

PROSPECTUS SUPPLEMENT  
(TO PROSPECTUS DATED JULY 18, 1995)

\$135,000,000

UNIVERSAL HEALTH SERVICES, INC.  
8 3/4% SENIOR NOTES DUE 2005

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THE 8 3/4% SENIOR NOTES DUE 2005 (THE "NOTES") ARE A PORTION OF THE DEBT SECURITIES DESCRIBED IN THE ACCOMPANYING PROSPECTUS TO WHICH THIS SUPPLEMENT RELATES. CAPITALIZED TERMS USED BUT NOT DEFINED IN THIS SUPPLEMENT ARE DEFINED IN THE PROSPECTUS.

THE NOTES WILL MATURE ON AUGUST 15, 2005. INTEREST ON THE NOTES WILL BE PAYABLE SEMIANNUALLY ON FEBRUARY 15 AND AUGUST 15 OF EACH YEAR, COMMENCING FEBRUARY 15, 1996. THE NOTES ARE REDEEMABLE AT THE OPTION OF UHS, IN WHOLE OR IN PART, AT ANY TIME ON OR AFTER AUGUST 15, 2000, INITIALLY AT A PRICE OF 102.265%, DECLINING RATABLY TO PAR ON OR AFTER AUGUST 15, 2002, IN ALL CASES TOGETHER WITH ACCRUED AND UNPAID INTEREST TO THE REDEMPTION DATE.

IN THE EVENT OF A CHANGE OF CONTROL (AS DEFINED HEREIN), UHS WILL BE REQUIRED TO OFFER TO PURCHASE ALL NOTES THEN OUTSTANDING AT A PURCHASE PRICE EQUAL TO 100% OF THE AGGREGATE PRINCIPAL AMOUNT OF SUCH NOTES, PLUS ACCRUED AND UNPAID INTEREST TO THE DATE OF PURCHASE. THE NOTES WILL BE UNSECURED OBLIGATIONS OF UHS. SEE "DESCRIPTION OF THE NOTES."

THE NOTES WILL BE REPRESENTED BY ONE OR MORE GLOBAL NOTES REGISTERED IN THE NAME OF A NOMINEE OF THE DEPOSITARY TRUST COMPANY, AS DEPOSITARY (THE "DEPOSITARY"). BENEFICIAL INTERESTS IN THE GLOBAL NOTES WILL BE SHOWN ON, AND TRANSFERS THEREOF WILL BE EFFECTED ONLY THROUGH, RECORDS MAINTAINED BY THE DEPOSITARY AND ITS PARTICIPANTS. EXCEPT AS DESCRIBED HEREIN, THE NOTES WILL NOT BE ISSUED IN DEFINITIVE FORM.

SEE "RISK FACTORS," WHICH APPEARS ON PAGE 4 OF THE PROSPECTUS, FOR ADDITIONAL INFORMATION REGARDING THE COMPANY.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC*	UNDERWRITING DISCOUNTS AND COMMISSIONS+	PROCEEDS TO COMPANY++
PER NOTE.....	99.176%	2.000%	97.176%
TOTAL.....	\$133,887,600	\$ 2,700,000	\$131,187,600

\* PLUS ACCRUED INTEREST, IF ANY, FROM THE DATE OF ISSUANCE.

+ UHS HAS AGREED TO INDEMNIFY THE UNDERWRITERS AGAINST CERTAIN LIABILITIES, INCLUDING LIABILITIES UNDER THE SECURITIES ACT OF 1933. SEE "UNDERWRITING."

++ BEFORE DEDUCTING EXPENSES, PAYABLE BY UHS, ESTIMATED AT \$400,000.

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THE NOTES ARE BEING OFFERED BY THE UNDERWRITERS AS SET FORTH UNDER "UNDERWRITING" HEREIN. IT IS EXPECTED THAT DELIVERY OF THE NOTES WILL BE MADE ON OR ABOUT AUGUST 4, 1995 THROUGH THE FACILITIES OF THE DEPOSITARY AGAINST PAYMENT THEREFOR IN SAME-DAY FUNDS. THE UNDERWRITERS ARE:

DILLON, READ & CO. INC.

J.P. MORGAN SECURITIES INC.

BA SECURITIES, INC.

CHEMICAL SECURITIES INC.

NATIONSBANC CAPITAL MARKETS, INC.  
SMITH BARNEY INC.

THE DATE OF THIS SUPPLEMENT IS AUGUST 1, 1995.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

## PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus or incorporated by reference herein.

## THE COMPANY

The principal business of Universal Health Services, Inc. (together with its subsidiaries, the "Company") is owning and operating acute care hospitals, behavioral health centers, ambulatory surgery centers and radiation oncology centers. Presently, the Company operates 29 hospitals, consisting of 14 acute care hospitals and 15 behavioral health centers, in Arkansas, California, Florida, Georgia, Illinois, Louisiana, Massachusetts, Michigan, Missouri, Nevada, Pennsylvania, South Carolina, Texas and Washington. The Company, as part of its Ambulatory Treatment Centers Division owns outright, or in partnership with physicians, and operates or manages 24 surgery and radiation oncology centers located in 14 states.

Services provided by the Company's hospitals include general surgery, internal medicine, obstetrics, emergency room care, radiology, diagnostic care, coronary care, pediatric services and psychiatric services. The Company provides capital resources as well as a variety of management services to its facilities, including central purchasing, data processing, finance and control systems, facilities planning, physician recruitment services, administrative personnel management, marketing and public relations.

The Company's strategy to enhance its profitability is to continue to provide high quality, cost-effective healthcare at each of its facilities. Key elements of the Company's strategy are:

- to establish and maintain market leadership positions in small and medium-sized markets with favorable demographics;
- to develop or participate in the leading integrated healthcare delivery system in each of its hospital's markets;
- to develop and maintain strong relationships with physicians;
- to maintain a low cost structure while providing high quality care; and
- to attract managed care contracts.

The Company's recent acquisitions and development activities are consistent with its strategy. In June 1995, the Company entered into an agreement to acquire Manatee Memorial Hospital, a 512-bed acute care hospital located in Bradenton, Florida for approximately \$139 million in cash. Pending closing, which is expected in the third quarter of 1995, the Company is operating the hospital for its current owners. In July 1995, the Company acquired Aiken Regional Medical Centers, a 225-bed medical complex located in Aiken, South Carolina in exchange for approximately \$44 million in cash and the operations and fixed assets of Westlake Medical Center and Dallas Family Hospital. Manatee and Aiken are state-of-the-art facilities located in new markets for the Company with highly favorable demographics. In November 1994, the Company acquired Edinburg Hospital, a 112-bed acute care hospital located in Edinburg, Texas, which is in close proximity to McAllen. The Company is also constructing a new hospital in Edinburg. The acquisition of Edinburg Hospital and the construction of the new hospital enhances the Company's leadership in McAllen. In addition, to enhance the Company's presence in another of its major markets, the Company is developing with Howard Hughes Corporation a medical complex in Summerlin, Nevada, located in western Las Vegas. See "The Company -- Recent and Proposed Acquisitions and Development Activities" located in the Prospectus.

The Company's principal executive offices are located at 367 South Gulph Road, King of Prussia, Pennsylvania 19406 and its telephone number is (610) 768-3300.

## SUMMARY FINANCIAL INFORMATION

The summary financial data presented below for, and as of the end of, each of the three years in the period ended December 31, 1994, have been derived from the consolidated financial statements of the Company, which have been audited by Arthur Andersen LLP. The selected consolidated financial data presented below for and as of the end of the three-month periods ended March 31, 1994 and 1995 have been prepared on the same basis as the audited financial statements of the Company and include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the information set forth therein. This data should be read in conjunction with the consolidated financial statements, related notes thereto, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included or incorporated by reference in the Prospectus. The pro forma financial data for the indicated periods assumes the acquisition of Aiken Regional Medical Centers ("Aiken"), Manatee Memorial Hospital ("Manatee") and Edinburg Hospital, the sale of the Notes offered hereby and the application of the net proceeds from the sale of the Notes to partially fund the acquisitions.

	YEARS ENDED DECEMBER 31,				THREE MONTHS ENDED MARCH 31, (UNAUDITED)		
	1992	1993	1994	1994 PRO FORMA(1)	1994	1995	1995 PRO FORMA(1)
	(DOLLARS IN THOUSANDS)						
STATEMENT OF OPERATIONS:							
Net revenues.....	\$731,227	\$761,544	\$782,199	\$956,039	\$194,432	\$220,715	\$263,347
Costs and expenses:							
Operating expenses.....	285,922	299,645	298,108	371,729	74,327	84,469	102,800
Salaries and wages.....	265,017	280,041	286,297	335,804	69,870	78,021	88,968
Provision for doubtful accounts.....	45,008	55,409	58,347	74,068	13,208	17,185	21,131
Depreciation and amortization...	49,059	39,599	42,383	56,110	9,920	11,310	14,470
Lease and rental expense.....	33,854	34,281	34,097	35,176	8,491	8,772	8,886
Interest expense, net.....	11,414	8,645	6,275	22,371	1,822	1,614	5,759
Nonrecurring charges.....	--	8,828	9,763	9,763	--	--	--
Total operating charges.....	690,274	726,448	735,270	905,021	177,638	201,371	242,014
Income before income taxes.....	40,953	35,096	46,929	51,018	16,794	19,344	21,333
Provision for income taxes.....	20,933	11,085	18,209	19,760	6,507	7,503	8,263
Net income.....	\$ 20,020	\$ 24,011	\$ 28,720	\$ 31,258	\$ 10,287	\$ 11,841	\$ 13,070
Ratio of earnings to fixed charges(2).....	2.7x	2.7x	3.6x	2.5x	4.6x	5.4x	3.5x
OTHER FINANCIAL DATA:							
EBITDA(3).....	\$ 71,626	\$ 78,668	\$ 92,950	\$126,862	\$ 25,536	\$ 28,968	\$ 38,262
EBITDA + 1/3 Rent(4).....	82,911	90,095	104,316	138,587	28,366	31,892	41,224
EBITDA/Interest Expense.....	6.3x	9.1x	14.8x	5.7x	14.0x	17.9x	6.6x
(EBITDA + 1/3 Rent)/(Interest + 1/3 Rent).....	3.7x	4.5x	5.9x	4.1x	6.1x	7.0x	4.7x
Debt/EBITDA.....	1.7x	1.0x	1.0x	--	--	--	--
Capital expenditures:							
Acquisitions(5).....	\$ 7,188	\$ 11,526	\$ 25,853	--	--	--	--
Other(6).....	\$ 40,554	\$ 55,908	\$ 54,423	--	\$ 11,871	\$ 13,536	--

	AT DECEMBER 31,			AT MARCH 31, (UNAUDITED)		
	1992	1993	1994	1994	1995	1995 PRO FORMA(1)
	(DOLLARS IN THOUSANDS)					
BALANCE SHEET DATA:						
Working capital.....	\$ 33,716	\$ 15,500	\$ 14,607	\$ 26,485	\$ 15,593	\$ 23,979
Total assets.....	472,427	460,422	521,492	476,502	539,232	745,376
Long-term borrowings.....	114,959	75,081	85,125	78,844	75,038	268,212
Total debt.....	118,696	79,394	92,361	83,664	82,213	275,200
Total stockholders' equity.....	202,903	224,488	260,629	235,301	272,888	270,306

(1) Pro forma Statement of Operations Data and Other Financial Data were prepared as if the acquisitions and related transactions occurred on the first day of the period presented and pro forma Balance Sheet Data was prepared as if the acquisitions occurred on the last day of the period. See "Pro Forma Financial Information" contained in the Prospectus. The pro forma information assumes that the Notes bear interest at an annual rate of 8 3/4% and that all of the net proceeds from the offering of the Notes were used to fund, in part, the acquisitions. The remaining funds for the acquisitions will be provided by borrowings under the Company's Commercial Paper Program and Revolving Credit Facilities. The average interest rate on all funds used for the acquisitions was assumed to be 7.9% and 8.5% for the year ended December 31, 1994 and the quarter ended March 31, 1995, respectively. The pro forma financial information contained in the Prospectus assumed that the acquisitions would be funded from borrowings under the Company's Commercial Paper Program and Revolving Credit Facilities at average rates of 6.4% and 7.1% for the year ended December 31, 1994 and the quarter ended March 31, 1995, respectively. The pro forma financial information also assumes that the acquisition prices of Aiken and Manatee would be approximately \$186 million. The actual price of such acquisitions is expected to be approximately \$183 million subject to upward or downward working capital adjustment.

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

(3) Represents earnings before interest expense, income taxes, depreciation and amortization and nonrecurring charges, excluding the additional revenues received from the special Medicaid reimbursements received by one of the Company's acute care facilities which participates in the Texas Medical Assistance Program ("EBITDA"). The amounts excluded from each year are as follows: 1992-\$29.8 million; 1993-\$13.5 million; 1994-\$12.4 million. The amounts excluded from the quarters ended March 31, 1994 and 1995 are \$3.0 million and \$3.3 million, respectively.

(4) Consists of EBITDA and one-third of lease and rental expense.

(5) Includes expenditures for acquisition of businesses and property held for lease and does not include assumed indebtedness and other liabilities.

(6) Includes property and equipment additions, non-cash capital lease obligations and acquisition of properties previously leased.

#### RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 1995

For the three months ended June 30, 1995, the Company's net revenues were \$214.2 million, as compared to \$192.2 million in the comparable period in 1994, an increase of 11%. Net income was \$9.6 million as compared to \$8.2 million in the prior year period, an increase of 17%.

## SELECTED OPERATING DATA

The following table shows the bed utilization and occupancy rates for the hospitals operated by the Company for the periods indicated, excluding information relating to hospitals no longer owned by the Company as of December 31, 1994. Accordingly, the information is presented on a basis different from that used in preparing the historical financial information included herein and included or incorporated by reference in the Prospectus.

	YEARS ENDED DECEMBER 31,				THREE MONTHS ENDED MARCH 31, (UNAUDITED)		
	1992	1993	1994	1994	1994	1995	1995
				PRO FORMA(1)			PRO FORMA(1)
Average Licensed Beds							
Acute Care Hospitals.....	2,292	2,425	2,491	2,998	2,504	2,484	2,991
Behavioral Health Centers.....	1,172	1,134	1,137	1,137	1,137	1,137	1,137
Average Available Beds(2)							
Acute Care Hospitals.....	1,980	2,108	2,177	2,580	2,171	2,235	2,638
Behavioral Health Centers.....	1,115	1,132	1,137	1,137	1,137	1,137	1,137
Hospital Admissions							
Acute Care Hospitals.....	71,042	72,578	78,588	96,296	19,879	21,819	26,754
Behavioral Health Centers.....	9,929	11,627	12,964	12,964	3,166	3,543	3,543
Average Length of Patient Stay (Days)							
Acute Care Hospitals.....	5.4	5.3	5.2	5.3	5.5	5.2	5.3
Behavioral Health Centers.....	20.0	15.8	13.8	13.8	14.3	12.9	12.9
Patient Days(3)							
Acute Care Hospitals.....	385,652	385,863	409,091	512,372	108,476	113,447	141,418
Behavioral Health Centers.....	198,116	184,264	179,238	179,238	45,163	45,783	45,783
Occupancy Rate(4):							
Licensed Beds							
Acute Care Hospitals.....	46%	44%	45%	47%	48%	51%	53%
Behavioral Health Centers.....	46%	45%	43%	43%	44%	45%	45%
Available Beds							
Acute Care Hospitals.....	53%	50%	51%	54%	56%	56%	60%
Behavioral Health Centers.....	49%	45%	43%	43%	44%	45%	45%

(1) The year ended December 31, 1994 (Pro forma) and the three months ended March 31, 1995 (Pro forma) assumes the effect of the acquisitions of Aiken Regional Medical Centers, Manatee Memorial Hospital and Edinburg Hospital as if they had occurred on January 1, 1994 and January 1, 1995, respectively.

(2) "Average Available Beds" is the number of beds which are actually in service at any given time for immediate patient use with the necessary equipment and staff available for patient care. A hospital may have appropriate licenses for more beds than are in service for a number of reasons, including lack of demand, incomplete construction, and anticipation of future needs.

(3) "Patient Days" is the aggregate sum for all patients of the number of days that hospital care is provided to each patient.

(4) "Occupancy Rate" is calculated by dividing average patient days (total patient days divided by the total number of days in the period) by the number of average beds, either available or licensed.

## THE OFFERING

SECURITIES OFFERING.....	\$135,000,000 principal amount of 8 3/4% Senior Notes due 2005 (the "Notes").
MATURITY DATE.....	August 15, 2005.
INDENTURE PAYMENT DATES.....	Interest will accrue from the date of original issuance and will be payable semiannually on February 15 and August 15 of each year, commencing on February 15, 1996.
OPTIONAL REDEMPTION.....	The Notes will be redeemable at the option of UHS on or after August 15, 2000 at the redemption prices set forth herein plus accrued and unpaid interest thereon to the redemption date. See "Description of the Notes -- Optional Redemption."
CHANGE OF CONTROL.....	In the event of a Change of Control, UHS will be required to offer to purchase all of the Notes at a purchase price equal to 100% of the aggregate principal amount of such Notes, plus accrued and unpaid interest to the date of purchase. The "Description of the Notes -- Repurchase at the Option of Holders -- Change of Control."
CERTAIN COVENANTS.....	The Indenture, as supplemented by the Authorizing Resolution, will contain certain covenants that, among other things, limit the ability of UHS and its subsidiaries to make restricted payments, to incur indebtedness, to create liens, to issue preferred stock of subsidiaries, to sell assets, to permit restrictions on dividends and other payments by subsidiaries to UHS, to enter into merger and similar transactions, to engage in transactions with affiliates or to engage in certain businesses. These covenants are subject to important exceptions and qualifications. See "Description of the Notes."
RANKING.....	The Notes will be senior unsecured obligations of UHS ranking pari passu in right of payment with all other unsubordinated indebtedness of UHS. UHS has a \$225 million unsecured revolving credit agreement. Obligations of UHS under the revolving credit agreement are guaranteed by substantially all of UHS' subsidiaries. The Notes will not have the benefit of similar guarantees but will restrict the amount of future indebtedness which can be incurred by subsidiaries of UHS. See "Description of the Notes -- Certain Other Covenants Applicable to the Notes -- Incurrence of Indebtedness and Issuance of Preferred Stock."
USE OF PROCEEDS.....	The net proceeds from the sale of the Notes offered hereby, estimated to be approximately \$131 million, will be used to fund, in part, the purchase prices of Aiken Regional Medical Centers and Manatee Memorial Hospital. The cash purchase prices for both acquisitions is approximately \$183 million. See "The Company -- Recent and Proposed Acquisitions and Development Activities" contained in the Prospectus. The Company may use a portion of the net proceeds to repay debt incurred in connection with the acquisition of Aiken Regional Medical Centers.

## CAPITALIZATION

The following table sets forth the capitalization of the Company at March 31, 1995, and such capitalization, as adjusted, to give effect to the acquisitions and borrowings under the Commercial Paper Program and the Revolving Credit Facilities to fund in part the acquisition, the sale of the Notes offered hereby and the application of the net proceeds therefrom as described in "Use of Proceeds". See "Pro Forma Financial Information" contained in the Prospectus.

	MARCH 31, 1995	
	----- ACTUAL	AS ADJUSTED -----
	(IN THOUSANDS)	
Long-Term Debt:		
Notes payable (including obligations under capitalized leases of \$12,783 at March 31, 1995) with varying maturities through 2001; weighted average interest of 6.9% at March 31, 1995.....	\$ 18,469	\$ 18,345
Mortgages payable, interest at 6.0% to 11.0% with varying maturities through 2000.....	3,470	3,470
Revolving credit and demand notes.....	2,550	47,773
Commercial paper.....	36,000	50,000
Revenue bonds:		
Interest at floating rates ranging from 4.1% to 4.5% and one at a fixed rate of 8.3% at March 31, 1995 with varying maturities through 2015.....	21,724	21,724
8 3/4% Senior Notes due 2005, net of unamortized discount of \$1,112.....	--	133,888
	-----	-----
Total Long-Term Debt.....	82,213	275,200
Less: Amounts due within one year.....	7,175	6,988
	-----	-----
	\$ 75,038	\$ 268,212
	-----	-----
Common Stockholders' Equity:		
Class A Common Stock, voting, \$.01 par value; authorized 12,000 shares; issued and outstanding 1,090 shares at March 31, 1995.....	11	11
Class B Common Stock, limited voting, \$.01 par value; authorized 50,000 shares; issued and outstanding 12,592 shares at March 31, 1995.....	126	126
Class C Common Stock, voting, \$.01 par value; authorized 1,200 shares; issued and outstanding 110 shares at March 31, 1995.....	1	1
Class D Common Stock, limited voting, \$.01 par value; authorized 5,000 shares; issued and outstanding 22 shares at March 31, 1995...	0	0
Capital in excess of par value, net of deferred compensation of \$332 at March 31, 1995.....	88,713	88,713
Retained earnings.....	184,037	181,455
	-----	-----
Total Stockholders' Equity.....	272,888	270,306
	-----	-----
Total Capitalization.....	\$355,101	\$ 545,506
	=====	=====

## USE OF PROCEEDS

The net proceeds from the sale of the Notes offered hereby, estimated to be approximately \$131 million, will be used to fund, in part, the purchase prices of Aiken Regional Medical Centers and Manatee Memorial Hospital. The cash purchase prices for both acquisitions is approximately \$183 million. See "The Company -- Recent and Proposed Acquisitions and Development Activities" contained in the Prospectus. The Company may use a portion of the net proceeds to repay debt incurred in connection with the acquisition of Aiken Regional Medical Centers. The lenders (including affiliates of certain of the underwriters) under the Company's Revolving Credit Facilities may receive a portion of the net proceeds of this offering. See "Underwriting." To fund the cash purchase price, the Company borrowed approximately \$44 million pursuant to its Commercial Paper Program and its Revolving Credit Facilities. The blended interest rate of such funds was approximately 8.51% at June 30, 1995. Prior to the application of the net proceeds to fund the cash purchase prices or to repay debt, such net proceeds will be invested in short-term government securities.



## DESCRIPTION OF THE NOTES

The following description of the particular terms of the Notes offered hereby (referred to in the accompanying Prospectus as the "Debt Securities") supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the Debt Securities set forth in the Prospectus, to which description reference is hereby made. The provisions set forth below are being effected pursuant to an authorizing resolution adopted by the Board of Directors (the "Authorizing Resolution"). References below to the Indenture are deemed to include references to the Authorizing Resolution.

The Notes are to be issued under an Indenture, dated as of July 15, 1995 (the "Indenture"), between UHS and PNC Bank, National Association, as Trustee (the "Trustee").

The Notes when issued will be unsecured senior obligations of UHS. The Notes will be limited to \$135 million aggregate principal amount.

The Notes will mature on August 15, 2005. The Notes will bear interest at 8 3/4% per annum, payable semiannually in arrears on each February 15 and August 15, commencing on February 15, 1996 and accruing from their date of original issuance.

## OPTIONAL REDEMPTION

The Notes will not be redeemable at the option of UHS prior to August 15, 2000. On and after August 15, 2000, the Notes will be subject to redemption at the option of UHS, in whole or from time to time in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the twelve-month period beginning August 15 of the years indicated below:

YEAR	PERCENTAGE
----	-----
2000.....	102.265%
2001.....	101.132%
2002 and thereafter.....	100.000%

If less than all of the Notes are to be redeemed at any time, selection of Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are then listed, or, if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate, provided that Notes with a principal amount of \$1,000 shall not be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address. A new Note in principal amount equal to the unredeemed portion thereof will be issued (or entered by book entry) in the name of the Holder thereof upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

## MANDATORY REDEMPTION

UHS will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes.

## REPURCHASE AT THE OPTION OF HOLDERS

## Change of Control

Upon the occurrence of a Change of Control, each Holder of Notes will have the right to require UHS to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer") at an offer price in cash

equal to 100% of the aggregate principal amount thereof plus accrued and unpaid interest thereon to the date of purchase (the "Change of Control Payment") on a date that is not more than 90 days after the occurrence of such Change of Control (the "Change of Control Payment Date"). Within 30 days following any Change of Control, UHS will mail, or at UHS's request the Trustee will mail, a notice to each Holder offering to repurchase the Notes held by such Holder pursuant to the procedures specified in such notice. UHS will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control.

On the Change of Control Payment Date, UHS will, to the extent lawful, (1) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer, (2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered and (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by UHS. The paying agent will promptly mail to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee will cause to be transferred by book entry to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note will be in a principal amount of \$1,000 or an integral multiple thereof.

Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the Holders of the Notes to require that UHS repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

#### Asset Sales

The Indenture will provide that UHS will not, and will not permit any of its Subsidiaries to, consummate an Asset Sale unless UHS (or the Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value (as conclusively determined by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustees) of the assets or Equity Interests issued or sold or otherwise disposed of; provided that for purposes of this provision, the amount of (A) any liabilities (as shown on UHS's or such Subsidiary's most recent balance sheet or in the notes thereto) of UHS or any Subsidiary (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets, (B) any securities or other obligations received by UHS or any such Subsidiary from such transferee that are immediately converted by UHS or such Subsidiary into cash (or as to which UHS or such Subsidiary has received at or prior to the consummation of the Asset Sale a commitment (which may be subject to customary conditions) from a nationally recognized investment, merchant or commercial bank to convert into cash within 90 days of the consummation of such Asset Sale and which are thereafter actually converted into cash within such 90-day period) will be deemed to be cash (but shall not be deemed to be Net Proceeds for purposes of the following provisions until reduced to cash) and (C) the aggregate amount of all Non-Cash Consideration received in respect of Asset Sales at any time outstanding that shall have not been reduced to cash shall not exceed 5% of UHS' consolidated assets after giving effect to any Non-Cash Consideration to be received in respect of any proposed Asset Sale.

Pursuant to the Indenture, within 360 days after the receipt of any Net Proceeds from an Asset Sale, UHS or such Subsidiary may apply such Net Proceeds (x) to purchase one or more Hospitals or Related Businesses and/or a controlling interest in the Capital Stock of a Person owning one or more Hospitals and/or one or more Related Businesses, (y) to make a capital expenditure or to acquire other tangible assets (or a Person that owns such tangible assets), in each case, that are used or useful in any business in which UHS is permitted to be engaged pursuant to the covenant described below under the caption "Line of Business," or (z) to repay Indebtedness of a Subsidiary of UHS or Indebtedness of UHS which is not subordinated to any other Indebtedness of UHS; provided, that Indebtedness under revolving credit or similar arrangements shall not be deemed to be repaid unless, in connection with such payment, there shall be a permanent reduction in the committed amount of such

arrangement equal to the amount of Indebtedness repaid. Pending the final application of any such Net Proceeds, UHS or such Subsidiary may invest such Net Proceeds in any manner that is not prohibited by the Indenture. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the first sentence of this paragraph will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds \$25 million, UHS will be required to make an offer to all Holders of Notes and holders of any other Indebtedness of UHS ranking on a parity with the Notes from time to time outstanding with similar provisions requiring UHS to make an offer to purchase or redeem such Indebtedness with the proceeds from any asset sales, pro rata in proportion to the respective principal amounts of the Notes and such other Indebtedness (or accreted value of such other Indebtedness if such other Indebtedness shall have been issued at a discount from par) then outstanding (an "Asset Sale Offer") to purchase the maximum principal amount of Notes and such other Indebtedness (or accreted value of such other Indebtedness if such other Indebtedness shall have been issued at a discount from par) that may be purchased out of the Excess Proceeds, at an offer price in cash equal to 100% of the principal amount (or accreted value) thereof plus accrued and unpaid interest thereon to the date of purchase, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes and such other Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, UHS may use any remaining Excess Proceeds for general corporate purposes. If the aggregate principal amount of Notes and such other Indebtedness surrendered by holders thereof exceeds the amount of Excess Proceeds, the Notes and such other Indebtedness will be purchased on a pro rata basis. Upon completion of an Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

#### BOOK-ENTRY, DELIVERY AND FORM

The Notes will be issued in the form of one or more fully registered Global Notes (the "Global Notes") which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York, as Depository (the "Depository"), and registered in the name of Cede & Co., the Depository's nominee. Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

The Depository has advised as follows: It is a limited-purpose trust company which holds securities for its participating organizations (the "Participants") and facilitates the settlement among Participants of securities transactions in such securities through electronic book-entry changes in its Participants' accounts. Participants include securities brokers and dealers (including the Underwriters), banks and trust companies, clearing corporations and certain other organizations. Access to the Depository's system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("indirect participants"). Persons who are not Participants may beneficially own securities held by the Depository only through Participants or indirect participants.

The Depository advises that its established procedures provide that (i) upon issuance of the Notes by UHS, the Depository will credit the accounts of Participants designated by the Underwriters with the principal amounts of the Notes purchased by the Underwriters and (ii) ownership of interests in the Global Notes will be shown on, and the transfer of the ownership will be effected only through, records maintained by the Depository, the Participants and the indirect participants. The laws of some states require that certain persons take physical delivery in definitive form of securities which they own. Consequently, the ability to transfer beneficial interests in the Global Notes is limited to such extent.

So long as a nominee of the Depository is the registered owner of the Global Notes, such nominee for all purposes will be considered the sole owner or holder of such Global Notes under the Indenture. Except as provided below, owners of beneficial interests in the Global Notes will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owners or holders thereof under the Indenture.

Neither the Company, the Trustee, any Paying Agent nor the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Principal and interest payments on the Notes registered in the name of the Depository's nominee will be made by the Trustee to the Depository. Under the terms of the Indenture, the Company and the Trustee will treat the persons in whose names the Notes are registered as the owners of such Notes for the purpose of receiving payment of principal and interest on the Notes and for all other purposes whatsoever. Therefore, neither the Company, the Trustee nor any Paying Agent has any direct responsibility or liability for the payment of principal or interest on the Notes to owners of beneficial interests in the Global Notes. The Depository has advised the Company and the Trustee that its present practice is to credit the accounts of the Participants on the appropriate payment date in accordance with their respective holdings in principal amount of beneficial interests in the Global Notes as shown on the records of the Depository, unless the Depository has reason to believe that it will not receive payment on such payment date. Payments by Participants and indirect participants to owners of beneficial interests in the Global Notes will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of the Participants or indirect participants.

If the Depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by UHS within 90 days, UHS will issue Notes in definitive form in exchange for the Global Notes. In addition, UHS may at any time determine not to have the Notes represented by Global Notes, and in such event, will issue Notes in definitive form in exchange for the Global Notes. In either instance, an owner of a beneficial interest in the Global Notes will be entitled to have Notes equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such Notes in definitive form. Notes so issued in definitive form will be issued in denominations of \$1,000 and integral multiples thereof and will be issued in registered form only, without coupons.

#### SAME-DAY SETTLEMENT AND PAYMENT

Settlement for the Notes will be made by the Underwriters in immediately available funds. All payments of principal and interest will be made by UHS in immediately available funds.

Secondary trading in long-term notes and notes of corporate issuers is generally settled in clearinghouse or next-day funds. In contrast, the Notes will trade in the Depository's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the Notes will therefore be required by the Depository to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Notes.

Because the Notes will be represented by Global Notes, a Holder wishing to accept a Change of Control Offer or Asset Sale Offer must effect the acceptance through the Depository's nominee. In order to ensure that the Depository's nominee will accept such offer in a timely manner, the beneficial owner of an interest therein must instruct the broker or other direct or indirect participant through which it holds an interest in such Note to notify the Depository of its desire to accept any such offer. Different firms have different cut-off times for accepting instructions from their customers and, accordingly, each such beneficial owner should consult the broker or other direct or indirect participant through which it holds an interest in a Global Note in order to ascertain the cut-off time by which such an instruction must be given in order for timely notice to be delivered to the Depository.

#### CERTAIN OTHER COVENANTS APPLICABLE TO THE NOTES

The covenants in the Prospectus under the headings "Restrictions on Sales and Leasebacks" and "Merger and Consolidation" will not apply to the Notes and will be replaced by the covenants described below. The "Restrictions on Liens" covenant in the Prospectus is modified in the Authorizing

Resolution to delete the reference in clause (d) thereof to "Attributable Debt in respect of the Sale and Leaseback Transactions permitted by clause (y) in the Restrictions on Sales and Leasebacks covenant". Capitalized terms used herein and not otherwise defined below or in the Prospectus shall have the meanings given to them in the Authorizing Resolution.

#### Restricted Payments

The Indenture will provide that UHS will not, and will not permit any of its Subsidiaries to, directly or indirectly: (i) declare or pay any dividend or make any distribution on account of UHS's or any of its Subsidiaries' Equity Interests (other than (x) dividends or distributions payable in Qualified Equity Interests of UHS, (y) dividends or distributions payable to UHS or any Subsidiary of UHS, and (z) dividends or distributions by any Subsidiary of UHS payable to all holders of a class of Equity Interests of such Subsidiary on a pro rata basis); (ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of UHS; or (iii) make any principal payment on, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Notes, except at the original final maturity date thereof (all such payments and other actions set forth in clauses (i) through (iii) above being collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to such Restricted Payment (the amount of any such Restricted Payment, if other than cash, shall be the fair market value (as conclusively evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustee within 60 days prior to the date of such Restricted Payment) of the asset(s) proposed to be transferred by UHS or such Subsidiary, as the case may be, pursuant to such Restricted Payment):

(a) no Default of Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(b) UHS would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the most recently ended four full fiscal quarter period for which internal financial statements are available immediately preceding the date of such Restricted Payment, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant in the Indenture described below under the caption "Incurrence of Indebtedness and Issuance of Preferred Stock"; and

(c) such Restricted Payment, together with the aggregate of all other Restricted Payments made by UHS and its Subsidiaries after the date of the Indenture (excluding Restricted Payments permitted by clauses (y) and (z) of the next succeeding paragraph), is less than the sum of (i) 50% of the Consolidated Net Income of UHS for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of the Indenture to the end of UHS's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), plus (ii) 100% of the aggregate net cash proceeds received by UHS from the issue or sale (other than to a Subsidiary of UHS) since the date of issuance of the Notes of Qualified Equity Interests of UHS or of debt securities of UHS or any of its Subsidiaries that have been converted into or exchanged for such Qualified Equity Interests of UHS, plus (iii) 100% of the fair market value (as conclusively evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustee concurrently with the transaction) of assets received by UHS or any Subsidiary of UHS in exchange solely for Qualified Equity Interests of UHS, plus (iv) \$20.0 million.

If no Default or Event of Default has occurred and is continuing, or would occur as a consequence thereof, the foregoing provisions will not prohibit the following Restricted Payments: (x) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of the Indenture; (y) the redemption, repurchase, retirement or other acquisition of any Equity Interests of UHS or any Subsidiary in exchange for, or

out of the net cash proceeds of, the substantially concurrent sale (other than to a Subsidiary of UHS) of Qualified Equity Interests of UHS; provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement or other acquisition shall be excluded from clause (c)(ii) of the preceding paragraph; and (z) the defeasance, redemption or repurchase of subordinated Indebtedness with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness or in exchange for or out of the net cash proceeds from the substantially concurrent sale (other than to a Subsidiary of UHS) of Qualified Equity Interests of UHS; provided that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement or other acquisition shall be excluded from clause (c)(ii) of the preceding paragraph.

Not later than the date of making any Restricted Payment, UHS shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by the covenant "Restricted Payments" were computed.

#### Incurrence of Indebtedness and Issuance of Preferred Stock

The Indenture will provide that UHS will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, issue, assume, Guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur"), after the date of issuance of the Notes, any Indebtedness (including Acquired Debt) and UHS will not issue any Disqualified Stock and will not permit any of its Subsidiaries to issue any shares of preferred stock; provided, however, that UHS may incur Indebtedness (including Acquired Debt) and UHS may issue shares of Disqualified Stock if the Fixed Charge Coverage Ratio for UHS's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least (x) 2.25 to 1.0 if such incurrence or issuance occurs on or before August 15, 1996, or (y) 2.50 to 1.0 if such incurrence or issuance occurs at any time after August 15, 1996, in each case determined on a pro forma basis (including a pro forma application of the net proceeds therefrom) as if the additional Indebtedness had been incurred, or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period. Indebtedness consisting of reimbursement obligations in respect of a letter of credit will be deemed to be incurred when the letter of credit is first issued.

The foregoing provisions will not apply to:

(i) the incurrence by UHS and its Subsidiaries of Indebtedness represented by the Notes;

(ii) the incurrence by UHS of Indebtedness under the Credit Agreement in an aggregate principal amount at any one time outstanding not to exceed an amount equal to \$225.0 million;

(iii) the incurrence by UHS or any of its Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, Indebtedness that was permitted by the Indenture to be incurred (including, without limitation, Existing Indebtedness);

(iv) the incurrence by UHS or any of its Subsidiaries of intercompany Indebtedness between or among UHS and any of its Subsidiaries;

(v) the incurrence by UHS of Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate or currency risk with respect to any fixed or floating rate Indebtedness that is permitted by the Indenture to be outstanding or any receivable or liability the payments of which are determined by reference to a foreign currency; provided that the notional principal amount of any such Hedging Obligation does not exceed the principal amount of the Indebtedness to which such Hedging Obligation relates;

(vi) the incurrence by UHS or any of its Subsidiaries of Indebtedness represented by performance bonds, standby letters of credit or appeal bonds, in each case to the extent incurred in the ordinary course of business of UHS or such Subsidiary;

(vii) the incurrence by any Subsidiary of UHS of Indebtedness, the aggregate principal amount of which, together with all other Indebtedness of UHS's Subsidiaries at the time outstanding (excluding Guarantees of Obligations under the Credit Agreement by Subsidiaries of the Company), does not exceed the greater of (1) 10% of UHS's Stockholders' Equity as of the date of incurrence or (2) \$10 million; provided that, in the case of clause (1) only, the Fixed Charge Coverage Ratio for UHS's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such Indebtedness is incurred would have been at least 2.25 to 1.0 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if such Indebtedness had been incurred at the beginning of such four-quarter period; and

(viii) Guarantees of Obligations under the Credit Agreement by Subsidiaries of the Company.

Notwithstanding anything in the Indenture to the contrary, the consummation of any Qualified Securitization Transaction shall not be deemed to be the incurrence of Indebtedness by UHS or by any Subsidiary of UHS.

#### Dividend and Other Payment Restrictions Affecting Subsidiaries

The Indenture will provide that UHS will not, and will not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary to (i)(a) pay dividends or make any other distributions to UHS or any of its Subsidiaries (1) on its Capital Stock or (2) with respect to any other interest or participation in, or measured by, its profits, or (b) pay any Indebtedness owed to UHS or any of its Subsidiaries, (ii) make loans or advances to UHS or any of its Subsidiaries or (iii) transfer any of its properties or assets to UHS or any of its Subsidiaries, except for such encumbrances or restrictions existing under or by reason of (a) Existing Indebtedness as in effect on the date of the Indenture, (b) the Indenture, (c) applicable law, (d) any instrument governing Indebtedness or Capital Stock of a Person acquired by UHS or any of its Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or such Capital Stock was incurred or issued in connection with or in contemplation of such acquisition or in violation of the covenant described above under the caption "-- Incurrence of Indebtedness and Issuance of Preferred Stock"), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, provided that the Consolidated Cash Flow of such Person is not taken into account in determining whether such acquisition was permitted by the terms of the Indenture except to the extent that such Consolidated Cash Flow would be permitted to be dividended to UHS without the prior consent or approval of any third party, (e) customary non-assignment provisions in leases entered into in the ordinary course of business, (f) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (iii) above on the property so acquired, or (g) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive than those contained in the agreements governing the Indebtedness being refinanced.

#### Line of Business

The Indenture will provide that UHS will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than the ownership, operation and management of Hospitals and Related Businesses.

#### Merger, Consolidation, or Sale of Assets

The Indenture will provide that UHS may not consolidate or merge with or into (whether or not UHS is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another corporation,

Person or entity unless (i) UHS is the surviving corporation or the entity or the Person formed by or surviving any such consolidation or merger (if other than UHS) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia; (ii) the entity or Person formed by or surviving any such consolidation or merger (if other than UHS) or the entity or Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made assumes all the obligations of UHS under the Notes and the Indenture pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee; (iii) immediately after such transaction no Default or Event of Default exists; and (iv) UHS or the entity or Person formed by or surviving any such consolidation or merger (if other than UHS), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made (A) will have Consolidated Net Worth immediately after the transaction equal to or greater than the Consolidated Net Worth of UHS immediately preceding the transaction and (B) will, at the time of such transaction and after giving pro forma effect thereto as if such transaction had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant in the Indenture described above under the caption "Incurrences of Indebtedness and Issuance of Preferred Stock."

For purposes of the foregoing, the transfer (by sale, assignment, transfer, lease, conveyance or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Subsidiaries of UHS, the Capital Stock of which constitutes all or substantially all of the properties and assets of UHS, shall be deemed to be the transfer of all or substantially all of the properties and assets of UHS.

#### Transactions with Affiliates

The Indenture will provide that UHS will not, and will not permit any of its Subsidiaries to, sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make any contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each of the foregoing, an "Affiliate Transaction"), unless (i) such Affiliate Transaction is on terms that are no less favorable to UHS or the relevant Subsidiary than those that could have been obtained in a comparable transaction by UHS or such Subsidiary with an unrelated Person and (ii) UHS delivers to the Trustee (a) with respect to any Affiliate Transaction involving aggregate consideration in excess of \$5.0 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors and (b) with respect to any Affiliate Transaction involving aggregate consideration in excess of \$10.0 million, an opinion as to the fairness to UHS or such Subsidiary of such Affiliate Transaction from a financial point of view issued by an investment banking firm of national standing; provided that (x) transactions or payments pursuant to any employment arrangements or employee or director benefit plans entered into by UHS or any of its Subsidiaries in the ordinary course of business and consistent with the past practice of UHS or such Subsidiary, (y) transactions between or among UHS and/or its Subsidiaries and (z) transactions permitted by the provisions of the provisions of the Indenture described above under the caption "Restricted Payments," in each case, shall not be deemed to be Affiliate Transactions.

#### CERTAIN DEFINITIONS APPLICABLE TO COVENANTS

For purposes of the Notes, the definitions in the Prospectus under the caption "Definitions" of "Capital Stock," "Indebtedness," "Liens" and "Subsidiary" will be replaced by the defined terms set forth below. The definitions in the Prospectus under the caption "Definitions" of "Attributable Debt," "Funded Debt" and "Sale and Leaseback Transaction" will not apply to the Notes. The following definitions supplement the remaining definitions in the Prospectus.



"Acquired Debt" means, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person. Acquired Debt shall be deemed to be incurred by such Person at the time of such merger, or upon the other Person becoming a Subsidiary or upon the acquisition of such asset.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"Asset Sale" means (i) the sale, lease, conveyance or other disposition of any assets (including, without limitation, by way of a sale and leaseback) other than in the ordinary course of business consistent with past practices (provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of UHS and its Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "Change of Control" and/or the provisions described above under the caption "--Merger, Consolidation or Sale of Assets" and not by the provisions of the Asset Sale covenant), and (ii) the issue or sale by UHS or any of its Subsidiaries of Equity Interests of any of UHS's Subsidiaries, in the case of either clause (i) or (ii), whether in a single transaction or a series of related transactions (a) that have a fair market value in excess of \$25.0 million or (b) for net proceeds in excess of \$25.0 million. Notwithstanding the foregoing: (a) a transfer of assets by UHS to a Subsidiary or by a Subsidiary to UHS or to another Subsidiary, (b) an issuance of Equity Interests by a Subsidiary to UHS or to another Subsidiary, (c) a Restricted Payment that is permitted by the covenant described above under the caption "-- Restricted Payments" and (d) a Hospital Swap will not be deemed to be an Asset Sale; provided, further, that UHT shall be deemed not to be an Affiliate of UHS or any of its Subsidiaries.

"Capital Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Stock" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership, partnership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Change of Control" means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of UHS and its Subsidiaries taken as a whole to any Person or group (as such term is used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) other than to a Person or group who, prior to such transaction, held a majority of the voting power of the voting stock of UHS, (ii) the acquisition by any Person or group (as defined above) of a direct or indirect interest in more than 50% of the voting power of the voting stock of UHS, by way of merger or consolidation or otherwise, (iii) the adoption of any plan of liquidation or dissolution of UHS or (iv) the first day on which a majority of the members of the Board of Directors of UHS are not Continuing Directors.

"Consolidated Cash Flow" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus (i) an amount equal to any extraordinary loss plus any net loss realized in connection with an Asset Sale (to the extent such losses were deducted in computing such Consolidated Net Income), plus (ii) provision for taxes based on income or profits of such Person

and its Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Consolidated Net Income, plus (iii) the Fixed Charges of such Person and its Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income, plus (iv) depreciation and amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) of such Person and its Subsidiaries for such period to the extent that such depreciation and amortization were deducted in computing such Consolidated Net Income, in each case, on a consolidated basis and determined in accordance with GAAP. Notwithstanding the foregoing, the provision for taxes on the income or profits of, and the depreciation and amortization of, a Subsidiary of the referent Person shall be added to Consolidated Net Income to compute Consolidated Cash Flow only to the extent (and in the same proportion) that the Net Income of such Subsidiary was included in calculating the Consolidated Net Income of such Person and only if a corresponding amount would be permitted at the date of determination to be dividended to such Person by such Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Subsidiary or its stockholders.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that (i) the Net Income of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent Person or a Wholly Owned Subsidiary thereof, (ii) the Net Income of any Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its stockholders, (iii) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded and (iv) the cumulative effect of a change in accounting principles shall be excluded.

"Consolidated Net Worth" means, with respect to any Person as of any date, the sum of (i) the consolidated equity of the common stockholders of such Person and its consolidated Subsidiaries as of such date plus (ii) the respective amounts reported on such Person's balance sheet as of such date with respect to any series of preferred stock (other than Disqualified Stock), less all write-ups (other than write-ups of tangible assets of a going concern business made in accordance with GAAP as a result of the acquisition of such business) subsequent to the date of the Indenture in the book value of any asset owned by such Person or a consolidated Subsidiary of such Person, and excluding the cumulative effect of a change in accounting principles, all as determined in accordance with GAAP.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of UHS who (i) was a member of such Board of Directors on the date of the Indenture or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election, whether such approving directors were members of the Board of Directors on the date of the Indenture or became members thereafter in accordance with the provisions of this clause (ii).

"Credit Agreement" means the Credit Agreement dated as of August 2, 1994, and as amended as of April 24, 1995, among UHS, the Banks listed therein and Morgan Guaranty Trust Company of New York, as Agent, as the same may be amended from time to time, and any agreement evidencing the refinancing, modification, replacement, renewal, refunding, deferral, extension, substitution, or supplement thereof; provided, that no Credit Agreement will provide for borrowings in excess of \$225 million principal amount.

"Default" means any event that is or with the passage of time or the giving of notice or both would be an Event of Default.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the Holder thereof, in whole or in part, on or prior to the date on which the Notes mature.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Existing Indebtedness" means Indebtedness of UHS and its Subsidiaries in existence on the date of the Indenture, until such amounts are repaid, including all reimbursement obligations with respect to letters of credit outstanding as of the date of issuance of the Notes.

"Fixed Charge Coverage Ratio" means, with respect to any Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that UHS or any of its Subsidiaries incurs, assumes, Guarantees or redeems any Indebtedness (other than revolving credit borrowings) or issues preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, Guarantee or redemption of Indebtedness, or such issuance or redemption of preferred stock, as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of making the computation referred to above, (i) acquisitions that have been made by UHS or any of its Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be deemed to have occurred on the first day of the four-quarter reference period, and (ii) the Consolidated Cash Flow and Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded.

"Fixed Charges" means, with respect to any Person for any period, the sum of (i) the consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued (including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letters of credit or bankers' acceptance financings, and net payments (if any) pursuant to Hedging Obligations) and (ii) the consolidated interest expense of such Person and its Subsidiaries that was capitalized during such period, and (iii) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries (whether or not such Guarantee or Lien is called upon), (iv) the product of (a) all cash dividend payments (and non-cash dividend payments in the case of a Person that is a Subsidiary) on any series of preferred stock of such Person, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP and (v) (without duplication of any of the foregoing) one-third of the aggregate rental obligations of such Person and its Subsidiaries for such period, whether paid or accrued, in respect of leases of real and personal property, whether or not such obligations are reflected as liabilities on the balance sheet of such Person and its Subsidiaries.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other

statements by such other entity as have been approved by a significant segment of the accounting profession, as in effect on the date of original issuance of the Notes.

"Guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, (ii) foreign exchange contracts or currency swap agreements and (iii) other agreements or arrangements designed to protect such Person against fluctuations in interest rates or currency values.

"Hospital" means a hospital, outpatient clinic, long-term care facility or other facility that is used or useful in the provision of healthcare services.

"Hospital Swap" means an exchange of assets by UHS or a Subsidiary of UHS for one or more Hospitals and/or one or more Related Businesses or for the Capital Stock of any Person owning one or more Hospitals and/or one or more Related Businesses.

"Indebtedness" means, with respect to any Person, any indebtedness of such Person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing Capital Lease Obligations or the balance deferred and unpaid of the purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense or trade payable, if and to the extent any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, as well as all indebtedness of others secured by a Lien on any asset of such Person (whether or not such indebtedness is assumed by such Person) and, to the extent not otherwise included, the Guarantee by such Person of any indebtedness of any other Person.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset given to secure Indebtedness, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction with respect to any such lien, pledge, charge or security interest).

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however, (i) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with (a) any Asset Sale (including, without limitation, dispositions pursuant to sale and leaseback transactions) or (b) the disposition of any securities by such Person or any of its Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Subsidiaries and (ii) any extraordinary or nonrecurring gain (but not loss), together with any related provision for taxes on such extraordinary or nonrecurring gain (but not loss).

"Net Proceeds" means the aggregate cash proceeds received by UHS or any of its Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any Non-Cash Consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, and sales commissions) and any other expenses incurred or to be incurred by UHS or a Subsidiary as a direct result of the sale of such assets (including, without limitation, severance, relocation, lease termination and other similar expenses), taxes actually paid or payable as a result thereof, amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that

were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"Non-Cash Consideration" means any non-cash consideration received by UHS or a Subsidiary of UHS in connection with an Asset Sale and any non-cash consideration received by UHS or any of its Subsidiaries upon disposition thereof.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Permitted Refinancing Indebtedness" means any Indebtedness of UHS or any of its Subsidiaries issued in exchange for, or the net proceeds of which are used solely to extend, refinance, renew, replace, defease or refund, other Indebtedness of UHS or any of its Subsidiaries; provided that, except in the case of Indebtedness of UHS issued in exchange for, or the net proceeds of which are used solely to extend, refinance, renew, replace, defease or refund, Indebtedness of a Subsidiary of UHS: (i) the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of any premiums paid and reasonable expenses incurred in connection therewith); (ii) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; (iii) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (iv) such Indebtedness is incurred either by UHS or by the Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Person" means any individual, corporation, partnership, joint venture, trust, estate, unincorporated organization or government or any agency or political subdivision thereof.

"Qualified Equity Interests" shall mean all Equity Interests of UHS other than Disqualified Stock of UHS.

"Qualified Securitization Transaction" means any transaction or series of transactions pursuant to which UHS or any of its Subsidiaries may sell, convey or otherwise transfer to (i) a Securitization Subsidiary or (ii) any other Person, or may grant a security interest in, any Receivables or interests therein secured by the services financed thereby (whether such Receivables are then existing or arising in the future) of UHS or any of its Subsidiaries, and any assets related thereto including, without limitation, all security interests in services financed thereby, the proceeds of such Receivables, and other assets which are customarily sold or in respect of which security interests are customarily granted in connection with securitization transactions involving such assets.

"Receivables" means any right of payment from or on behalf of any obligor, whether constituting an account, chattel paper, instrument, general intangible or otherwise, arising from the financing by UHS or any Subsidiary of UHS of services, and monies due thereunder, security in the services financed thereby, records related thereto, and the right to payment of any interest or finance charges and other obligations with respect thereto, proceeds from claims on insurance policies related thereto, any other proceeds related thereto, and any other related rights.

"Related Business" means a healthcare business affiliated or associated with a Hospital or any business related or ancillary to the provision of or payment for healthcare services or the operation of a Hospital.

"Securitization Subsidiary" means a Wholly Owned Subsidiary of UHS which engages in no activities other than those reasonably related to or in connection with the entering into of securitization

transactions and which is designated by the Board of Directors of UHS (as provided below) as a Securitization Subsidiary (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by UHS or any other Subsidiary of UHS, (ii) is recourse to or obligates UHS or any other Subsidiary of UHS in any way other than pursuant to representations, warranties and covenants (including those related to servicing) entered into in the ordinary course of business in connection with a Qualified Securitization Transaction or (iii) subjects any property or asset of UHS or any other Subsidiary of UHS, directly or indirectly, contingently or otherwise, to any Lien or to the satisfaction thereof, other than pursuant to representations, warranties and covenants (including those related to servicing) entered into in the ordinary course of business in connection with a Qualified Securitization Transaction, (b) with which neither UHS nor any other Subsidiary of UHS (i) provides any credit support or (ii) has any contract, agreement, arrangement or understanding other than on terms that are fair and reasonable and that are no less favorable to UHS or such Subsidiary than could be obtained from an unrelated Person (other than, in the case of subclauses (i) and (ii) of this clause (b), representations, warranties and covenants (including those relating to servicing) entered into in the ordinary course of business in connection with a Qualified Securitization Transaction and intercompany notes relating to the sale of Receivables to such Securitization Subsidiary) and (c) with which neither UHS nor any Subsidiary of UHS has any obligation to maintain or preserve such Subsidiary's financial condition or to cause such Subsidiary to achieve certain levels of operating results. Any such designation by the Board of Directors of UHS shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolutions of the Board of Directors of UHS giving effect to such designation.

"Stockholders' Equity" means, with respect to any Person as of any date, the stockholders' equity of such Person determined in accordance with GAAP as of the date of the most recent available internal financial statements of such Person, and calculated on a pro forma basis to give effect to any acquisition or disposition by such Person consummated or to be consummated since the date of such financial statements and on or prior to the date of such calculation.

"Subsidiary" means with respect to any Person (i) a corporation a majority of which Capital Stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person by such Person and a Subsidiary (or Subsidiaries) of such Person or by a Subsidiary (or Subsidiaries) of such Person or (ii) any Person (other than a corporation) in which such Person, a Subsidiary (or Subsidiaries) of such Person or such Person and a Subsidiary (or Subsidiaries) of such Person, directly or indirectly, at the date of determination thereof has at least a majority ownership interest.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

## UNDERWRITING

Subject to the terms and conditions set forth in an Underwriting Agreement dated the date hereof (the "Underwriting Agreement") among UHS and Dillon, Read & Co. Inc., J.P. Morgan Securities Inc., BA Securities, Inc., Chemical Securities Inc., NationsBanc Capital Markets, Inc. and Smith Barney Inc. (collectively, the "Underwriters"), UHS has agreed to issue and sell to the Underwriters, and each of the Underwriters has agreed to purchase from UHS, severally, the respective principal amount of Notes set forth opposite its name below.

UNDERWRITER -----	PRINCIPAL AMOUNT OF NOTES -----
Dillon, Read & Co. Inc.....	\$ 71,550,000
J.P. Morgan Securities Inc.....	36,450,000
BA Securities, Inc.....	6,750,000
Chemical Securities Inc.....	6,750,000
NationsBanc Capital Markets, Inc.....	6,750,000
Smith Barney Inc.....	6,750,000
Total.....	\$135,000,000 =====

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the Notes if any are purchased.

The Underwriters propose initially to offer the Notes directly to the public at the public offering price set forth on the cover page of this Prospectus Supplement, and to certain dealers at such price less a concession not in excess of 1.00% of the principal amount of the Notes. The Underwriters may allow, and such dealers may reallow, a concession not in excess of 0.25% of the principal amount of the Notes to certain other dealers. After the initial public offering, the public offering price and such concessions may be changed from time to time.

The Notes are a new issue of securities with no prior trading market. UHS has been advised by the Underwriters that the Underwriters intend to make a market in the Notes as permitted by applicable laws and regulations, but the Underwriters are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

The Underwriting Agreement provides that UHS will indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or contribute to payments the Underwriters may be required to make in respect thereof.

Robert H. Hotz, a managing director of Dillon, Read & Co. Inc., is a member of the Board of Directors of UHS. Morgan Guaranty Trust Company of New York, an affiliate of J.P. Morgan Securities Inc., is the agent for UHS' Credit Agreement and a lender thereunder. Bank of America Illinois, an affiliate of BA Securities, Inc., Chemical Bank, an affiliate of Chemical Securities Inc., and NationsBank, N.A. (Carolinas), an affiliate of NationsBanc Capital Markets, Inc., are also lenders under the Credit Agreement. From time to time in the ordinary course of their respective businesses, affiliates of J.P. Morgan Securities Inc., BA Securities, Inc., Chemical Securities Inc. and NationsBanc Capital Markets, Inc. have engaged and may in the future engage in commercial banking and investment banking transactions with the Company.

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS SUPPLEMENT OR THE PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS SUPPLEMENT AND THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. NEITHER THE DELIVERY OF THIS SUPPLEMENT AND THE PROSPECTUS NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THEREOF. THIS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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 UNIVERSAL HEALTH  
 SERVICES, INC.

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 \$135,000,000

8 3/4% SENIOR NOTES DUE 2005

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 PROSPECTUS SUPPLEMENT

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 DILLON, READ & CO. INC.  
 J.P. MORGAN SECURITIES INC.  
 BA SECURITIES, INC.  
 CHEMICAL SECURITIES INC.  
 NATIONSBANC CAPITAL MARKETS, INC.  
 SMITH BARNEY INC.  
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