



ANNUAL
REPORT
2009



UCSF Medical Center

UCSF Children's Hospital



Visionary Thinking



*This is a place
where remarkable
accomplishments
can seem
surprisingly routine*

Dear Friends:

If you asked me to describe the person who works at UCSF Medical Center and UCSF Children's Hospital, I would say, someone who does the extraordinary to restore the ordinary. On a large and varied scale, this is a place where remarkable accomplishments can seem surprisingly routine. It's an institution where more than 7,000 people with very different perspectives regularly share their ideas, refining and reshaping them through collaboration, and then testing them in innovative ways until they become the new standard – the way things will be done from now on, both here and around the world.

UCSF Medical Center has long had a reputation as a source of visionary thinking, producing ideas that have played a defining role in advancing health worldwide, and 2009 was no exception. What is exceptional is the sheer number of these ideas, the thousands of creative ways that the medical center team – physicians, researchers, nurses and staff – conceives each day to advance our mission of caring, healing, teaching and discovering. These may be little things: techniques that make surgery smoother, or patients safer or help children feel more comfortable during their stay here. Then there are the bigger ideas that garner instant headlines. In the past year, for example, our physicians and scientists developed a procedure for treating heart attack patients more quickly than ever, celebrated 45 years as a world leader in transplant surgery and for the ninth consecutive time, placed UCSF Medical Center among the Top 10 hospitals in the nation.

Addressing old problems in new ways invites a different sort of welcome attention, as well – attracting like-minded visionaries to help hasten and share in the pursuit of innovation. One such pioneer is Charles F. Feeney, founding chair of The Atlantic Philanthropies and a longtime champion of UCSF. This past year, his foundation's gift of \$125 million, the largest in UCSF's history, helped set the stage in making our planned \$1.7 billion children's, cancer and women's specialty hospitals at Mission Bay a reality. Chuck believes in investing in big ideas that advance the health of people around the world, and this gift is a powerful testament to UCSF's unparalleled ability to do just that.

This annual report documents some of the many ways in which we have turned vision into action this past year and how we plan to extend those efforts to move steadily toward a future that holds immense potential. I proudly invite you to join us on this journey.

A handwritten signature in black ink that reads "Mark R. Laret".

Mark R. Laret

Chief Executive Officer

UCSF Medical Center

UCSF Children's Hospital

Turning Vision into Action

*This past year has been filled with unprecedented results of **visionary thinking** in many spheres, from pioneering new surgical techniques to implementing better ways to provide **patient- and family-centered care.***

UCSF Medical Center ranks No. 1 nationwide for the speed with which heart attack patients are treated using balloon angioplasty, a procedure to open narrowed or blocked blood vessels of the heart.

UCSF interventional cardiologists treated patients less than an hour after arriving in the Emergency Department, considerably faster than the 90-minute benchmark of the National Cardiovascular Data Registry.

On Sept. 18, the University of California Board of Regents unanimously approved plans for a new UCSF Mission Bay Hospital complex. The new facilities will be the first hospital built from the ground up in San Francisco in 30 years. With a budget of \$1.686 billion for the first phase, it is one of the largest building projects in the western United States.

UCSF celebrated 45 years and 10,000 patients as a leader in transplant medicine.

The medical center currently performs more than 500 transplants a year including 360 kidney, 160 liver, 35 lung, 22 heart, 15 pancreas and 10 islet cell transplants.

UCSF Medical Center ranked among the nation's Top 10 premier hospitals and the best in the Bay Area, according to the 2009 America's Best Hospitals survey conducted by *U.S. News & World Report*. This is the ninth consecutive year UCSF has earned a Top 10 ranking and honor roll status.

UCSF Medical Group and Hill Physicians Medical Group formed a new affiliation to provide access to high-quality primary and specialty health services for HMO members whose primary care provider is based in San Francisco. Hill Physicians is the largest independent physician association in Northern California. The new health care option will be effective Jan. 1, 2010, when UCSF's long-standing relationship with Brown & Toland, an independent practice association in San Francisco, changes.

A UCSF surgical team successfully removed a large cancerous tumor in a single piece from the cervical spine of a patient in 12 hours — a procedure that is believed to be the first of its kind in complexity and to have taken place in record time. Most important, the procedure provides the patient with the possibility of total elimination of the cancer. The short operation time and successful outcome are the result of a willing patient, a professional medical team and a multidisciplinary approach between neurological and orthopaedic surgery.

UCSF received one of the largest gifts in its 145-year history — \$125 million — as the lead funding for a state-of-the-art medical center at the Mission Bay campus.

The gift came from longtime UCSF supporter Charles F. Feeney through his foundation, The Atlantic Philanthropies. By requiring a 100 percent match, the gift aims to encourage support from other philanthropists. What Feeney believes — and what medical center CEO Mark Laret hopes other potential donors will realize — is that investing in the medical center means contributing to a force for positive change on a global scale.

This year, the UCSF Helen Diller Family Comprehensive Cancer Center was ranked the No. 1 cancer program in California, according to *U.S. News & World Report*. Nationwide, UCSF is ranked No. 8 in cancer, moving up from 14.

UCSF Medical Center won the fifth annual Family-centered Care Award from the Society of Critical Care Medicine at its annual meeting. The 24-bed medical-surgical Intensive Care Unit at Parnassus was commended for its efforts to provide quality care and support to patients and their families. The ICU implemented a family-centered care model that includes a family guide, social service rounds and family support rounds.

UCSF Children's Hospital launched a new medical helicopter service for the emergency transport of neonatal and pediatric patients from within a 100-mile radius of San Francisco. The helicopter, operated by the nonprofit CALSTAR (California Shock Trauma Air Rescue) helicopter ambulance service, is equipped as a mobile intensive care unit with a

transport incubator or critical care stretcher, heart and respiratory monitors and ventilators. It will save critical time when transporting patients from hospitals with helipads.

MyHealth debuted, providing patients with an easy, secure way to access their health information from any computer with an Internet connection. *MyHealth* allows patients to communicate directly with their physician's office to request appointments, check lab results and request prescription refills. Patients can also use the application to create a personalized health record. *MyHealth* is a free service for patients and uses the most secure technology available.

The UCSF Children's Hospital bone marrow transplant (BMT) program, among the largest transplant centers for children in North America, performed nearly 50 transplants for children with a variety of life-threatening conditions.

In addition to its internationally recognized expertise in treating children with high-risk neuroblastoma, the BMT program is the second-largest program in North America for diagnosing and treating children born with severe combined immunodeficiency disease, also known as the "Bubble Baby" syndrome. UCSF is the lead institution of a recently awarded NIH grant to create a consortium in the United States and Canada to study children with primary immune deficiencies.

The Integrated Center for Design and Construction (ICDC) at Mission Bay became operational in May. More than 100 project team members from the medical center's design and construction department, Anshen+Allen, DPR Construction Inc.,

the Cambridge Group and numerous mechanical, electrical and plumbing subcontracting firms now work side-by-side in the ICDC to create a digital 3-D model of the new hospital complex using special Building Information Modeling (BIM) software. This innovative, integrated project delivery process — in which all disciplines collaborate in a "big room" to virtually design the buildings — will improve design coordination, reduce decision-making and problem-solving time, and ultimately reduce change orders and cost.

The Department of Orthopaedics, led by Thomas Parker Vail, M.D., was ranked No. 19 in *U.S. News & World Report's* annual ranking of the nation's best hospitals, jumping 15 spaces from its No. 34 ranking last year. A new 42,000-square-foot UCSF Orthopaedic Institute opened this fall and offers outpatient services and surgery to patients with conditions affecting the foot and ankle, knee, hip, hand, shoulder and elbow, and spine.

Ground was broken on September 10, 2008, for the UCSF Osher Building at 1545 Divisadero St. in San Francisco.

The Osher Center for Integrative Medicine will occupy the top three floors, housing its integrated research, education and clinical programs under one roof. The building also will include the Tomoye Takahashi Healing Garden, a space of calm and tranquility for patients, families and practitioners. Move-in is expected in spring 2010.



“The range of our collective vision is far greater when individual insights become one.” These words, spoken more than a century ago by pioneering philanthropist Andrew Carnegie, perfectly describe the driving force behind the creation of UCSF Medical Center at Mission Bay today. Encouraging close interaction between basic scientists and clinicians will speed promising treatments from the lab to patients and ultimately lead to therapies and cures that will benefit people from the Bay Area and far beyond.

Children's Hospital

"The nation's top researchers will be attracted to working in a state-of-the-art children's hospital located at the helm of the biosciences community.

The synergy with the scientific campus — the neuro institute, the cancer institute, and the developmental biology center at Mission Bay — will really bring scientific advances to bear on disease prevention and treatment. The new hospital will allow for the analysis of childhood diseases and shared collaborative solutions."

– *Diana L. Farmer, M.D., Surgeon in Chief, UCSF Children's Hospital*

Women's Specialty Hospital

"Over the past 30 years, our faculty has participated in almost every important advance in reproductive health, including new contraceptives, in vitro fertilization, the advent of birth centers, fetal surgery and the pioneering of less-invasive treatments for fibroids and incontinence. Sophisticated operating suites and imaging technologies will facilitate the development of future breakthroughs at the new women's specialty hospital."

– *Linda Giudice, M.D., Ph.D., Chair, Department of Obstetrics, Gynecology and Reproductive Sciences*

Cancer Hospital

"This is our dream — to have a campus where clinical and basic scientists can commingle. We can do better for our patients when we're at Mission Bay. There are so many basic scientists at Mission Bay, and to add clinicians to the mix will grant more exposure between the two groups. It's a two-way street, and it will enable us to give our patients the best access to the best treatments possible.

We can push the translational research envelope further than anywhere in the United States, bringing discovery faster to the patient. By combining hospitals for cancer, children and women, we are building a unique opportunity to treat different patient populations together across specialties.

Go down to Mission Bay. Walk around. You can see the future there."

– *Frank McCormick, Ph.D., Director, UCSF Helen Diller Family Comprehensive Cancer Center*

Join Us

The historic new UCSF Medical Center at Mission Bay, scheduled to open in 2014, requires not only world-class clinicians and investigators but also the support of philanthropic visionaries to make the future of health care a reality. To learn more about the new hospitals at Mission Bay and how you can help bring them to life, call The Campaign for UCSF Medical Center at (415) 476-5640 or visit www.missionbayhospitals.ucsf.edu.

Financials

Fiscal years ending June 30, 2008 and June 30, 2009 (dollars in thousands)

BALANCE SHEET

	2009	2008
Assets		
Total current assets	470,539	435,359
Capital assets, net	736,367	682,856
Other assets	14,468	12,811
Total assets	1,221,374	1,131,026
Liabilities and Net Assets		
Total current liabilities	188,801	165,220
Long-term debt and capital leases, net of current portion	245,783	229,490
Other liabilities	26,032	27,531
Total liabilities	460,616	422,241
Net assets	760,758	708,785
Total liabilities and net assets	1,221,374	1,131,026

ADDITIONAL INFORMATION

	2009	2008
Uncompensated/undercompensated care	137,501	146,568
Reinvestment in facilities and equipment	140,005	142,927

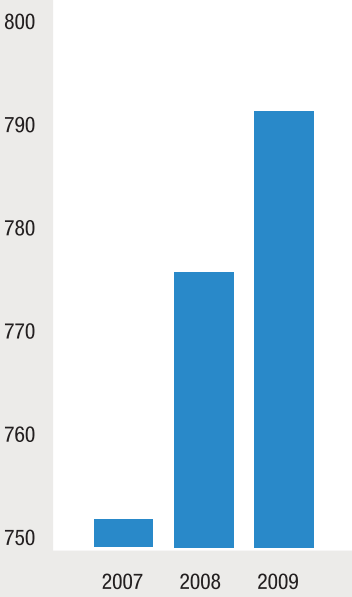
INCOME STATEMENT

	2009	2008
Operating Revenue		
Net patient service revenue	1,629,106	1,457,023
Other operating revenue	24,044	25,815
Total operating revenue	1,653,150	1,482,838
Operating Expenses		
Salaries and employee benefits	773,895	715,258
Supplies and purchased services	618,295	576,522
Depreciation and amortization	67,707	60,711
Other	92,216	85,769
Total operating expenses	1,552,113	1,438,260
Income from operations	101,037	44,578
Non-operating expenses, net	(20,954)	(3,014)
Net income	80,083	41,564

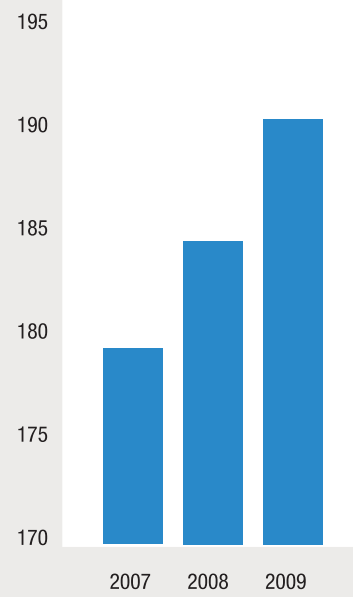
In FY09, UCSF Medical Center provided \$137.5 million in care for which it received no payments (charity care and bad debt) or payments that were less than the cost of the care provided (Medi-Cal reimbursement shortfall). UCSF Medical Center will strive to offer medical care to children, emergency patients and those community members who require our specialized services, regardless of ability to pay.

Caring for our Community

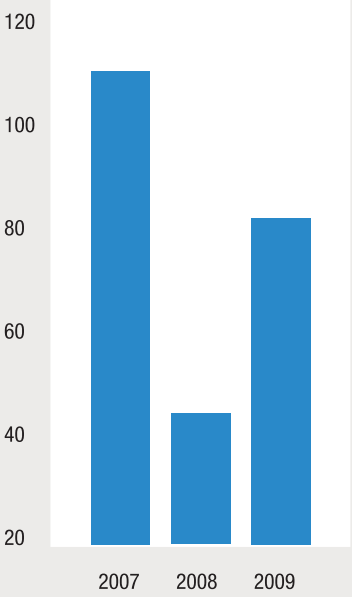
UCSF Medical Center is the leading hospital in San Francisco and Northern California and a destination for patients with complex conditions from around the world. The medical center is self-supporting and uses its margins to meet important needs in our communities, including training physicians and other health professionals, supporting medical research, providing care to the medically and financially needy, and building and operating facilities to serve the diverse needs of our patients.



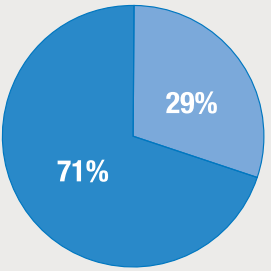
Outpatient Activity
Patient visits in thousands



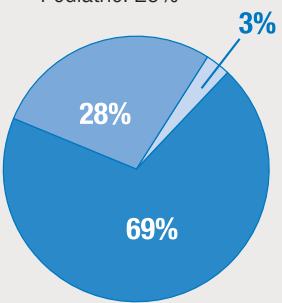
Inpatient Activity
Patient days in thousands



Net Income
Dollars in millions



Patient mix*
Adult: 71%
Pediatric: 29%



Patient origin*
San Francisco residents: 28%
Other California residents: 69%
Outside of California: 3%

UCSF Medical Center's net income is used to support the academic mission of the University of California. These funds are reinvested to ensure that our clinical facilities are patient and family centered and to support the medical center's quality, safety and patient satisfaction priorities.

* Based on patient days

Leadership*

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UCSF MEDICAL CENTER

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* on June 30, 2009



The 2009 annual report of UCSF Medical Center and UCSF Children's Hospital was produced by the Marketing Department.

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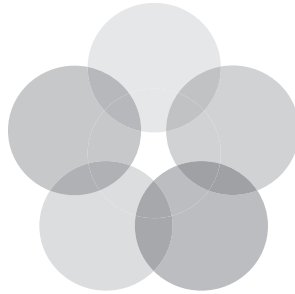
To support UCSF Medical Center
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- Please charge \$ _____ to Mastercard Visa American Express
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This gift is: in honor of in memory of _____

Please notify the following family of my gift:

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Your contribution is tax-deductible as provided by law. Employer matching gifts are welcome.

The UCSF Foundation is a California not-for-profit corporation, governed by the Board of Directors, established to provide and administer funds for the benefit of the San Francisco campus of the University of California. It is the policy of the University of California, San Francisco and the UCSF Foundation that a modest portion of gifts and income there from is used to defray the costs of raising and administering the funds.

If you do not want to receive further fundraising or other communication from UCSF, please contact Records Manager, UCSF Box 0248, San Francisco, CA 94143-0248 or email HIPAAOptOut@support.ucsf.edu.

Please send me information on special gift-giving opportunities at UCSF Medical Center:

- Establishing a named fund Making a gift of appreciated securities
- Receiving income from my gift Making a gift of real estate
- Including UCSF Medical Center in my will Making a gift through life insurance

Please contact me about additional giving opportunities

I have included UCSF Medical Center in my will.

Name _____ Phone (_____) _____

Address _____ City _____

State _____ Zip _____ Email _____

Please call the Development Department at (415) 353-3860 with your questions. Thank you!

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UCSF Medical Center