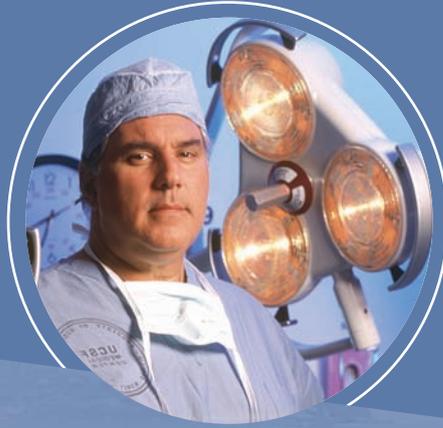


This annual report tells the story of our 100th year and highlights an institution poised to make groundbreaking contributions in health care well into the future. Between these pages, you'll meet some of the individuals who make all this possible.

Mark R. Laret
Chief Executive Officer
UCSF Medical Center and
UCSF Children's Hospital

ANNUAL REPORT 2006



UCSF Medical Center



UCSF Children's Hospital

advancing health worldwide™



Embracing a Vision for the Future

At UCSF Medical Center and UCSF Children's Hospital, breakthroughs in genetic knowledge and testing, innovations in pediatric and women's medicine, and strides in transplantation and brain tumor treatment are but a few examples of a far-reaching vision that heralds great promise for the future of medicine, both in San Francisco and around the world.

For more than 100 years, UCSF Medical Center has fostered clinical innovations that have brought about dramatic advances in medicine. Ranked once again as one of the top 10 hospitals in the nation by U.S. News and World Report in 2006, the medical center is in a unique position to make extraordinary contributions well into its second century and beyond.

We embark on the future from a position of fiscal strength and strategic growth – 2006 concluded with the medical center posting net income of \$95 million. This past year, we continued planning for a major, multi-phase hospital expansion program at Mission Bay designed to meet the needs of a rapidly growing clinical and research enterprise and the ever-increasing demand for our services. New state-of-the-art children's, women's and cancer hospitals at Mission Bay will link groundbreaking scientific discovery with treatments and cures. The medical center's continued support of education and research at the School of Medicine will play a key role in helping create the health-care leaders – and cures – that will establish Mission Bay as a model of innovation and healing.

The generosity of UCSF Medical Center's benefactors makes an incalculable difference in all our endeavors. Each of the donor profiles throughout this report feature a patient or family who, grateful for the world-class care they received here, made a gift to the medical center that made a difference in others' lives. With our planned expansion at Mission Bay, the opportunities for donors to invest in the future of medicine have never been greater. These partnerships will continue to strengthen our ability to grow in ways that will positively impact patient care for generations to come.

UCSF Medical Center and UCSF Children's Hospital are institutions with a noble mission. Along with top-tier clinical programs, our excellence is measured daily by the compassion and expertise demonstrated by physicians, nurses, health-care professionals, employees, donors and volunteers – people who are dedicated to our mission of caring, healing, teaching and discovering.

Sincerely,

Mark R. Laret
Chief Executive Officer
UCSF Medical Center and UCSF Children's Hospital

DOREEN
DESALVO

—
WRITING HER
OWN HISTORY



“Have you ever seen a relative go through the cancer process?”

This is the first question San Francisco writer Doreen DeSalvo poses when asked whether she regrets getting tested – and testing positive – for Lynch syndrome. Lynch syndrome is a hereditary cancer syndrome that carries a very high risk of colon cancer and an above-normal risk of endometrial, ovarian and other cancers. Far from regretting her decision, Doreen – whose father and brother were stricken with colon cancer in their 40s – now feels she possesses the knowledge to avoid the same fate.

“Because I know this, I’m less likely to end up like my dad,” says Doreen. “I always tell myself that I have a piece of information that could save my life.”

the largest and most comprehensive genetic testing center for cancer susceptibility in Northern California. Together with 95 percent of fellow patients who receive genetic counseling at the CRP, Doreen participates in a 20-year follow-up protocol. Through the protocol, the center’s counselors provide updated information regarding hereditary cancer, and patients contact the center when there is a change in their family or personal history. Through the CRP, she was also able to participate in two clinical studies funded by the National Cancer Institute. This ongoing relationship with patients can lead to new gene test results, new preventive interventions or involvement in the latest clinical trials.

“I felt like I was getting advice from people who really understand that this isn’t normal colon cancer,” says Doreen. “The doctors and counselors at UCSF are fantastic resources I wouldn’t find anywhere else.”



“I always tell myself that I have a piece of information that could save my life.”

For 10 years, the UCSF Cancer Risk Program has been the largest and most comprehensive genetic testing center for cancer susceptibility in Northern California.

When Doreen’s brother was 45 – about the age their father and other relatives were diagnosed with colon cancer – he scheduled an appointment for a colonoscopy. Although he was asymptomatic, the screening revealed cancerous tumors the size of golf balls. Though living in a different state, he tracked down genetics counselor Peggy Conrad at UCSF’s Cancer Risk Program and learned that his family’s high incidence of cancer was more than mere coincidence. The center facilitated testing and counseling for Doreen’s brother near his home, and after the gene was discovered, Doreen was tested at UCSF. Like her brother, she tested positive for the mutation of the MLH1 gene, the gene that accounts for the majority of detected mutations in families with Lynch syndrome.

Doreen soon realized she was at the right place. For 10 years, the UCSF Cancer Risk Program (CRP) has been

The knowledge that Doreen gained at UCSF has made her proactive about getting yearly screenings and has empowered her to make more informed decisions about her overall health care.

“The fact is, learning that you have the mutation isn’t a death sentence, it’s merely an indication that you need more screening and monitoring,” said Doreen. “Before, I tended to have my head in the sand, and get a colonoscopy every other year, but no more. I’ve determined that having a yearly screening is far more convenient than having cancer.”

On his 52nd birthday, Doreen recalls her father saying, “I’ve now lived longer than any other man my mother was related to.” Through surgery, chemotherapy and good fortune, he overcame the odds and beat advanced colon cancer. Thanks to the knowledge and expertise of the UCSF Cancer Risk Program, it’s a battle his daughter may never have to fight.

- THE UCSF COMPREHENSIVE CANCER CENTER IS RANKED AMONG THE TOP 10 CENTERS IN THE NATION.
- THE UCSF COMPREHENSIVE CANCER CENTER WAS THE FIRST CENTER IN NORTHERN CALIFORNIA TO EARN THE PRESTIGIOUS DESIGNATION OF “COMPREHENSIVE” FROM THE NATIONAL CANCER INSTITUTE.

Firefly Project Brings Together Patients and Pen Pals



The Firefly Project connects adult patients coping with life-threatening illnesses, such as AIDS and cancer, with healthy teenagers living in the Bay Area. The pen pals correspond with one another throughout the school year.

“...though there is over a 40 year difference between us, your words ring true for my soul.
—Barbara H., Patient”

The results are dramatic, emotionally charged letters — adults tell stories of their struggles, hopes and fears while students learn what it feels like to cope with a serious illness, according to UCSF Clinical Artist and Art for Recovery Director Cynthia Perlis, who created the project in 1992. Bridges are built and friendships are created as students open up about their own lives and feelings about their future, she adds.

The Firefly Project is part of Art for Recovery, a program of the UCSF Comprehensive Cancer Center.



Honoring a Mother's Memory

Karen Peterson and her son, Eric, both received treatment for cancer at UCSF.

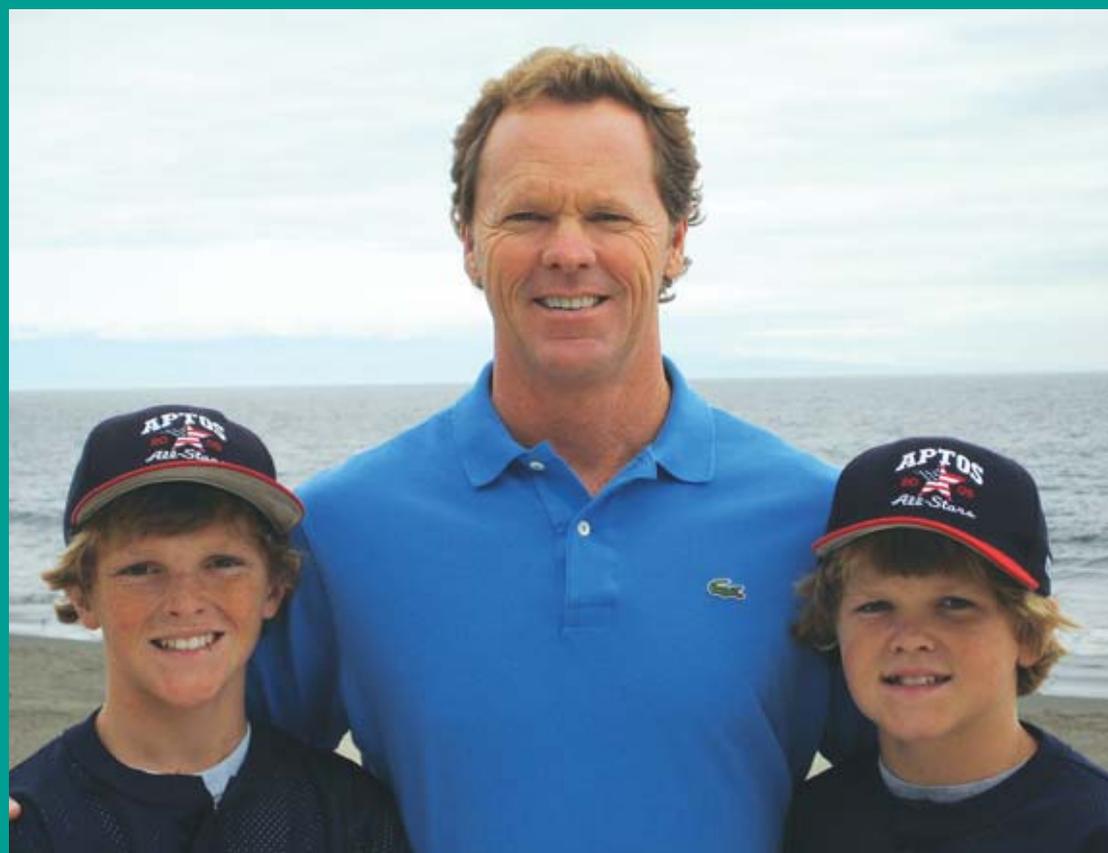
While one was near the beginning of life, and the other near the end, their family found the care equally as dedicated. Now, almost three years after Karen's death, her family continues to support UCSF so such committed patient care — and research for cures — can thrive.

When 3-year-old Eric was diagnosed with leukemia, Karen and her husband, Jeff, were referred to UCSF by Eric's pediatric oncologist in the East Bay. Eric's oncologist then worked closely with UCSF Children's Hospital pediatric cancer specialist Dr. Kevin Shannon. “They took amazing care of my son,” says Peterson, “and made life as easy as possible for us.” Eric's situation was tricky, however, because he was being treated elsewhere for diabetes.

Then one day UCSF pediatric endocrinologist Dr. Steve Gitelman walked into Eric's room. After consulting with Eric's medical team, Gitelman explained that he wanted to synchronize Eric's leukemia and diabetes care. “He was totally reassuring, totally caring,” remembers Peterson. “We were relieved to know he was on our team.”

Unfortunately, Karen herself was diagnosed with a rare form of lung cancer, mesothelioma, a few years later. Specialists coast-to-coast told the Petersons there was nothing more that could be done. Then they came to UCSF. While her disease was fatal, her medical team worked hard to improve the quality of her life. Surgery allowed Karen to breathe normally and share one last, invaluable year with her family.

To honor his wife's spirit and fight the diseases afflicting their family, Peterson founded the Jeffrey and Karen Peterson Family Foundation. Eric and his twin, Kort, now energetic 12-year-olds and star Little League pitchers, serve as junior board members. The Foundation supports patient care and has donated more than \$1.3 million to UCSF. “At UCSF they put the same passion into helping patients as they put into research,” says Peterson. “And for that we are so grateful.”





From left, Dr. Diana Farmer, chief of pediatric surgery, U.S. Rep. Nancy Pelosi, fetal treatment pioneer Dr. Michael Harrison, and Mina Mangewala and her daughter, Arissa.

- UCSF CHILDREN'S HOSPITAL'S FETAL TREATMENT CENTER WAS THE FIRST TO DEVELOP FETAL SURGERY TECHNIQUES. THE FIRST FETAL SURGERY IN THE WORLD WAS PERFORMED HERE IN 1981.
- UCSF CHILDREN'S HOSPITAL IS ONE OF THE BIRTHPLACES OF NEONATAL INTENSIVE CARE. DISCOVERIES MADE HERE ARE USED AROUND THE WORLD TO SAVE COUNTLESS YOUNG LIVES EACH YEAR.

Pelosi Celebrates New Fetal Treatment Center

U.S. Representative Nancy Pelosi, called a "stalwart supporter" of health care at UCSF and throughout the nation, joined UCSF Medical Center CEO Mark Laret on March 24, 2006, to inaugurate the new UCSF Fetal Treatment Center.

UCSF's fetal treatment team is renowned for pioneering fetal surgery and continuing the search for new methods to detect, cure and prevent birth defects. Pelosi's \$500,000 federal appropriation helped make the center at UCSF Children's Hospital possible. The new funds support a centralized location in UCSF's Ambulatory Care Center for advanced prenatal and post-natal care for mothers and babies with birth defects, and their families.

"It is a great pleasure to see this great institution produce this great miracle," Pelosi said. "Every family is one diagnosis away from needing a miracle. So, for the tremendous respect that UCSF commands, but most importantly for the children, for the families, for the hope, for the future, I am tremendously honored to be part of this, and I commend all who have been involved in it over time."

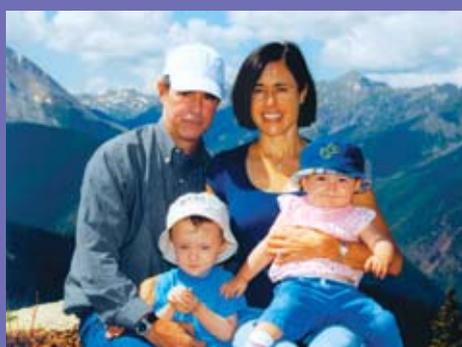
Giving, and Receiving, the Gift of Life

Usually when you're hoping for something, it can't come soon enough.

That wasn't the case for Jamie and Bobbie Gates, however, when their son, Charlie — born via surrogate at 25 weeks — came too soon. A longer wait for Charlie would have meant a lot less anxiety for his parents.

Charlie arrived in the early hours of the morning on December 20, 2003 at Children's Hospital Central California in Fresno, weighing 1 pound, 4 ounces at birth. The transport team from UCSF Children's Hospital soon arrived and whisked the tiny preemie via air 200 miles north to San Francisco.

When they arrived, Dr. Sam Hawgood, physician-in-chief of UCSF Children's Hospital, met with the Gates, preparing them for what lie ahead. This initial experience, and the following three months the Gates spent at the hospital, reinforced their view that they were in the best possible place for Charlie.



Above: Jamie and Bobbie Gates with Charlie and sister Claire

Below: Bobbie Gates and her son Charlie



To express their gratitude, the Gates donated two state-of-the-art ventilators to the Neonatal Intensive Care Unit. "The nursing staff is what prompted us to give," said Bobbie. "Their skill is beyond compare, and they also helped us as parents and really humanized the situation."

The Gates also chose to fund research conducted by Dr. Hawgood and another UCSF physician, Dr. Ronald Clyman, an expert on extremely premature infants. "Throughout our stay at the hospital, we learned that procedures and discoveries that were helping Charlie survive were actually pioneered at UCSF," said Bobbie. "We wanted to help keep these breakthroughs coming."

Today, Charlie Gates is a healthy 3 year old. His mother credits Charlie's survival to the care he received at UCSF, but she came away most impressed with the compassion she felt from Charlie's medical team.

"That's what really made me love everyone there," she said.

ANDERSON
FAMILY

MULTIPLE SERVICES,
MANY REASONS TO
BE GRATEFUL



UCSF
Children's
Hospital is
one of the
nation's fore-
most centers
for caring
for women
pregnant with
multiple
births.

When Josh and Laurie Anderson discovered that Laurie was pregnant with twins, their reaction was typical.

"We were overwhelmed," recalled Josh, who at the time was a UCSF graduate student in biomedical sciences. "We wondered if we were ready for this."

Because of Josh's familiarity with the university, the couple decided that UCSF Children's Hospital was where they wanted their children to be born, but they soon learned that they also had chosen one of the nation's foremost centers for caring for women pregnant with multiple births.

The twins, Stephen, weighing 6 pounds, 12 ounces, and Nicholas, 5 pounds, 8 ounces, were born at 6:02 p.m. and 6:10 p.m., respectively. Nicholas was a breech extraction, which means that he was set to exit the womb feet first instead of head first. The obstetrician had to reach inside the uterus to pull him out by his feet for delivery. The Andersons remember that there were about a dozen staff people in the room ready to step in for any emergency during the delivery.

Josh had already taken the two babies out of the delivery room when the staff noticed that Laurie's blood pressure was dropping and she was hemorrhaging. The team quickly recognized the complication and Laurie received a blood transfusion and other measures to stabilize her blood pressure.

"The doctors and nurses went above and beyond our expectations in providing the best care."

The UCSF Twins and More Program coordinates a variety of services for women expecting two or more babies, all at higher risk for complications.

Laurie was healthy, but women who are pregnant with multiples are at higher risk for developing high blood pressure and other problems. Multiple babies also are more likely to be born prematurely, have a low birth weight or develop birth defects. At 36 weeks, Laurie pulled a muscle in her back, went to the emergency room and was transferred to labor and delivery.

Dr. Mari-Paule Thiet, a perinatologist and chief of obstetrics at UCSF Children's Hospital, was on hand and realized that although Laurie's blood pressure was average for most people, it was too high for her. Laurie was admitted for 24 hours of observation before Thiet decided to induce labor. Laurie and Josh were thrilled that Thiet and Jeannie Pimentel, a nurse who teaches a Parents of Twins class at UCSF, were on hand for the delivery, although their shifts were over.

Fortunately, both twins and Laurie were ready to go home just three days after delivery.

Services for women expecting twins or more include access to perinatologists, obstetricians who have special training in treating complications during pregnancy; a special education program for prospective parents of multiples; a nutritionist; a phone line for questions; a full range of prenatal tests; and more frequent check-ups, in addition to the Great Expectations educational series and other services offered to all of UCSF's pregnant patients and their families.

Thiet says the program offers women like Laurie a one-stop location for ultrasound checks, prenatal tests, education and other services in one visit.

The Andersons agree. "We felt that we had more options in the delivery of our twins by delivering at UCSF," says Josh. "The doctors and nurses went above and beyond our expectations in providing the best care."



SASHA
CANO

— — — — —
MAPPING THE WAY
TO A HEALTHY
FUTURE



“All I wanted to know was, ‘So how do we fix it?’”

Sasha Cano thought she was dreaming: she woke up in an ambulance and was told that she was being taken to the emergency room.

“When they told me I had had a seizure, I didn’t believe them,” Sasha recalls, who in December 2003, awoke from her sleep feeling “claustrophobic.” She then walked into her parents living room where she had a grand mal seizure.

Sasha was taken to a hospital near her home where she was given a series of tests, including a CAT scan, MRI and brain biopsy, to determine the cause of her seizure. She was told she had a brain tumor, which the doctors believed was a type known as a glioma. “All I wanted to know was, ‘So how do we fix it?’” Sasha remembers, who is now 32-years-old and residing in Clayton, Calif.

Sasha was sent to UCSF Medical Center, one of the top hospitals in the nation in neurology and neurosurgery and home to the largest brain tumor treatment program in the United States. She consulted with Dr. Mitchel Berger, who is internationally renowned for his expertise in treating brain and spinal cord tumors.

Berger told Sasha that she had a Grade III anaplastic astrocytoma, an advanced brain tumor, which was located under a major artery in her brain’s frontal and temporal lobes, the areas of the brain that play a part in language, memory, movement and sensory brain function.

To help preserve these functions, Berger recommended an advanced surgical technique called brain mapping. Partially developed and refined at UCSF, this approach uses three-dimensional imaging of the brain, which enables surgeons to avoid areas of the brain that control cognitive function, while removing as much of the tumor as possible.

Awake brain mapping works as a process of elimination. The surgeon uses an electrical charge to inactivate an area of the brain. Then the patient is presented with a question, in the form of a word or object drawn on a computer screen. If she can answer correctly with that area inactivated, then that tissue can be removed without causing brain damage.

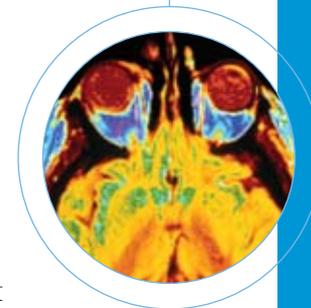
Just three days after surgery, Sasha was released from the hospital and able to return home. “I was a little swollen and black and blue, but otherwise feeling completely normal. I noticed that my memory was affected a little, but that has improved and keeps getting better,” says Sasha, who has become a fan of crossword puzzles, which she claims help to sharpen her memory.

Sasha then had seven weeks of radiation therapy and several months of chemotherapy. And although Berger was able to remove 90 to 95 percent of her tumor during surgery, a second, smaller and well-defined tumor recurred.

Berger then recommended an advanced form of radiation therapy, called the Gamma Knife. This high-tech tool directs high doses of radiation at its target with pinpoint accuracy so that only the tumor is destroyed, sparing surrounding healthy tissue.

But Sasha’s tumor was resistant. In August 2005, she underwent a second brain mapping surgery. Berger was able to completely remove her tumor. And now, one year later, Sasha’s tumor has not recurred. Every three months, she visits UCSF to have a MRI to check for signs of new growth.

“Over the years, I’ve really gotten to know everyone at UCSF and they are like family to me now,” says Sasha. “Everyone who has taken care of me is so supportive. I really believe that this support has helped me to stay positive and healthy.”



**UCSF
Medical**

Center is one of the top hospitals in the nation in neurology and neurosurgery and home to the largest brain tumor treatment program in the United States.

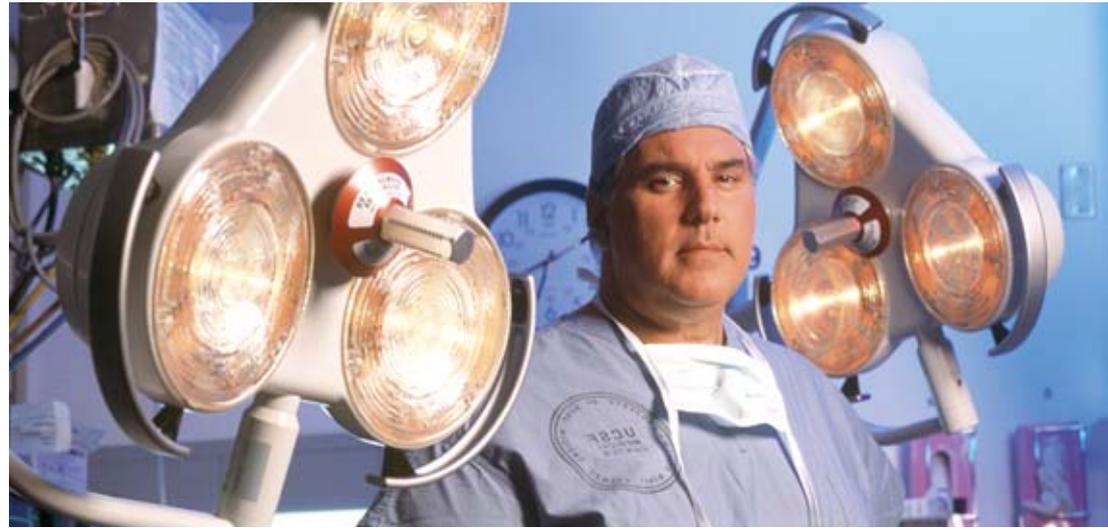
- CONSISTENTLY RANKED AS ONE OF THE TOP HOSPITALS IN THE NATION IN NEUROLOGY AND NEUROSURGERY.
- HOME OF NORTHERN CALIFORNIA'S FIRST COMPREHENSIVE EPILEPSY SURGERY PROGRAM FOR ADULTS AND CHILDREN.

Brain Tumor Patient Education Center Enhances Survivors' Lives

On November 21, 2006, Dr. Mitchel Berger, chair of Neurological Surgery, and Naomi Berkowitz, executive director of the Brain Tumor Association of America, cut the ribbon to officially open the Brain Tumor Patient Education Center at UCSF.

Enhancing the quality of life for survivors is a high priority for UCSF's Division of Neuro-oncology. To complement its scientific and clinical research, the Department of Neurological Surgery has opened a new Patient Education Center. Here patients and their families have access to information, seminars and other resources chosen to make transitioning home after surgery easier for all.

Dr. Mitchel Berger, chair of Neurological Surgery



Champions, On and Off the Field

Two-time NFL All-Pro Harris Barton lost both of his parents to brain tumors.

Today, with Pro Football Hall of Fame legend and fellow 49er Ronnie Lott, Barton's fierce fighting spirit is focused on making life better for current and future brain tumor patients at UCSF Medical Center.

Through their not-for-profit organization Champion Charities, Barton and Lott have pledged \$10 million to expand and accelerate UCSF's world-renowned brain tumor program. To achieve this goal, the former teammates are forming a select group – Circle of Champions – made up of donors who make a significant contribution to Champion Charities for the brain tumor program at UCSF.

This multi-million dollar commitment will support major improvements in pediatric and adult brain tumor patient care at UCSF Medical Center. It will also help fund construction of the Helen Diller Family Cancer Research Building at Mission Bay, which will house a new, state-of-the-art Brain Tumor Research Center. Funds raised will also go toward an endowed fund for brain tumor translational research.

Barton believes it was destiny that brought him to the Bay Area in 1987. When his father Paul was diagnosed with a brain tumor, he discovered that one of the best places to care for him, UCSF Medical Center, was right in his own backyard. Though Paul Barton passed away in 1994 and his wife Joan in 2004, their son's commitment to brain tumor treatment and research at UCSF goes on.

For more information about Champion Charities, please call (650) 327-5023.



Harris Barton (left) and Ronnie Lott



Kathy Martinez (left) and Leesa Danley hold hands before their surgeries

- UCSF MEDICAL CENTER HAS PERFORMED MORE KIDNEY TRANSPLANTS THAN ANY OTHER CENTER IN THE WORLD.
- THE ORGAN TRANSPLANT SERVICE AT UCSF MEDICAL CENTER IS ONE OF THE LARGEST AND MOST HIGHLY REGARDED IN THE WORLD AND IS PIONEERING ADVANCES TO PREVENT ORGAN REJECTION AND INFECTION IN ADULTS AND CHILDREN.
- UCSF'S PIONEERING WORK IN LIVING DONOR TRANSPLANTS HAS HELPED MAKE MORE DONOR ORGANS AVAILABLE.

Love Thy Neighbor

“*Leesa Danley is a graceful example of the altruism of our organ transplant donors.*
—Dr. Chris Freise”

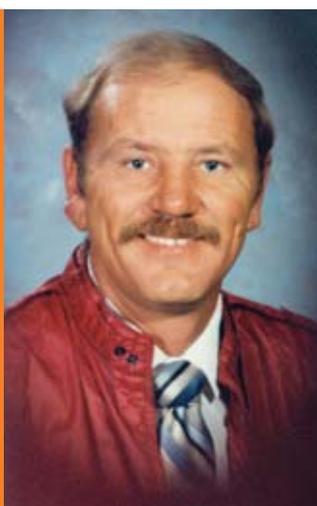
Last fall, Kathy Martinez was suffering from a familial kidney disorder – the same disease that claimed the life of her mother. With her kidneys slowly failing, Kathy had just begun the painful dialysis regimen when an angel appeared – in the form of her friend and neighbor, Leesa Danley. Leesa volunteered to donate one of her kidneys and both women underwent surgery at UCSF Medical Center where one of Leesa's kidneys was successfully transplanted into Kathy.

Most remarkable about this story is that Leesa, the mother of four, had known Kathy for only nine months prior to the surgery. The women had met through their children.

“Leesa Danley is a graceful example of the altruism of our organ transplant donors,” said UCSF Medical Center transplant surgeon Dr. Chris Freise. “Friends and family members who come forward for a living-donor operation give our patients their best chance of transplant success, and reduce a waiting time that can be as long as five years.”

Of more than 300 kidney transplants performed at UCSF Medical Center each year, 40 percent of patients receive their kidneys from a living donor.

A Grateful Patient Pays it Forward



Left: Peter Liebl • Right: Dr. John Roberts and Dr. Nancy Ascher operate on a transplant patient

When Peter Liebl arrived home from UCSF after a successful liver transplant in 1995, a welcome task awaited him: sorting through dozens of cards, letters and gifts from his third-grade students.

Thanks to the smooth surgery and excellent follow-up care he received at UCSF, Liebl was able to give Frazier Park School's third-graders another eight years of instruction until he retired in 2003. He eventually passed away in July 2005.

Grateful for his happy last years, Liebl had plans to donate \$50,000 from his estate to the Liver Transplant Program at UCSF, led by Dr. John Roberts. Before he died, Liebl told his close friend, Daniel Seniuta, that he wanted to support the program. Then, only three months after Liebl's death, Seniuta died unexpectedly. The donation came in the form of a planned gift from Seniuta's estate.

“Peter and Dan were both really touched — not only by the skill of everyone at UCSF, but also by their kindness,” Peter's sister Brigitte Tyko says. “We hope that this gift will enable other families to hold on to their loved ones as long as we did.”

DAVID
ESSER

— — — — —
A BRIGHTER
ROAD AHEAD



“My ‘what ifs’ are no longer about getting sick. My ‘what ifs’ are now only about the good things ahead for me and my family.”

Thanks to an innovative kind of transplant offered at only a few top medical centers in the world, a 44-year-old father of two young boys declared, “I no longer have a dark cloud hanging over my head. My condition had become an inconvenient part of my life that always seemed to strike at the wrong times.”

Since 1993, David Esser, a private banker residing in Montara, Calif., had suffered from severe chronic pancreatitis, a condition that causes ongoing inflammation and irreversible scarring of the tissue in the pancreas, resulting in severe and unpredictable attacks of back and abdominal pain.

David’s pancreas had stopped producing the enzymes necessary for his body to digest and absorb nutrients. His condition also caused him to develop pancreatic cysts the “size of coffee cups,” which greatly increased his risk for developing pancreatic cancer. In its advanced stages, pancreatitis also can lead to diabetes and organ failure. Although the cause of the condition is often unknown, David’s disorder resulted from a congenital defect of his pancreatic ducts, known as pancreatic divisum.

David is the third patient at UCSF Medical Center’s new Islet and Cellular Transplantation Center to have received what is known as an islet autotransplantation. This innovative procedure is the first of its kind; it helps alleviate the pain caused by chronic pancreatitis, while preserving a patient’s ability to secrete insulin and reducing his or her risk of developing surgically-induced diabetes.

Normally, for patients like David, whose pain is not relieved by medication and other approaches, partial or entire surgical removal of the pancreas, called a pancreatectomy, is recommended. While a pancreatectomy typically relieves a patient’s pain, it induces permanent diabetes, requiring insulin shots or the use of an insulin pump for the rest of a patient’s life. This is because the pancreas contains islets of Langerhans – also known as islets – which regulate the body’s blood sugar levels by secreting insulin.

During an islet auto (meaning “self”) transplantation, the patient’s own islets are isolated from their removed pancreas and then put back into the patient, where they start producing insulin. This may prevent diabetes from developing or make the diabetes milder than if a patient had had just a pancreatectomy, which guarantees that they will become permanently insulin-dependent.

An islet autotransplantation with a pancreatectomy is a complicated procedure that requires expertise and training provided by only a select few medical centers and doctors in the world. The center’s team of Dr. Andrew Posselt, director of the islet transplant program, and Dr. Hobart Harris, chief of general surgery, performed David’s surgery in 2006; Dr. Harris performing David’s partial pancreatectomy and Dr. Posselt conducting the subsequent islet isolation and autotransplantation.

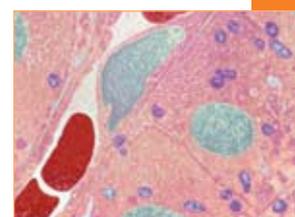
“I was extremely scared when I was told I had to have surgery,” David says. “But Dr. Harris walked me through the entire process; he has true compassion for the human condition. A great pair of hands doesn’t just cure fear, education and confidence in your surgeon does.”

“In many ways, David is exactly the kind of person that we hope to help with this procedure,” said Dr. Harris, who is dedicated to expanding the islet autotransplantation program at UCSF. “Like many patients with chronic pancreatitis, he is entering the very prime of life, yet this debilitating and progressive illness threatened to put everything on hold.”

Now, after more than a decade of suffering from severe pain, David says his pain levels have dropped by 70 percent, and his islets are functioning at full capacity, producing normal amounts of insulin.

Most importantly, however, David said he has hope for tomorrow and the road ahead. “Islet autotransplantation offers a preemptive measure that can be life, as well as quality of life, saving,” David said. “My ‘what ifs’ are no longer about getting sick. My ‘what ifs’ are now only about the good things ahead for me and my family.”

An islet autotransplantation with a pancreatectomy is a complicated procedure that requires expertise and training provided by only a select few medical centers and doctors in the world.





Building from a strong foundation of excellence, UCSF Medical Center has embarked on a major expansion at UCSF's Mission Bay campus. To accommodate the rapid growth of our clinical areas, the expansion underscores the medical center's commitment to further advance health in the Bay Area and beyond.

Looking to the Future



Future site of UCSF children's, women's and cancer hospitals

The emergence of a stunning new campus at Mission Bay, where just six years ago there was nothing but dirt, is a testament to UCSF's 100-year tradition of dreaming big, setting ambitious goals and working hard to make them a reality. Today, approximately 2,000 faculty, students and scholars are at work at Mission Bay producing a steady stream of scientific knowledge and clinical achievements – and translating these findings into new treatments and cures.

A new hospital complex planned for the site will take full advantage of its proximity to these world-class research facilities. It will provide unparalleled opportunities for collaborative research that translates the latest discoveries in medicine to the unique therapy and care needs of children, women and cancer patients. The hospital complex will ultimately include a 183-bed children's hospital, a 36-bed women's service and a 70-bed cancer service.

The cost to build this new hospital complex is estimated to be at least \$1.2 billion. The medical center receives less than 1 percent of its income from state funds. Therefore, realizing the vision for Mission Bay requires the support of generous benefactors to raise a minimum of \$500 million in funding. The strong partnership that exists among donors, physicians and families truly makes UCSF Medical Center what it is today – and is vital to what it will become in the future.

To learn how you can support programs and services at UCSF Medical Center, or bring the vision of UCSF Medical Center at Mission Bay to life, please contact Sterrin Bird, senior director of development, at (415) 353-3860.



UCSF Medical Center

Fiscal Years ending June 30, 2006 and 2005 (Dollars in thousands)

Reaching Out, Giving Back

At UCSF Medical Center and UCSF Children's Hospital, reaching out to our local and global community is intrinsically woven into the fabric of our mission. With our compassion, expertise and financial resources, our outreach plays a vital role in advancing health here at home and around the world.

In fiscal year 2006, the medical center reinvested **\$155.4 million** into our facilities and equipment to ensure our place on the cutting-edge of health care. The medical center also transferred **\$77.9 million** to the School of Medicine to help create the health-care leaders – and the cures – of tomorrow.

In 2006, at a cost of **\$143.4 million**, we continued to provide needed care to patients throughout the community who are uninsured or have limited financial means. Funding charity care, subsidizing the Medi-Cal shortfall and shouldering the burden of bad debt are three ways in which we met our obligation to care for patients regardless of their ability to pay, thus contributing to a healthier community for all.

BALANCE SHEET

	2006	2005
Assets		
Total current assets	419,606	381,971
Capital assets, net	502,826	415,640
Other assets	11,235	11,295
Total assets	933,667	808,906
Liabilities and Net Assets		
Total current liabilities	146,778	119,212
Long-term debt and capital leases, net of current portion	167,317	121,812
Other liabilities	55,300	77,354
Total liabilities	369,395	318,378
Net assets	564,272	490,528
Total liabilities and net assets	933,667	808,906

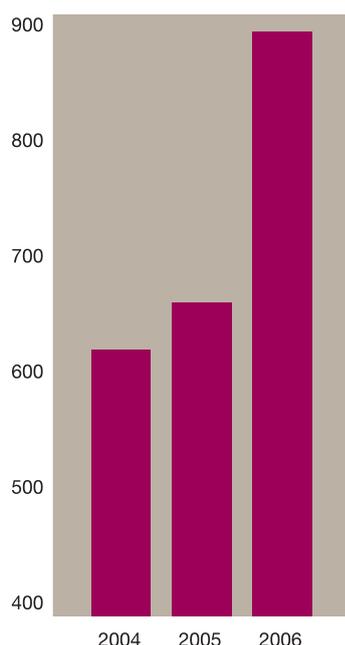
INCOME STATEMENT

Operating Revenue		
Net patient service revenue	1,244,462	1,081,628
Other operating revenue	24,588	24,059
Total operating revenue	1,269,050	1,105,687
Operating Expenses		
Salaries and employee benefits	546,978	475,620
Supplies and purchased services	483,631	436,730
Depreciation and amortization	52,171	51,434
Other	72,528	66,683
Total operating expenses	1,155,308	1,030,467
Income from operations	113,742	75,220
Non-operating expenses, net	(18,099)	(2,702)
Net income	95,643	72,518

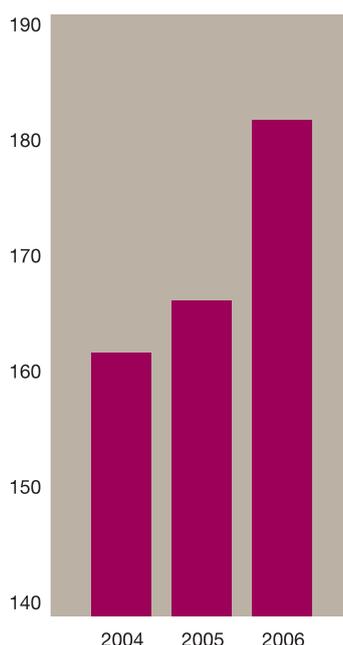
ADDITIONAL INFORMATION

Uncompensated care	143,432	106,898
Reinvestment in facilities and equipment	155,403	82,882

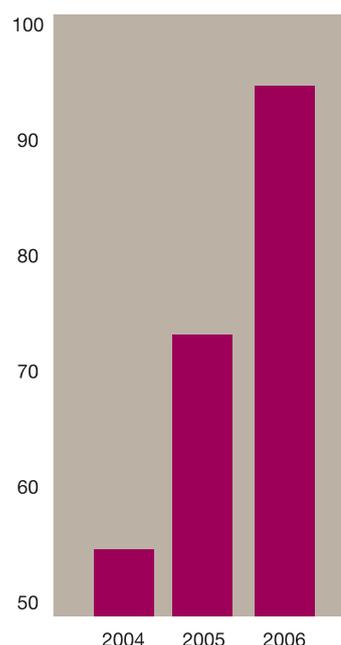
Outpatient Activity
Patient visits in thousands



Inpatient Activity
Patient days in thousands

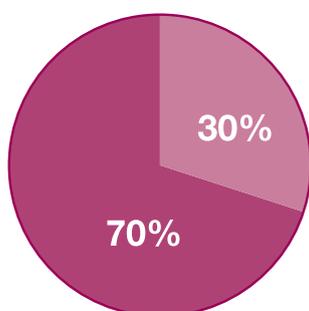


Net Income
Dollars in millions



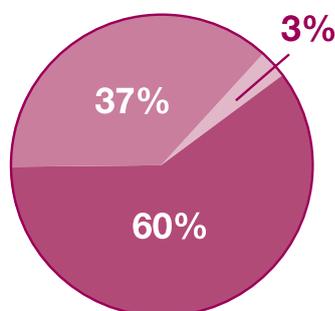
UCSF Medical Center's financial condition continued to improve, with net income rising from \$72.5 million in fiscal 2005 to \$95 million in 2006. Our financial performance enabled us to increase cash reserves from \$144.2 million in 2005 to \$155.6 million in 2006. This positions the medical center to support seismic upgrades, make needed improvements to our facilities and equipment and accommodate increasing demand for our specialty services.

Patient mix *



Adult: 70%
Pediatric: 30%

Patient origin *



San Francisco Residents: 37%
Other California Residents: 60%
Outside of California: 3%

* Based on patient days.



Snuggly Soiree Raises More Than \$100,000

More than 350 people gathered on Thursday, March 2, 2006, for the "Snuggly Soiree" at the home of Ann and Gordon Getty to raise awareness for the Glogau Teddy Bear Rescue Fund at UCSF Children's Hospital. The fund was established at UCSF Children's Hospital by Dr. Richard Glogau and his wife, Dr. Pamela Baj Glogau, to provide support for pediatric patients and their families.

While their son, Gordon, was hospitalized in 1989, Dr. Baj and Dr. Glogau met many families who traveled long distances for the specialized treatment provided at UCSF Children's Hospital. This fund helps fill the special needs of these families – from parking fees and meals to interpreters and tutors.



(Left to right) Dr. Pamela Baj Glogau, Dede Wilsey, Dr. Richard Glogau and Mark Laret.

Swim Raises \$100,000 for UCSF Children's Hospital Cancer Program

With the slogan "Making waves to fight cancer," nearly 50 hardy swimmers emerged from the choppy surf onto a windy Crissy Field near the Golden Gate Bridge on the afternoon of Sept. 23, 2006, following a daylong, 10-mile relay swim around San Francisco Bay.

It was San Francisco's first "Swim Across America" event to benefit the Survivors of Childhood Cancer Program at UCSF Children's Hospital.

The First Annual San Francisco Bay Swim was organized by the national Swim Across America, an organization which has raised more than \$14 million for cancer research during the past 10 years. The event raised more than \$100,000 to benefit pediatric cancer patients at UCSF Children's Hospital.



From left, Aimee Szniewajs, Janel Jorgenson and Robert Goldsby emerge from San Francisco Bay at the conclusion of the Swim Across America relay on Sept. 23.



Third Graders Raise Funds to Help Cancer Patients at UCSF

Rebecca Genet shares a special bond with the third graders she teaches at the Marin County Brandeis Hillel Day School, her alma mater. So when her stepmother died of cancer, her students wanted to comfort Rebecca and help others with the disease.

At school, the 8-year-olds practiced tzedakah – Hebrew for charity – donating small amounts to a class collection each week. Knowing how much Christine Genet meant to Rebecca, they decided to give this money to the fund Rebecca’s family had established at UCSF to support cancer patients.

“The kids were so excited,” Rebecca recalls. “They redoubled their efforts, giving money they earned from chores and anywhere they could find it.”

Deeply touched, Rebecca said she would match their gifts, as did her father and sister. “The kids were so excited,” Rebecca recalls. “They redoubled their efforts, giving money they earned from chores and anywhere they could find it.”

Rebecca’s father Phil Genet visited the class a few weeks after Christine died in May. There, the students presented him with simple white envelopes containing everything from coins to large bills – \$372 in all. With the matching funds, the children contributed more than \$1,500 to the Christine O. Genet and Family Fund for Patient Support Services at UCSF.



Phil Genet (back row, far right) and Rebecca Genet (far left) with her class

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