

# The Leader in Total Patient Care

Alan B. Miller launched Universal Health Services, Inc., in 1979, with six employees, one telephone and no revenue.



## 38 years of sustainable growth

Over the next four decades, Miller, still the company's Chairman and CEO, built UHS into a leading healthcare provider in the U.S. and the U.K. The company now boasts \$9.7 billion in revenue, over 81,000 employees and over 350 acute care, behavioral health and ambulatory centers in the U.S., the U.K., the U.S. Virgin Islands and Puerto Rico.

"I enjoyed the fact that we were building hospitals in areas that did not have any," Miller said. "There was great satisfaction in hearing people say, 'Before your hospital, we had to travel very far to get good healthcare. Your company saved a lot of lives.'"

From the beginning, Miller was interested in establishing a diversified strategy. He realized that as the company grew, both organically and through strategic acquisitions, it would find strength in focusing expertise in multiple fields. Today, UHS is the largest facility-based behavioral health provider in the U.S. and has a substantial presence in the U.K.

"You have to be adaptable," Miller said. "Things change – I wanted to be in more than just acute care."

In 2016, the company's Behavioral Health Division treated more than 620,000 patients. But the focus from Day One has been on quality, not necessarily size, he said.

"We got to our size by annual growth – there was no target, no desire to be the biggest," Miller said. "I've always thought that if you have a very good brand, whether you're selling goods or services, people will recognize the quality."

The company's significant investment in behavioral health is integral to its emphasis on "total patient care," a reference to treating both the body and the mind. This philosophy took shape as UHS' Behavioral Health Division was founded in 1983, shortly after its Acute Care Division, according to Debbie Osteen, Executive Vice President of UHS and President of its Behavioral Health Division.

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Alan B. Miller  
Chairman & CEO  
UHS

"The purpose was to address both the physical and mental health aspects of our patients," Osteen said. "By looking at healthcare in a total way, we are in a position where we can focus holistically. It has made us stronger, not just as a company, but in our clinicians' abilities to properly assess and treat patients, and ultimately to support the local communities in which our patients live."

UHS has fostered its position as a behavioral health leader through this long-term focus on total patient care, rather than simply increasing size, Osteen said. M&A prospects are closely scrutinized.

"We have had many opportunities to grow, but we have been careful about that growth," Osteen said. "We have always tried to focus on being the best in each community we serve."

Growth isn't just about adding facilities or services. UHS is committed to growing as a provider by continuously improving its therapeutic environments, clinical programming and education services, Osteen said. Clinicians are constantly benchmarking themselves and looking for new, better ways to improve quality and safety.

A striking example of the company's dedication to growth under the total patient care philosophy is found in its efforts to inspire personal growth and success through specialty programs and services. Niche programming is constantly identified and expanded to respond to the needs of diverse populations. For example, specialty military programs dedicated to active duty service members, veterans and their families help manage the effects of combat stress, post-traumatic stress, depression, post-deployment adjustment, as well as trauma resolution and stabilization programs.

Other programs are offered to treat eating disorders, autism spectrum disorders and neurobehavioral conditions that are the result of complex medical conditions and traumatic brain injuries. For these specialty services and all of the company's behavioral health programs, a full continuum of treatment is available, including

inpatient, outpatient, day treatment and partial hospitalization. By offering a variety of settings, patients have treatment options that will support them wherever they are on their recovery journey.

Education is a key component of treatment in children and adolescent programming. Between 2015 and 2016, there was a 25% increase in the number of adolescent patients who obtained their high school diploma or GED while receiving mental health treatment in the Behavioral Health Division facilities. Thanks in part to a major emphasis on the importance of education in treatment nearly 300 young patients achieved this feat in 2016.

"I'm very proud of this accomplishment. No other company can say they have made this significant a contribution in this area," Osteen said.

Another facet of the focus on education is mental health awareness. Like other behavioral health providers, UHS is working hard to erase the stigma around mental illness, mainly through community outreach and education. It's a stigma that remains a major obstacle in convincing certain individuals to get the treatment they need, Osteen said.

"Shame drives the stigma," Osteen said. "There is a misunderstanding of what mental health issues are about and what causes them. People do not understand that aspect of care."

In 2013, UHS became an affiliate of the National Action Alliance for Suicide Prevention, in an effort to promote a conversation around suicide prevention that eliminates stigma and educates communities and caregivers about how they can identify warning signs. Being proactive and encouraging patients to get the care they need is important, said Karen Johnson, Senior Vice President for Clinical Services and Compliance Officer for the Behavioral Health Division.

"We do significant community outreach with emergency departments, primary care physicians, schools and clinicians who deal with various age groups. Our goal is to educate them to identify the signs and symptoms of an individual who is experiencing suicidal thoughts," Johnson said.

People are more apt to see a doctor for a heart condition than depression, Osteen noted. But data from the National Alliance on Mental Illness shows that 1 in 5 U.S. adults experiences mental illness in a given year – so providers like UHS play an important role in educating the public that it's okay to seek help.

## Growing together

Consolidation is the name of the game in today's healthcare industry.

Provider mergers and acquisitions have the potential to greatly improve patient access and quality, but that's not a guarantee. So, as UHS contemplates myriad opportunities for growth and expansion, the company must carefully evaluate the challenges and benefits of those acquisitions and partnerships with an eye towards patient care, Osteen said.

"We are looking for facilities and companies that complement our services," Osteen said. "We're

also looking for facilities and companies where we feel we can make the care we deliver better. If it fits strategically into our mission in that community, state or country, we have been able to pursue opportunities pretty vigorously."

Thanks to strong finances, UHS leaders haven't been limited in their efforts to mindfully engage with other companies that fit the company's mission of providing superior healthcare services. "We don't need to grow just to grow," Osteen said. "Our mission and goal is to be the best."

"As we continue to develop partnerships with larger systems across the country to integrate behavioral health services, our massive footprint in 37 states, Puerto Rico, the U.S. Virgin Islands and the United Kingdom has become very attractive to potential partners and collaborators," Osteen said.

"People say, 'They have scale and we're looking for a larger provider that can meet the needs not just in one community, but in several communities,'" Osteen said. "Systems in larger markets have sought us to be in partnership with them. That has allowed us to share our best practices as well."

Single-hospital systems are often grateful to engage and partner because they do not have the same resources or support on their own, particularly around behavioral health.

"Our programs help them with business structures and clinical protocols," Osteen said. "Part of my role is to ensure our partners are operating at the best possible level when it comes to mental health."

In 2016, the Behavioral Health Division added 458 psychiatric beds in new or existing facilities, and expanded its footprint in the U.K. by acquiring the adult services division of Cambian Group, a behavioral health provider. UHS now operates 103 facilities through its subsidiaries in the U.K.

The Cambian acquisition played an important role in expanding the company's continuum of care in the U.K., Osteen said. While Cygnet – a U.K. provider acquired by UHS in 2014 – mainly consists of inpatient psychiatric facilities, Cambian provides services that help patients stabilize their mental illness and readjust to daily life after acute care.

As demand has increased for behavioral health services, UHS has identified numerous opportunities for growth, Osteen said. More individuals are seeking psychiatric care than in past years, something Osteen attributes to a reduction in stigma and improved access thanks to U.S. healthcare reform and mental health parity.

UHS has responded by adding beds at existing facilities and building new facilities in regions where there is a shortage of psychiatric beds, Osteen said. For example, the new Coral Springs Behavioral Health in Stuart, Fla., is scheduled to open this summer. The new, 80-bed acute psychiatric facility is being opened to help meet the area's mental health needs. "We are excited about the potential there," Osteen said.

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Debbie Osteen  
Executive Vice President, UHS,  
and President of Behavioral  
Health Division

UHS leaders have determined that the company's biggest opportunity on the horizon in behavioral health is integration and partnership with acute care hospitals who are seeking the company's expertise in addressing the mental health needs of their patients, Osteen said. Strategic growth is tailored to the needs of each system, including leasing beds, constructing facilities and entering into joint ventures, she said.

As an experienced provider of inpatient psychiatric care in the U.S., UHS can offer its expertise in the operations and delivery of behavioral health services, said Isa Diaz, Vice President of Strategic Planning and Public Affairs for the company's Behavioral Health Division. Medical providers, particularly concerned about a growing number of patients with mental illness in their emergency departments, are seeking out UHS for help in providing higher-quality mental health and substance use disorder treatment in their communities in a more efficient manner.



Not-for-profit systems appreciate UHS' ability to align with their system priorities and mission, as well as the for-profit company's capital that can be used for improvement of facilities or services. UHS can be an attractive business partner for hospitals considering expanding their psychiatric service line. Some hospitals enter joint ventures with UHS to continue the service in-house, others collaborate to make better use of existing capacity, and maintain an on-going partnership with UHS in order to continue to serve all the needs of their patients.

In an effort to reduce emergency department boarding and treat underserved individuals in the Seattle, Wash., area, Fairfax Behavioral Health renovated a medical-surgical floor inside the Pacific Campus at Providence Regional Medical Center Everett, transforming it into a 30-bed adult psychiatric unit. In this "hospital within a hospital" model, UHS contributed capital for leasehold upgrades and operates the unit on a leased floor in the acute care hospital owned by Providence Health & Services, Diaz said.

UHS and Providence are now pursuing further opportunities for joint venture partnerships in which UHS may offer its core competency of behavioral health services to Providence in markets where the health system already operates behavioral beds or in underserved markets shared by both organizations.

Providence Sacred Heart Medical Center and Children's Hospital, in Spokane, Wash., was identified as an ideal location for a joint hospital to address the need for behavioral beds in that region, Diaz said. UHS and Providence worked together to obtain approval from the state to build a 100-bed freestanding behavioral health facility scheduled to open in 2018.

Whatever the solution providers may choose, UHS works to be a valuable, trusted partner for the long-term. "That's what sets us apart," Diaz said.

## An unwavering dedication to quality care

Size matters in the rapidly changing healthcare industry, but providers won't succeed if they can't prove they offer high-quality care.

UHS is the largest provider of inpatient behavioral health services in the U.S. and a key player in the U.K., but its behavioral health facilities also happen to be among the best performing in the country. Miller said the distinction of becoming the largest behavioral health provider came as a matter of circumstance, rather than corporate goals.

"My interest is in top quality, not size," reiterated Miller. "We are not interested in having a large number necessarily. Our idea is to serve the community at the highest level, taking care of people as if they were our own family."

For four decades, UHS management has operated under the corporate philosophy that if the company provides quality service, the financial returns will follow, said Osteen. "That has been the case since the company was founded and remains true today," she said.

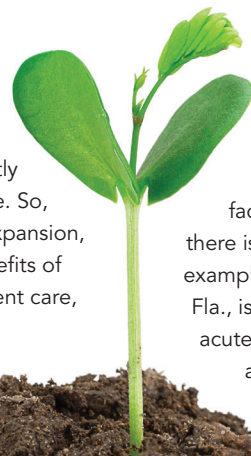
UHS has the numbers to back up its claims of quality. More than 91% of its behavioral health facilities outperform the national average for all seven clinical quality measures defined by CMS' Inpatient Psychiatric Facility Quality Reporting program. Patients also report positive experiences: in a 2016 survey of more than 312,000 UHS patients, the average patient satisfaction score was 4.46 out of 5.

"We are very proud of that," Johnson said. "That is the result of the work of each individual staff member at each hospital. They take personal responsibility for providing high quality, compassionate care in a way that patients perceive as exceptional."

UHS takes a data-driven approach to solving issues that may arise across its facilities, monitoring risk indicators such as readmission, falls and patient satisfaction, all of which are key indicators of a behavioral health service's performance. At a corporate level, UHS uses these metrics to develop best practices and interventions that can be applied in facilities throughout the company, and individual facilities are encouraged to devise and share their own best practices with their sister entities.

Ninety-two percent of patients served in the behavioral health facilities report that they felt better upon discharge, as compared to when they were first admitted. For behavioral health patients, that's a telling metric, Johnson said.

"Nobody decides one morning to say, 'I really want to go to a psychiatric facility today,'" Johnson said. "This is a situation where people are desperate and at one of the lowest points in their lives and they need assistance. If we can provide safe, quality care and safely discharge them into the community for continued care, feeling better than when they came, it's hard to ask for anything more than that."



## Supporting America's Military

UHS prides itself on serving the military community. As a major provider under the TRICARE military insurance program, UHS has always recognized the need to provide behavioral health services to members of the military and their family members, said Car Evans, Senior Vice President for Business Development in the Behavioral Health Division.

Under TRICARE, UHS has long provided behavioral services to active duty service members and installations across the US and overseas. In 2010, as an evolution of those services and in recognition of the growing need, UHS recognized the great need for services within the military and as a result launched the Patriot Support Program, a national network of behavioral treatment centers, support staff and medical professionals dedicated to catering to the unique needs of active duty members, veterans and their families. The goal is to help all of these individuals cope with the emotional and psychological effects of combat, multiple deployments and separation from loved ones.

The program started as a collaboration with the nation's military bases, as Patriot Support Centers were opened close to installations. The need for behavioral health services in the military is "a constant," Evans said.

"We see a significant, continued need for those folks who have been in theater and have done tours and are back continuing to serve in various capacities," he said. "We're looking at a different military than 10, 20 or 30 years ago. Some issues may have been realized in combat, but soldiers are also presenting with existing behavioral health issues that may not have been born to them in the military."

The Behavioral Health Division supports 160 military installations and VA hospitals across the U.S. and overseas. These are specialized facilities uniquely prepared to serve the military community – they're not just civilian facilities treating military personnel, Evans stressed.

Fourteen Patriot Support Centers of Excellence operate units dedicated solely for military personnel, specializing in crisis stabilization and the treatment of substance addiction, post-traumatic stress and other conditions. Clinicians stay in close communication with commanding officers in hopes of helping service members honorably transition to stateside duty or civilian life.

In 2016, the division served more than 4,700 active-duty service members, veterans and their family members. "It gives me a sense of pride," Evans said. "I am not a veteran, but my father served as an officer in the Navy, his father served and his father before that." Evans and one of his siblings were born in Japan when his father was stationed there during his service.

Private networks seeking to provide high-quality services to the military and its veterans seek to employ providers who understand the armed services. That's why UHS has made it a priority to hire veterans throughout the nation.

"Understanding military culture and having staff that have actually been part of that is essential," Evans said. "In many cases, these veterans have worked in the healthcare arena while in the military. They're uniquely adept and capable at providing care to that population."



### About



## Universal Health Services, Inc.

Universal Health Services, Inc. (UHS) is one of the largest and most respected hospital management companies in the nation.

Founded in 1979 by Chairman and Chief Executive Officer Alan B. Miller, the company has built an impressive record of achievement and performance as a Fortune 500 corporation that is consistently recognized as one of Fortune magazine's "Most Admired Companies."

UHS is known for its financial strength, leadership and success in the healthcare industry. UHS, through its subsidiaries, owns and operates acute care hospitals, behavioral health facilities, as well as ambulatory centers in 37 states, Washington, D.C., Puerto Rico, the U.S. Virgin Islands and the United Kingdom. Recognized as the largest facilities-based behavioral health provider in the U.S., the addition of Cygnet Health Care Limited, Alpha Hospital Holdings and Cambian Group PLC's Adult Services in the U.K. positions UHS as one of the largest independent providers of behavioral health services in the United Kingdom.

UHS believes that community-based hospitals will remain the focal point of the nation's healthcare delivery system and will continue to emphasize innovation in its response to the ever-changing market. The company's leadership teams and employees understand that what matters most to patients is safe, effective care and they are committed to providing care that results in positive patient outcomes.

UHS is headquartered in King of Prussia, Pa.

Visit [www.uhsinc.com](http://www.uhsinc.com) to learn more about the company's facilities and services.