



Taking Care of Patients

An Interview with Alan B. Miller,
Chief Executive Officer and Chairman of the Board,
Universal Health Services, Inc.



EDITORS' NOTE Alan B. Miller is the founder of Universal Health Services, Inc. He received the Patriot Award in 2010 from Employer Support of the Guard and Reserve (ESGR) on behalf of the U.S. Department of Defense. He began his career with Young & Rubicam.

COMPANY BRIEF Founded in 1978 by Alan B. Miller, Universal Health Services, Inc. (www.ubsinc.com; UHS) is one of the nation's largest and most respected health care management companies, operating acute care hospitals, behavioral health facilities, and ambulatory centers through its subsidiaries nationwide, and in Puerto Rico and the U.S. Virgin Islands. UHS subsidiaries today have more than 65,000 employees. UHS maintains one of the strongest balance sheets and is rated amongst the highest in the hospital services industry by Moody's and Standard & Poor's.



Alan B. Miller

What differentiates Universal Health Services within the industry and to what do you attribute your strong results?

What differentiates us is our consistency and continuity. I founded the company in 1978 and I'm still the CEO. Many of the managers and executives in the company have been here for a long period of time; others have moved on, so it's not a static management structure. We are a leading health care company and our returns have been outstanding compared to the rest of the industry. We have a culture that does not push the envelope. We work hard, we're very experienced, and we've been fortunate to attract a lot of people who are similarly inclined – they're not looking to make a killing on Wall Street. We focus on taking excellent care of patients and financial rewards will follow.

A lot of the executives, myself included, are shareholders in the company and have bought into the culture and this differentiates us from others who may be interested in short term rewards, which may come at the expense of their reputation.

How challenging is it to not lose the culture as the company has grown in size and scale?

I've always been concerned with growth. A lot of executives, to their downfall, get blinded by growth and acquisitions and end up destroying their companies – you can only bring in

so many people so quickly and maintain the cultural perspective you have built. So my purpose is to create units that behave independently – our Acute and Behavioral Health businesses operate, in many ways, as stand-alone businesses. Some big companies end up trying to break things down because they are more sizable than we are, so their problems are more acute. Other companies may not even address these issues if they have a CEO who wants to have his finger in everything. I would rather promote smaller units so people can relate to them, although our smaller units are now \$3.5 billion each.

Will growth come from bringing on additional units? Are there markets you're not currently invested in?

Sure. We have over 200 facilities and we'll grow with new units in both major divisions. We have two hospitals under construction and we are expanding others, but we're always looking at other opportunities. There are approximately 5,000 acute care hospitals in the U.S. and we own 25. So there are a lot of opportunities. Approximately 85 percent of the acute care hospitals are not-for-profit and have challenges that we may be better equipped to address. In the psychiatric business, there are approximately 435 freestanding facilities and we own 40 percent of them, but there are still more opportunities. We have also been overseas in the U.K. and France, and we're in Puerto Rico.

You're headquartered in Pennsylvania. How has that market performed and how strong has it been for you?

We have nine facilities in Pennsylvania and 3,500 people working in those facilities. We have a good presence and we're always looking to expand, but we have been here since our founding.

You're very engaged with the community in many of these markets. How important is that to the company culture?

One of our credos is to be a good citizen in every community. We support various institutions and encourage everyone to get involved. The company does two major fundraisers a year at the corporate level and many more locally. I'm on the board of the Kimmel Center, which is a performing arts center in Philadelphia, and I've been involved with a variety of different causes.

The company is also involved in the Wounded Warrior Project. I'm a retired Army

officer so I have a great interest in supporting our heroes and honoring the sacrifices they make on our behalf.

Since we are involved in behavioral health, we have also been involved in treating autism. We have an Autism and Intellectual Disabilities unit in Pennsylvania and another in Virginia. We work on this throughout our system and we're able to treat autism well because we're familiar with the best practices in this regard. We sponsor Autism Speaks directly through walks in Pennsylvania and New Jersey, and we recently opened a unit at Foundations For Living in Mansfield, Ohio, and that hospital also has a walk for autism.

With advances in technology, how do you avoid losing that personal patient interaction?

For the most part, the doctors are independent practitioners but we collaborate closely with them to ensure we provide the best quality, patient-centered health care possible. We incorporate technology that enhances the quality of care we provide. We are in business to help people and we continually look for opportunities to be innovative and creative and collaborate with the physicians to achieve our mission to provide superior quality health care services.

Does your company today reflect your original vision?

My first job was with Young & Rubicam, an iconic advertising agency, and it made a great impression on me. They did things in a high-class way. I liked that approach and try to replicate it here.

As your business has grown, has it been challenging to be less engaged in every aspect?

Yes, but I was never a micromanager so it was never as tough for me as for others. You must have talented people and when you do, you must keep them interested, motivated, and challenged. You must hold them accountable but you can't micromanage talented people. I always strive to get good, talented, motivated people in the company because it is the people that make things happen. Success is the result of the caliber of the personnel you have. ●

Two Universal Health Services Facilities: Foundations Behavioral Health in Doylestown, Pennsylvania (left); The Horsbarn Clinic in Ambler, Pennsylvania (right)