

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**  
**Pursuant To Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of report (Date of earliest event reported) May 10, 2004 (May 10, 2004)



**VANGUARD HEALTH SYSTEMS, INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction  
of incorporation)

**333-71934**  
(Commission  
File Number)

**62-1698183**  
(IRS Employer  
Identification Number)

**20 Burton Hills Boulevard, Suite 100, Nashville, Tennessee**  
(Address of principal executive offices)

**37215**  
(Zip Code)

Registrant's Telephone Number, including area code **(615) 665-6000**

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groups have historically used EBITDA-related measures in the health care industry, along with other measures, to estimate the value of a company, to make informed investment decisions, to evaluate a company's operating performance compared to that of other companies in the health care industry and to evaluate a company's leverage capacity and its ability to meet its debt service. Adjusted EBITDA eliminates the uneven effect of non-cash depreciation of tangible assets and amortization of intangible assets, much of which results from acquisitions accounted for under the purchase method of accounting. Adjusted EBITDA also eliminates the effects of changes in interest rates which management believes relate to general trends in global capital markets, but are not necessarily indicative of a company's operating performance. Adjusted EBITDA is also used by the Company's management to measure individual performance for incentive compensation purposes and as an analytical indicator for purposes of allocating resources to its operating businesses and assessing their performance, both internally and relative to the Company's peers, as well as to evaluate the performance of the Company's operating management teams. The Special Non-GAAP Financial Measures are also used by the Company's management and the lenders under the Company's principal bank credit facility to determine compliance with covenants set forth in such credit facility and to determine the interest rate applicable to revolving loans under the facility. The amounts shown for Adjusted EBITDA as presented in the Earnings Release in certain accounting periods may differ from the amounts calculated under the definition of EBITDA used in the Company's principal bank credit facility. The definition of EBITDA used in the Company's principal bank credit facility is further adjusted for certain other cash and non-cash charges.

A limitation of Adjusted EBITDA, however, is that it does not reflect the periodic cost of certain capitalized assets that the Company uses to generate its revenues. The Company evaluates these costs through other financial measures such as capital expenditures. Adjusted EBITDA also excludes net interest expense, which is a significant expense because of the Company's substantial indebtedness. Despite these limitations, management believes that Adjusted EBITDA, as an operating performance measure, and not as a liquidity measure, provides investors and analysts with a useful measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Finally, management believes it is useful to investors to provide them with disclosure of the Company's operating results using the same key financial metric as that used by management.

The information in this Form 8-K and the Exhibits attached hereto shall be deemed "furnished" and not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any Company filing under the Exchange Act or under the Securities Act of 1933, as amended, except as shall be set forth in a specific reference in such a filing.

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATE: May 10, 2004

**VANGUARD HEALTH SYSTEMS, INC.**  
(Registrant)

BY: /s/ *Ronald P. Soltman*  
Ronald P. Soltman  
Executive Vice President

**VANGUARD HEALTH SYSTEMS, INC.**  
**EXHIBIT INDEX**

<b><u>Exhibit No.</u></b>	<b><u>Subject Matter</u></b>
99.1	Press Release of Vanguard Health Systems, Inc. dated May 10, 2004 announcing third quarter operating results.
99.2	Supplementary Financial Disclosures relating to Regulation G.