

UNIVERSAL HEALTH SERVICES INC
Form 10-K/A
September 08, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(MARK ONE)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 1-10765

UNIVERSAL HEALTH SERVICES, INC.

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(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

incorporation or organization)

UNIVERSAL CORPORATE CENTER
367 South Gulph Road
P.O. Box 61558

King of Prussia, Pennsylvania
(Address of principal executive offices)

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

23-2077891
(I.R.S. Employer
Identification Number)

19406-0958
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each Class | Name of each exchange on which registered |
|---------------------------------------|--|
| Class B Common Stock, \$.01 par value | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act:

Class D Common Stock, \$.01 par value

(Title of each Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of voting stock held by non-affiliates at June 30, 2010 was \$3.39 billion. (For the purpose of this calculation, it was assumed that Class A, Class C, and Class D Common Stock, which are not traded but are convertible share-for-share into Class B Common Stock, have the same market value as Class B Common Stock. Also, for purposes of this calculation only, all directors, officers subject to Section 16(b) of the Securities Exchange Act of 1934, and 10% stockholders are deemed to be affiliates.)

The number of shares of the registrant's Class A Common Stock, \$.01 par value, Class B Common Stock, \$.01 par value, Class C Common Stock, \$.01 par value, and Class D Common Stock, \$.01 par value, outstanding as of January 31, 2011, were 6,656,308, 90,117,514, 665,400 and 34,918, respectively.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive proxy statement for our 2011 Annual Meeting of Stockholders, which was filed with the Securities and Exchange Commission on April 1, 2011, are incorporated by reference under Part III.

Explanatory Note

This Amendment No. 1 to the Annual Report on Form 10-K/A (Form 10-K/A) amends our Annual Report on Form 10-K for the year ended December 31, 2010 which was filed with the Securities and Exchange Commission (SEC) on February 28, 2011 (Form 10-K). This Form 10-K/A is being filed to supplement Item 11-*Executive Compensation* (as incorporated by reference from our Proxy Statement as filed with the SEC on April 1, 2011), of the Form 10-K for the purpose of providing additional disclosure in response to comments received from the Staff of the SEC in connection with a review of our Form 10-K.

Except as stated herein, this Form 10-K/A does not change our previously reported financial statements or the other financial disclosures contained in the Form 10-K. Except as stated herein, this Form 10-K/A does not reflect events occurring after the filing of the Form 10-K and no attempt has been made in this Form 10-K/A to modify or update other disclosures as presented in the

Form 10-K.

Item 11. Executive Compensation

Annual Bonuses

For Debra K. Osteen (President, Behavioral Health Division and Senior Vice President), 25% of her 2010 bonus was based on the achievement of certain corporate performance criteria and 75% was based on the achievement of a divisional specified income target. The divisional income target consists of the projected aggregate pre-tax income for our Behavioral Health Services segment, net of deductions for the allocation of corporate overhead expenses and a charge for the estimated cost of capital. The divisional income target generally excludes the impact of acquisitions or divestitures made during the year as well as other amounts that may be nonrecurring or non-operational in nature or amounts that may be reflected in the current year financial statements that relate to prior years. To the extent that the actual divisional results exceed the target, Ms. Osteen is entitled to 75% of the following (as applied to her annual base salary) as the portion of her annual bonus that is based upon divisional income: (i) 25% if actual results meet divisional income target; (ii) 50% if actual results exceed divisional income target by 5%; (iii) 75% if actual results exceed divisional income target by 10%, and; (iv) 100% if actual results exceed divisional income target by 15%. For 2010, Ms. Osteen's divisional income target was \$130.4 million. The 2010 actual divisional income, as calculated, was \$165.5 million. Therefore, Ms. Osteen's 2010 actual bonus award included the applicable portion based upon the achievement of the corporate performance criteria and, since the actual divisional income exceeded the target by more than 15% (\$130.4 million target was exceeded by 27%), Ms. Osteen was entitled to 100% of the portion of her bonus (75%) that was based upon the achievement of the divisional income target.

For Richard C. Wright (Vice President, Development), 25% of his 2010 bonus was based on the achievement of certain corporate performance criteria and 75% was based on the achievement of specified operating income of designated acquired acute care facilities (as measured during the year following acquisition) and profitability of third-party hospital construction contracts (as measured at the completion of the project/contract). For 2010, neither of these targets was applicable since there were no acute care hospital acquisitions during 2009 and there were no completed hospital construction contracts during 2010. Therefore, Mr. Wright's actual bonus award for 2010 was based solely on the achievement of the corporate performance criteria.

Signatures

Pursuant to the requirements of Section 13 of 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

September 8, 2011

Universal Health Services, Inc.

By: /s/ Steve Filton
Steve Filton, Senior Vice President
and Chief Financial Officer
(Principal Financial and Accounting Officer)