

# UNIVERSAL HEALTH SERVICES

## BEHIND CLOSED DOORS: THE HIDDEN HARM OF MAXIMIZING PROFITS

[WWW.UHSBEHINDCLOSEDDOORS.ORG](http://WWW.UHSBEHINDCLOSEDDOORS.ORG)

SEIU Healthcare advocates for quality healthcare and patient and worker safety. By focusing on UHS, the largest provider of inpatient behavioral health services in the US, we can bring about change to improve care for many consumers.

### **WHY YOU SHOULD CARE ABOUT UHS:**

#### **UHS dominates the delivery of behavioral health care in the United States.**

The largest provider of inpatient behavioral health care in the country, UHS operates 1 out of every 5 psychiatric beds in the United States. The company owns almost 200 of the estimated 500 total freestanding behavioral health hospitals in the U.S.<sup>1,2</sup>

#### **UHS receives significant amounts of government funding to care for some of the most vulnerable members of society.**

UHS receives approximately \$4.8 billion from Medicare and Medicaid each year for providing health care services to elderly, poor and disabled Americans. This includes \$2.3 billion for behavioral health care and \$2.5 billion for general acute care. Medicare and Medicaid account for more than half (53%) of UHS's total revenue.<sup>3,4</sup> The company has also received hundreds of millions of dollars in revenue from the U.S. military for behavioral health care.<sup>5,6</sup>

#### **UHS is highly profitable.**

UHS operates as a publicly traded for-profit company and its stock is traded on the New York Stock Exchange. In 2015 alone, UHS reported \$9.0 billion in revenue and more than \$680 million in net profit.<sup>7</sup> Its behavioral healthcare business is highly profitable. For every dollar that this business generates in revenue, UHS takes nearly a quarter of that in profit.<sup>8</sup>

### **WHY YOU SHOULD BE CONCERNED ABOUT UHS:**

#### **UHS facilities have had serious problems that may be linked to understaffing.**

The company's executives have told investors that reducing staffing costs and keeping occupancy high helps the company stay profitable.<sup>9,10</sup> However, cutting staff too low can be dangerous for patients and workers. Analysis of inspection reports issued by government regulators and lawsuits, most of which were filed by UHS employees and patients, reveals a number of disturbing incidents tied to inadequate staffing at UHS facilities. According to a report by *The Dallas Morning News*, more than a quarter of UHS facilities receiving taxpayer money have been cited for "dangerously poor care or unsafe conditions between 2012 and mid-2015."<sup>11</sup>

#### **UHS has been accused of committing fraud against government programs and is being investigated by federal authorities.**

UHS has paid millions of dollars to settle lawsuits which alleged that the company billed for services it did not adequately provide. Similar lawsuits are currently ongoing. UHS and twenty-five of its behavioral health facilities are currently the subject of a coordinated civil investigation by federal authorities. UHS as a corporate entity and three Florida facilities are under investigation for criminal fraud; one of these facilities has been suspended from Medicare and Medicaid pursuant to the investigations.<sup>12</sup>

#### **UHS is facing new investigations by the Department of Justice.**

In February 2016, UHS disclosed that the Department of Justice is investigating El Paso Behavioral Health System in Texas for potential Stark law violations relating to arrangements between the facility and physicians. The Department of Justice also opened an investigation into potential False Claims Act violations involving compensation paid to cardiologists at South Texas Health System.<sup>13</sup>

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<sup>1</sup> "Facilities." [UHS Form 10-K for the period ending December 31, 2015. Filed February 25, 2016. p.23.](#)

<sup>2</sup> UHS at Cowen Group Health Care Conference. March 5, 2012. p.3.

<sup>3</sup> "Sources of Revenue." [UHS Investor Presentation. November 2, 2015. Slide 6.](#)

<sup>4</sup> "Segment Reporting – Total net revenues." [UHS Form 10-K for the period ending December 31, 2015. Filed February 25, 2016. p.122.](#)

<sup>5</sup> Percent of behavioral segment from U.S. military. UHS Q1 2014 Earnings Call. April 25, 2014. p.4.

<sup>6</sup> "Segment Reporting – Total net revenues." [UHS Form 10-K for the period ending December 31, 2015. Filed February 25, 2016. p.122.](#)

<sup>7</sup> "Net revenues" and "Net income." [Consolidated Statements of Income. UHS Form 10-K for the period ending December 31, 2015. Filed February 25, 2016. p.85.](#)

<sup>8</sup> [UHS Form 10-K for the year ending December 31, 2015. Filed February 25, 2016. p.51.](#)

<sup>9</sup> UHS at RBC Capital conference. March 2, 2011. p.4.

<sup>10</sup> UHS at JP Morgan Conference. January 15, 2014. p.4.

<sup>11</sup> "Danger in the psych ward." *The Dallas Morning News*. March 18, 2016. <http://interactives.dallasnews.com/2016/danger-in-the-psych-ward/>

<sup>12</sup> [UHS Form 10-K for the year ending December 31, 2015. Filed February 25, 2016. pp.29-30.](#)

<sup>13</sup> [UHS Form 10-K for the year ending December 31, 2015. Filed February 25, 2016. p.30.](#)