health maladies that many people, like our son, are facing.” – Chris’ parents Joe & Paula D.

Bo Brown

Bo was treated at Michael’s House in Palm Springs, California in 2014. He recently reached out to share his continued progress. Testimonials from patients years after treatment attest to the sustainability of their life-changing treatment. “One of the things I learned about myself is not to waste another moment of my life. I spent a lot of years in the shadows, isolating myself, drinking myself to death and avoiding contact with people. Now I look forward to days. I enjoy waking up in the morning. I enjoy new adventures and doing things that I would never expect to do in my life.”
Cygnet Health Care is a leading provider in the U.K. offering a full spectrum of behavioral health services and treatment. During the year, Cygnet Health Care celebrated its 30th anniversary with the successful integration of 25 newly acquired Danshell facilities, further establishing Cygnet as one of the largest providers of mental health services in the U.K. With a presence across England, Scotland and Wales, Cygnet Health Care is the provider of choice for the National Health Service (NHS). We have built a reputation for delivering pioneering services and outstanding outcomes for the individuals in our care. We have invested significantly in our portfolio and we are proud to offer the safest therapeutic environments for behavioral health across the country, with 85% of our U.K. services rated as ‘Outstanding’ or ‘Good’ by regulatory agencies.

SPECIALIZED PROGRAMS

EATING DISORDERS
We believe that eating disorders are rooted in and driven by anxiety and a profound disruption to the sufferers’ sense of self. Our goal is to create a culture that nurtures the integration of body and mind by normalizing eating behaviors and attitudes toward food and one’s body; and challenging and replacing maladaptive thoughts and behaviors.

EDUCATIONAL SERVICES
Our residential treatment facilities provide innovative programs for adolescents enabling them to continue their education and pursue academic success while in treatment. In 2019, 211 youth receiving mental health treatment in our facilities earned their high school diploma or GED.

SUICIDE PREVENTION
As a strategic partner to the National Action Alliance for Suicide Prevention, UHS collaborated in delivering groundbreaking best practices to support care transitions following inpatient services. This new research will continue to be showcased in 2020. As providers, we must do all we can to support patients during this vulnerable time in their care journey.

Celebrating 30 years, Cygnet has expanded to provide more support at specialist behavioral facilities across the UK. Kewstoke’s beachside location overlooking the Bristol Channel provides a peaceful and therapeutic setting for patients in our care.
Integration of behavioral health and physical healthcare services can decrease unnecessary emergency department visits, reduce unnecessary inpatient admissions and enhance compliance with treatment, leading to better clinical outcomes and increased patient satisfaction.

We currently have over 40 active partnerships and integrations underway. Joint-venture projects announced with these leading Healthcare Systems are currently under construction:

- Beaumont Health
- HonorHealth
- MercyOne
- SoutheastHEALTH
- Valley Children’s Healthcare

And new facilities are being built following needs assessments driven by local referral source partners:

- Mental Health Division of Milwaukee County
- Baylor Scott & White Health
UHS recognizes the need to protect the natural environment as well as serve patients and the communities in which we operate. Keeping our surroundings clean and minimizing pollution is of benefit to all. We are committed to following best practices when managing our energy usage and consumption, and disposing of waste. Stewardship continues to play an important role in our commitment to a clean environment and strong communities.
ENERGY STAR® CERTIFICATION
We continued work on the UHS Corporate Energy Efficiency Initiative, which was launched in 2017. UHS invested $10.6 million toward LED lighting upgrades and optimization of our large HVAC systems during the year. The projects implemented during 2019 are projected to save 18.38 million kWh of electricity and 138,000 therms of natural gas annually, resulting in 14,010 metric tons of CO2 emission reduction. This equates to:
• 2,975 passenger vehicles removed from the road or 34.76 million miles driven by an average passenger vehicle, or
• 15.4 million pounds of coal burned, or
• 2,372 homes’ electricity use for one year.
UHS installed and successfully implemented smart analytics fault detection and diagnostics systems in some of our large HVAC systems. This technology will help UHS to proactively identify, prioritize and address critical HVAC system components’ failure and faults, per their energy savings potential.


LEED / GREEN GLOBES CERTIFICATION
In addition to obtaining verification for Leadership in Energy and Environmental Design (LEED) in five of our six Las Vegas area hospitals, we have applied for certification under the science-based Green Globes rating system, which traces its origin to the European green building standard, Building Research Establishment Environmental Assessment Methodology (BREEAM). This action supports our focus on systematic annual increases in overall energy efficiency while improving our activities in the operation and maintenance for our facilities.
Furthermore, the Green Globes system includes wellness elements which further demonstrates our commitment to not only operate sustainable buildings but also provide enhanced environments for our patients and their families, physicians and employees. As of the end of 2019, four Green Globes certifications were earned and a fifth is in progress.

**CULINARY AND NUTRITION**

The Culinary and Nutrition team is comprised of Licensed Registered Dietitians and Chefs, and resides as part of Supply Chain. This structure allows us to look at ingredients first. With every menu developed, or product sourced, we keep in mind the wholesomeness and nutritional content of the ingredients required. We also look at creating value: how the best foods, at the best price can be prepared for the best customer satisfaction.

We refer to this as a focus on Food as Fuel. If a patient receives the foods of their personal choice, and enjoys them, they will have the fuel and nutrients to heal. But food preferences are complicated and vary greatly. Therefore, we use an integrated approach.

Our team began implementing the new International Standards for Dysphagia before most health systems in the U.S. This addresses patient safety and the presentation of patient meals, while also focusing on careful selection of food items for all diet types. Partnering with our best facility-level Chefs, we continue to develop and test recipes and menus. We recently completed UHS’ own set of Cafeteria Retail Concepts. These were newly developed sets of recipes, marketing, signage and presentation standards competitive with quick service restaurants. Although this project was important for Retail Cafeterias, we chose to also use it as a testing mechanism for many Patient Menu Cycle items.

Our team worked on 37 kitchen design projects this past year. Each of these utilized new contracts secured with specific companies to ensure safe, dependable and affordable tools for our Culinary Departments. From energy-efficient dishwashing machines to customer-facing reusable items such as melamine plates to reduce paper goods usage, these projects leverage industry best-practice solutions.

Lastly, we expanded the digitalized Diet Offices and Food Production systems to safely expedite patient choices more creatively within dietary restrictions.

By taking these actions, we also saw a reduction in waste. In concert with our continued management of partnered contracts and order guides, the result is that food and supply costs remained stable year over year, while allowing an investment in quality.

**ENVIRONMENTAL SERVICES (EVS)**

During 2019, UHS Environmental Services continued to improve and innovate the manner in which we clean and provide safe environments for our patients, staff and visitors. With consistent training of our staff, we are ensuring our teams understand the critical part which we play in our healthcare environments. In moving our EVS departments in-house, we have improved visibility and influence on our departments, allowing for consistent process improvement. During the year we launched Adenosine Triphosphate (ATP) testing in patient and sterile areas to significantly improve the depth of inspections beyond visual. We have additionally expanded use of UV treatment (over 7,500 treatments) in all areas of the hospitals as an additional enhanced cleaning process.
RESPONSIBLE PHARMACEUTICAL WASTE MANAGEMENT

The United States Environmental Protection Agency (EPA) enforced new regulations this past year pertaining to the disposal of hazardous waste pharmaceuticals by healthcare facilities. The new rule provides streamlined processes for the safe management of pharmaceutical waste and prohibits the practice of draining hazardous pharmaceutical waste in sewer systems.

Proper disposal of pharmaceutical waste and ensuring regulatory compliance are essential components of the UHS Pharmaceutical Waste Management Program. The program incorporates the use of special disposal containers designed for both hazardous and nonhazardous pharmaceutical waste. The containers provide an environmentally friendly method for disposal of pharmaceutical waste and prevent the presence of residual medications in our environment.

Proper disposal of controlled substance waste is another important component of the UHS Pharmaceutical Waste Management Program that ensures alignment with the Drug Enforcement Administration (DEA) and EPA regulations surrounding proper disposal of controlled substances. The program features the use of an innovative controlled substance waste disposal container designed to prevent diversion of controlled substances and prevent pharmaceutical waste from entering our environment.

Responsible management of pharmaceutical and controlled substance waste generated at our hospitals provides an added degree of safety for our patients, communities and the environment.

REPROCESSING AND WASTE DIVERSION

Through reprocessing and remanufacturing efforts with our business partners, UHS is able to minimize its environmental impact utilizing key sustainability programs. UHS Acute Care facilities work with vendors to collect identified products and participate in sustainable and environmentally friendly practices resulting in diversion of waste. These vendors break down collected products into recyclable components keeping them out of the waste stream. In 2019, our Acute Care division was able to divert 145,717 pounds of waste through collection of 390,855 individual items. UHS has been participating in reprocessing and remanufacturing programs for over 16 years.

UNCOMPENSATED CARE (CHARITY CARE AND UNINSURED DISCOUNTS)

Our commitment to corporate social responsibility is evident across the company in a number of ways, including the care that we provide to patients and their families, regardless of their ability to pay.

Generally, patients treated at our hospitals for non-elective services, who have gross income of various amounts dependent upon the state, ranging from 200% to 400% of the federal poverty guidelines, are deemed eligible for charity care. The federal poverty guidelines are established by the federal government and are based on income and family size.

UHS Acute Care hospitals have recorded increasing uncompensated care, based on charges at established rates, for the years ended December 31, 2019, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charity care</td>
<td>$672,326</td>
<td>$761,783</td>
<td>$887,136</td>
</tr>
<tr>
<td></td>
<td>31%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>Uninsured</td>
<td>$1,151,738</td>
<td>$1,132,811</td>
<td>$881,265</td>
</tr>
<tr>
<td>discounts</td>
<td>69%</td>
<td>60%</td>
<td>50%</td>
</tr>
<tr>
<td>Total uncompen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setup</td>
<td>$2,824,064</td>
<td>$1,894,594</td>
<td>$1,768,401</td>
</tr>
<tr>
<td>Setup</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(dollar amounts in thousands)
Committees of the Board: 1 Audit Committee, 2 Compensation Committee, 3 Executive Committee, 4 Finance Committee, 5 Nominating/Corporate Governance Committee, 6 Lead Director, *Committee Chairperson

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**FACILITY LOCATIONS**

**UNITED STATES**
Alabama | Alaska | Arizona  
Arkansas | California  
Colorado | Connecticut  
Delaware | District of Columbia  
Florida | Georgia  
Idaho | Illinois | Indiana  
Kentucky | Louisiana  
Massachusetts | Michigan  
Minnesota | Mississippi  
Missouri | Nevada  
New Jersey | New Mexico  
North Carolina | North Dakota  
Ohio | Oklahoma | Oregon  
Pennsylvania | South Carolina  
Tennessee | Texas  
Utah | Virginia | Washington  
West Virginia | Wyoming

**UNITED KINGDOM**

**England**
Bristol | Cheshire  
County Durham | Derbyshire  
Dorset | Essex  
Gloucestershire | Hampshire  
Hertfordshire | Kent  
Lancashire | Leicestershire  
Lincolnshire | London  
Greater Manchester | North Yorkshire  
Northumberland | Nottinghamshire  
Somerset | South Yorkshire  
Staffordshire | Suffolk | Surrey  
West Midlands | West Yorkshire

**Scotland**
Angus | Dumfries and Galloway  
Stirling

**Wales**
Flintshire | Gwent

**PUERTO RICO**

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