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Robert Reiss: When you began in 1979, you had just six people and one telephone. Today you have 81,000 employees, about \$10 billion in revenue, 320 hospitals and scores of awards. How did you build such a remarkable organization from scratch?

Alan Miller: I believe that healthcare is the highest calling. We defined our mission at UHS and we live every aspect of our mission, every day. We provide superior quality healthcare services that benefit every one of our stakeholders – with the patient as our top priority, always. We have the privilege of serving 2.6 million patients every year and helping make their lives better.

Your tenure as a CEO is 37 years, which is the third longest of any major CEO in America, right behind Warren Buffett. What do you believe the secret is to longevity as a CEO?

I attribute my longevity to working hard and always focusing on delivering healthcare that helps patients. Superior patient care is our top priority. I am fortunate to work with a great team of talented and passionate people who want to help others and who are proud of the work we do at UHS.

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How would you codify your leadership philosophy?

Build the right team, develop trust, and inspire and influence people to accomplish common organizational goals.

As the largest facility-based behavioral health provider in the country, where does behavioral health fit into the continuum of healthcare in America?

Behavioral health must go hand-in-hand with physical health. It hasn't always been perceived as such, but its importance is not to be underestimated. In 1954, Inaugural World Health Organization President Dr. Brock Chisholm highlighted this sentiment stating, “Without mental health, there can be no true physical health.” Dr. Chisholm's words were revolutionary at the time and remain pertinent today.

Society now understands that in order for an individual to be healthy, they have to be mentally and physically healthy. The other change that has occurred is that society recognizes that if a person is diagnosed with a mental health issue, they may well have a physical ailment and vice versa. As a result, more people are being treated for both conditions. Physical doctors – your family doctor, your internist and other specialists – recognize the importance of evaluating patients for mental health issues, as well.

There are about 56 million people in America suffering with mental health issues. Talk about how the Healthcare industry will address this dynamic.

Let's think about that. If you have a heart attack or a disability and you are concerned about living a long life, it certainly affects you mentally. It seems so logical now, but years ago, mental health was treated separately. In the past there was a stigma attached to mental health problems in the family and it was something to be ashamed of. People were kept away and family members did not want to let others know that they had a mentally ill person in the family. While people today are more willing to talk and share, there is much more to be done.

You have 320 hospitals in total. Talk about your business model.

Fifty percent of the company's revenues (about \$5 billion) are generated from the Acute Care division and the other half comes from the Behavioral Health division. The mission of UHS is to provide superior care for patients and help make them better. That's our number one goal, and our number two goal, and our number three goal. Whatever it takes, we are dedicated to having the best facilities, the best equipment and the best staff possible. Our team is proud of the work we do and they focus on achieving our mission. It's all about patients first, second and third. After that, we're concerned about our 81,000 employees, their families and their futures.

Then it goes down to the communities where we play an important and valuable role. Our hospitals are major employers in the regions in which we operate. Additionally, all of our hospitals have large gathering halls and we encourage the community to come and use our facilities. There is a UHS facility in Florida, for example, where I recently had the pleasure of visiting as the CEO of the hospital was honored with an award from the Boy Scouts of America. Hundreds of people from the community were in attendance. It was terrific to see so many from the neighborhood engaging with our hospital and staff.

Lastly, we are a publicly traded company and we have shareholders. I am a shareholder as well as my family, and many of our employees are shareholders, too.

Many of your employees are shareholders?

Yes, we have programs through which employees can buy shares at a discount, and they can also be awarded shares at the end of the calendar year. I don't want to overstate it, but we've had 3,000% growth in the value of our shares. Since many of our employees are shareholders, they've been very pleased with the performance.

If we do our jobs right and deliver superior care to patients, we will have the opportunity to treat more and more patients, and employees will continue to be proud to work at UHS and our subsidiaries. In turn, shareholders will continue to reap the benefits.

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Opening of the Chris Kyle Patriots Hospital in Anchorage, Alaska, dedicated July 2015.

(l to r) Taya Kyle, wife of Chris Kyle; Alan B. Miller, UHS Chairman & CEO; Brigadier General Laurie Hummel, Adjutant General of the Alaska National Guard and Commission of the Alaska Department of Military and Veterans Affairs; Bob Herron, Alaska House of Representatives and Chair of the House Military and Veterans Affairs Committee; Debbie Osteen, UHS SVP and President, Behavioral Health Division.

You now have 81,000 employees. Talk about your corporate culture.

At Universal Health Services, we have a culture that focuses on service excellence, continuous improvement, employee growth and development, and innovation in service delivery. Our care providers are the face of our company to the patient; and their ability to deliver optimal outcomes with a superior patient experience is paramount. We don't settle for less. We have a first-class team, provide superior care and embrace leading-edge technologies that positively impact our patients' lives.

What are the challenges and opportunities for Healthcare in America?

What we are trying to do in America is bring the kind of care to all citizens that a good portion of the country currently receives. This is the challenge that led to the creation and expansion of the insurance exchanges. This certainly is a good part of Obama Care, and I'm all for that. The problem is, how does one pay for it and this is a common problem. A number of countries are bankrupting themselves because of their aging population demographics and the rising cost of healthcare.

Generally, the western world is getting older, and as it gets older, the need for healthcare increases and the cost consequently increases. Many of these countries are now cutting back because they can't afford healthcare. This is what we have to watch out for in America. The

population figures in 2025, 2040 and 2050 will be comprised of a very large percentage of older people and fewer working-aged people. These factors will drive up the cost of health care. We have to find ways to address this challenge.

You recently expanded internationally. Tell me about that.

Yes, in 2015, UHS expanded to the UK, where we now operate one of the largest behavioral health networks. We started with one group and we now have three groups that we combined under Cygnet Health Care. It is exciting to see the high quality care and outcomes we can bring to patients.

How should the government approach behavioral health?

Historically, government funding has been directed toward physical health and acute care. We are starting to realize we need to focus more on mental health care. I don't have to remind everyone that the world has experienced tragedies and shootings caused in some cases by mentally ill people. It has become recognized that these people should have been diagnosed, treated and cared for earlier. These were sick people and some of them could have been treated and helped.

Thank you for the remarkable job UHS did in Las Vegas.

Yes, we did a spectacular job. Every one of our six hospitals located in the Las Vegas area treated people impacted by the October 1 shooting and our staff worked diligently for 12- and 14-hour shifts to care for the victims. Our team does a great job every day, but they did an incredible job in this time of need.

I know that Herschel Walker has been very involved with your organization.

Herschel Walker is a truly wonderful man and great football player who has been affiliated with UHS for a number of years. Aside from being an accomplished athlete, Hershel has experienced some serious mental health issues. He openly discusses his story, and he wants people to understand that there's nothing to be ashamed of... that people need to seek treatment. What better than to have a beloved athlete with a wonderful manner and a big heart go on the road and talk candidly about his own condition.

Talk about your involvement with the military.

UHS has a substantial military support operation. PTSD is a serious problem and we are concerned about the military. I served in the U.S. Army and I am very appreciative of what our armed forces have done for this nation. We owe them a lot and we can never repay those



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who have given so much. UHS is very involved with the Wounded Warriors Project as well.

In addition, in July 2015, we named a hospital in Anchorage, Alaska in honor of Chris Kyle, U.S. Navy SEAL and American Sniper. The Chris Kyle Patriots hospital is the only hospital we have named for an individual. When we dedicated the facility, we had a huge turnout of active and retired military including Chris' lovely wife Taya. Of the 700,000 people who live in Alaska, approximately 20 percent are active duty or retired. The Chris Kyle Patriots Hospital is dedicated to them.

Let's shift to the personal side of Alan Miller. You grew up in New York City and played basketball. Talk about that experience and the lessons you learned from sports that apply to business.

I loved playing basketball not only for the physical challenge, but for what I learned that made me a better person. My team won the city championship. During that time, I learned that nothing can replace hard work and long hours of practice. I learned the value of facing adversity and having a positive attitude. I learned that your team is everything – together you rise, together you fall. But, the most important thing I learned is that every great team has a strong coach. Like a coach, I try to find the very best people and I help them optimize their talents, work together and accomplish our goals.

You're a historian and have a special place in your heart for the Museum of the American Revolution.

Yes. In fact, I recently joined the Board of Directors of the Museum of the American Revolution, which is located in Philadelphia. The Museum is special to me because it embodies the notion that ordinary people can do extraordinary things. It is an institution that inspires generations about the soaring ideals of freedom. The Museum provides

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an appreciation of what it means to live in a country where we cherish life, liberty and the pursuit of happiness.

Specifically, you’ve followed George Washington’s career. What can CEOs learn about leadership from George Washington?

I am a student of History and I well understand and have studied the courage of our founding fathers and their bold entrepreneurial style. George Washington had the courage to take on the greatest army in the world at that time. From George Washington, I have learned the importance of perseverance, the power of remaining calm under pressure and the value of being ambitious.



The Alan B. Miller Hall houses the School of Business at the College of William and Mary.

Not many people know this, but George Washington earned a surveyor degree from the College of William and Mary. He was a fascinating leader who inspires me.

UHS headquarters are in King of Prussia, PA. Talk about the historical significance.

The community took its name in the 18th century from a local tavern called the King of Prussia Inn, which was named after King Frederick (the Great) of Prussia.

General George Washington first visited the tavern on Thanksgiving Day in 1777 while the Continental Army was encamped at Whitemarsh; a few weeks later Washington and the army camped at nearby Valley Forge. It is believed that, during visits to the tavern, Washington would gather intelligence about the British army’s tactical plans.

At The College of William & Mary is the Alan B. Miller Hall. Williamsburg is a powerful representation of the American Revolution. Talk about the connection between American history and business and your involvement.

The Alan B. Miller Hall houses the School of Business and is, symbolically and literally, an outstanding building that inspires the student body, the faculty and staff. Everyone sees the building and realizes what it represents – a calling to the next generation of leaders and entrepreneurs to keep this great nation advancing and moving along.

America needs geniuses and entrepreneurs to help the country continue to grow and thrive – this is the underpinning of the strength of America.

Any advice that you learned through your years of significant success that might help other CEOs?

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I believe these are the top leadership qualities that could benefit other CEOs:

- Character is destiny – A person with good character will always be better off in life. Choose your friends carefully because you are known by the friends you keep. I believe that.
- Hard work is critical and if you’re going to do something, do it well.
- Hire the best team possible – build trust and rally the team to focus on a common goal.

I have built my success on the idea that healthcare is personal and always will be. I am confident that we can make a positive difference in the lives of patients, families and communities. That is why we will always strive to be a leader in providing superior quality care.



(l to r) Alan B. Miller, Founder and CEO, and Marc D. Miller, President.



Alan Miller and Robert Reiss – Interview aired: 12/12/2017

Alan B. Miller is Chairman and CEO of Universal Health Services, Inc. (NYSE – “UHS”), which he founded in 1979. UHS, a Fortune 500 company (276), is also one of the largest hospital management companies in the nation. It owns and operates more than 320 facilities in 37 states, Washington, D.C., Puerto Rico, the U.S. Virgin Islands and the United Kingdom. Annual revenues of the Company are nearly \$10 billion. He also serves as Chairman of the Board, CEO and President of Universal Health Realty Income Trust (NYSE – “UHT”). UHT is a REIT that he founded that currently has investments in 65 properties located in 20 states. Prior to founding UHS, Mr. Miller was Chairman and CEO of American Mediacorp Inc., a pioneering hospital management company.

Both Fortune Magazine and The Wall Street Journal noted Universal Health Services as having the highest return to shareholders (38%) of all healthcare providers for the 10-year period 1990-2000. In May 2015, the Wall Street Journal ranked Mr. Miller as the third longest-tenured CEO and for achieving 3,715 percent total shareholder returns since 1995. In 2017, Forbes magazine ranked UHS 275 in its inaugural list of America’s Top 500 Companies.

Upon graduation from the College of William and Mary in Virginia Mr. Miller was commissioned in the U.S. Army and served in the 77th Infantry Division. He served as a trustee of the William and Mary Endowment Fund, and is a life member of the school’s President’s Council. Mr. Miller earned his MBA degree from the Wharton School of the University of Pennsylvania. He served on the Board of Overseers and on the school’s Executive Board.