

Annual Report 2010



UCSF Medical Center

UCSF Benioff Children's Hospital



## *Dear Friends*

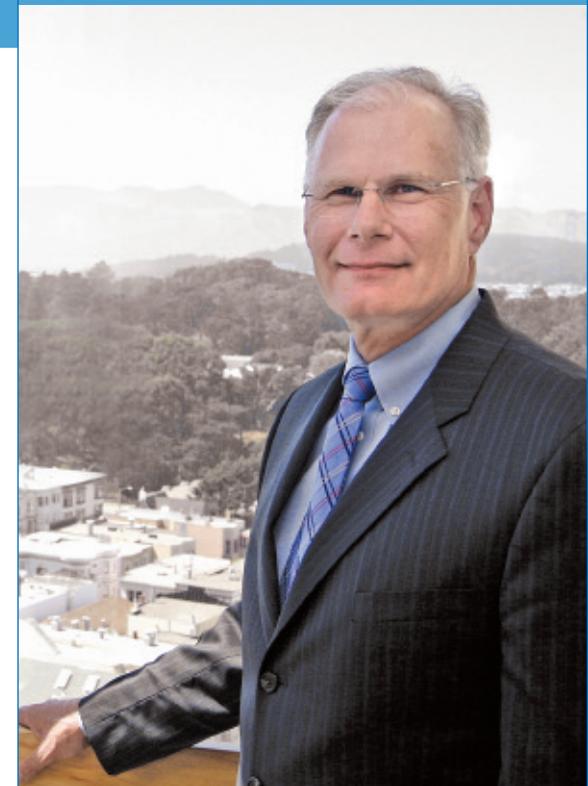
Building on more than 100 years at the forefront of medicine, UCSF Medical Center continues its long history of defining the future of health care. This legacy is visible throughout the institution – groundbreaking scientific advances, new models of patient care and 21st century facilities commensurate with the extraordinary abilities of our clinicians and researchers.

This year, Marc and Lynne Benioff became an integral part of this proud history. Thanks to a \$100 million gift from the Benioffs to the newly named UCSF Benioff Children's Hospital, children in the Bay Area and beyond now have more hope for healthier lives. By focusing their personal philanthropy on the children's hospital, Marc and Lynne have embraced and championed our goal of seeing the new children's hospital built at Mission Bay as well as advancing the health of children far beyond our own walls.

We also anticipate that the Mission Bay project will be an important part of our efforts to make health care more affordable, one of the overarching goals of health care reform. The new facility, designed to create a higher-quality, lower-cost care experience, will enable a closer relationship with community physicians for managing care across providers, and will facilitate the introduction of the latest evidence-based medicine.



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



# Building the Future



*Building on more than 100 years at the forefront of medicine,  
UCSF Medical Center continues its long history of defining the  
future of health care.*



**\$100 Million Gift** The newly named UCSF Benioff Children's Hospital received a \$100 million gift to help fund the construction of its new home at the UCSF Mission Bay campus near downtown San Francisco. The gift, a private donation from San Francisco residents Marc and Lynne Benioff, is the largest gift the donors have ever made and the largest gift ever granted specifically to the children's hospital.

**A Major Economic Force** UCSF represents one of the principal economic engines in the Bay Area, driving \$6.2 billion in industry output and creating more than 39,100 jobs regionwide, according to Economic & Planning Systems Inc. Since 2001, UCSF's revenues have nearly tripled in size, from \$1.3 billion to \$3.3 billion, due to the growing success both of its biomedical research enterprise and of UCSF Medical Center.

**New Transplant Center** UCSF hosted the dedication of the Connie Frank Transplant Center, bringing into reality an idea that philanthropic visionary Connie Frank first conceptualized in 2006. The re-designed space for pre- and post-kidney transplant patients incorporates filtered daylight and framed views to provide a constant connection to the outside. The 10,300-square-foot center will house five faculty and 38 staff members, and is expected to serve 3,000 patients this year.

**A Leader in LGBT Care** UCSF Medical Center became the only institution in the United States to receive a perfect score on the lesbian, gay, bisexual and transgender (LGBT) Healthcare Equality Index (HEI) for four consecutive years. HEI criteria call on health care facilities to have LGBT nondiscrimination policies covering both patients and employees, to provide equal visitation for same-sex partners, and to offer LGBT competence training for staff. UCSF Medical Center has exceeded all of these criteria since the HEI was created in 2007.

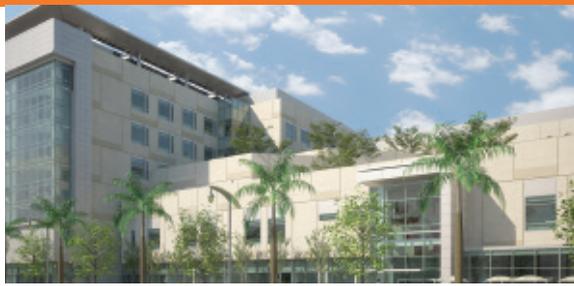


**Among the Best Children's Hospitals** UCSF Benioff Children's Hospital ranks among the nation's best children's hospitals in eight specialties, according to the 2010-2011 America's Best Children's Hospitals survey conducted by *U.S. News & World Report*.

**Leader in NIH Funding** UCSF received more research funds from the National Institutes of Health than any other public institution in 2009, and received the second-largest amount of all institutions nationwide, according to figures released by the National Institutes of Health.

## 2009 - 2010 Milestones

*Building and maintaining an academic medical center at the forefront of medicine requires staying a step ahead of new trends in technology, research and patient care. Fiscal year 2010 provided many examples of how UCSF Medical Center is building a future that fosters research breakthroughs and cures while incorporating new technologies, innovative thinking and interdisciplinary approaches to care.*



**Personal and Accessible Primary Care** UCSF Primary Care, located on the Mount Zion campus, makes primary care more personal and accessible. The new practice offers same-day appointments for urgent medical needs and uses technology to make the practice more efficient. Through MyHealth, UCSF's patient portal, patients can make appointments, communicate with their doctor and request prescription refills.

**Surgeon-in-Chief Honored** UCSF Benioff Children's Hospital Surgeon-in-Chief Diana Farmer, MD, was inducted as a fellow into the Royal College of Surgeons of England (RCSE) on Jan. 20, 2010 – becoming only the second U.S. female surgeon to receive this prestigious honor.

**Orthopaedic Institute Opens** The official opening of the UCSF Orthopaedic Institute in October 2009 marked the first time clinical services for patients were made available at Mission Bay. The all-in-one research and patient care facility offers customized outpatient services to individuals looking to prevent injuries, improve performance or speed recovery.

**Consumer's Number One Choice** UCSF Medical Center was named the winner of the 2009-2010 Consumer Choice Award for hospitals in San Francisco by the National Research Corporation, a major health care performance research firm. For the fifth time, local consumers rated UCSF Medical

Center as the number one choice for quality health care among all hospitals.

**UCSF Partners with Hill Physicians** UCSF joined Hill Physicians Medical Group in San Francisco, the largest independent physician association in Northern California and a recognized leader in managed health care. The new affiliation with Hill Physicians offers UCSF specialists in-network for HMO patients in San Francisco.

**Scientist Receives Nobel Prize** On Oct. 5, 2009, Elizabeth Blackburn, PhD, became UCSF's fourth scientist and first woman to receive the Nobel Prize in Physiology or Medicine. Blackburn, together with two other scientists, was recognized for the discovery of how chromosomes, which contain the body's genes, are protected by telomeres and telomerase.

**A New Chancellor** Susan Desmond-Hellmann, MD, MPH, arrived on campus on Aug. 3, 2009, to become UCSF's first woman to serve as chancellor. A physician, pioneering cancer researcher and

former biotechnology executive, she defined her top five priorities as patients, discovery, education, people and business.

**First Hospital Helipad in San Francisco Approved** The San Francisco Board of Supervisors in July 2009 unanimously approved a helipad for the planned UCSF Medical Center at Mission Bay, to be used to bring critically ill newborns, children and pregnant women to UCSF from outlying community hospitals.

**Among the Nation's Best** UCSF Medical Center ranks among the nation's top 10 hospitals and is the best in the Bay Area, according to the 2009-2010 America's Best Hospitals survey conducted by *U.S. News & World Report*. The medical center also placed among the top 10 medical centers nationwide in cancer; diabetes and endocrine disorders; digestive disorders; geriatric care; gynecology; kidney disorders; neurology and neurosurgery; ophthalmology; respiratory disorders; rheumatology; and urology.



**In June 2010, UCSF Children's Hospital received a \$100 million gift, a private donation from San Francisco residents Marc and Lynne Benioff, to help fund the construction of its new home at the UCSF Mission Bay campus. The gift is one of the most significant private gifts ever made to a children's hospital in the United States and is the largest contribution made to any capital project in the country this year. In honor of the donors, the hospital was renamed UCSF Benioff Children's Hospital.**

## Marc and Lynne Benioff: Building Hope

*“In business, we say that people overestimate what you can do in a year and underestimate what you can do in a decade,” Marc Benioff said. “This is true in philanthropy as well. We will give exclusively to UCSF Benioff Children's Hospital, which has the research base for the next generation of discoveries, a commitment to advance health worldwide and a focus on every child, regardless of resources. This is where we believe our time and resources will make the most impact in the next decade and beyond.”*



### Sustainability

It is in the patient rooms that patients spend most of their time while in the hospital, so patients and families should have the benefit of an environment that is as toxin-free as possible. As a result, all patient rooms will include materials that have undergone unprecedented chemical assessment and have been classified as “healthy,” while other materials will not be used or used as sparingly as possible.

### Staff Efficiency

In addition to the staff hand-washing and work zone located conveniently just inside the patient room, the design creates a “porch” just outside every patient room entry. This transitional zone, not in the corridor and not in the patient room, offers staff a place to enter or read data on a computer without disturbing the patient and family, and saves travel back to a more centrally located nurse base. In addition, a quiet conversation with a parent or family member can take place outside the patient room without having to travel to a consult room when such privacy is not required.

### Safety

The natural rubber flooring is comfortable for staff, lessens noise (a known stressor in the hospital environment), and reduces toxicity and maintenance through the elimination of wax and waxing. Ceiling-mounted patient lifts reduce the potential for staff injuries during transfers. To decrease falls when the patient gets out of bed independently, the design locates the bathroom just feet away from the patient bed, with assistive devices such as handrails lining the path from bedside to bathroom.

### Patient Experience

Patient rooms are designed to accommodate young patients’ and their families’ desire for connectivity. The television has been replaced by a media wall. From the bed or the bedside, the patient and family will have access to entertainment, information, education and more, integrated into a large, interactive display. From ordering a meal online to making a house-keeping request, and from connecting to work or a classroom via webcam to playing games with friends, the media wall provides more than distraction – it provides a lifeline to the familiar world outside the hospital.

# Building a Healing Environment

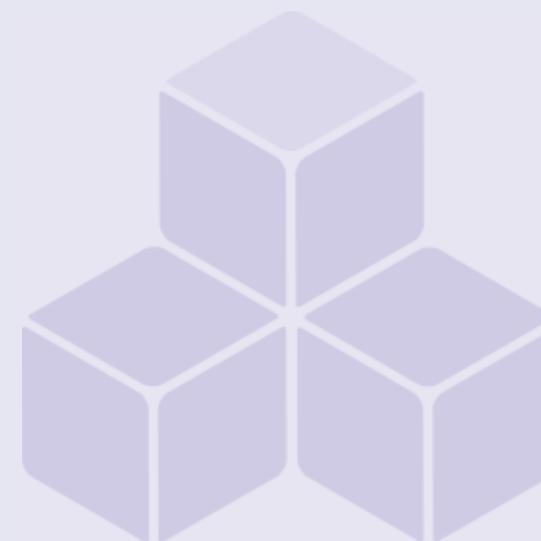
*The architectural vision for the new medical center at Mission Bay is to create timeless and transformative buildings that are responsive to the unique needs of children, women and cancer patients, yet operate efficiently as one. “Transformative” describes a design that not only contributes to new ways of advancing health, but also contributes to healing through abundant and varied connections to nature, a focus on sustainable strategies and features, and emphasis on the support of patients and their families.*

## Balance Sheet

	2010	2009
<b>Assets</b>		
Total current assets	<b>590,861</b>	470,539
Capital assets, net	<b>824,471</b>	736,367
Other assets	<b>28,933</b>	22,641
Total assets	<b>1,444,265</b>	1,229,547
<b>Liabilities and Net Assets</b>		
Total current liabilities	<b>198,794</b>	188,801
Long-term debt and capital leases, net of current portion	<b>262,810</b>	245,783
Other liabilities	<b>50,732</b>	34,205
Total liabilities	<b>512,336</b>	468,789
Net assets	<b>931,929</b>	760,758
Total liabilities and net assets	<b>1,444,265</b>	1,229,547

## Income Statement

	2010	2009
<b>Operating Revenue</b>		
Net patient service revenue	<b>1,766,688</b>	1,629,106
Other operating revenue	<b>21,069</b>	24,044
Total operating revenue	<b>1,787,757</b>	1,653,150
<b>Operating Expenses</b>		
Salaries and employee benefits	<b>793,754</b>	773,895
Supplies and purchased services	<b>669,988</b>	618,295
Depreciation and amortization	<b>77,790</b>	67,707
Other	<b>95,646</b>	92,216
Total operating expenses	<b>1,637,178</b>	1,552,113
Income from operations	<b>150,579</b>	101,037
Non-operating expenses, net	<b>(1,474)</b>	(20,954)
Net income	<b>149,105</b>	80,083



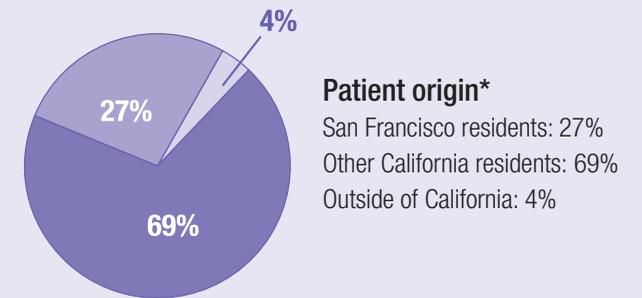
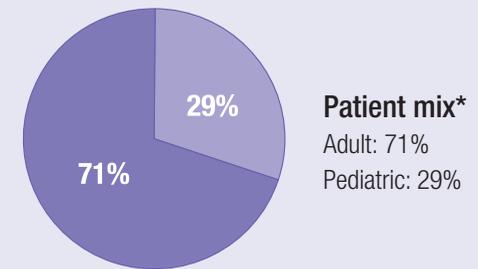
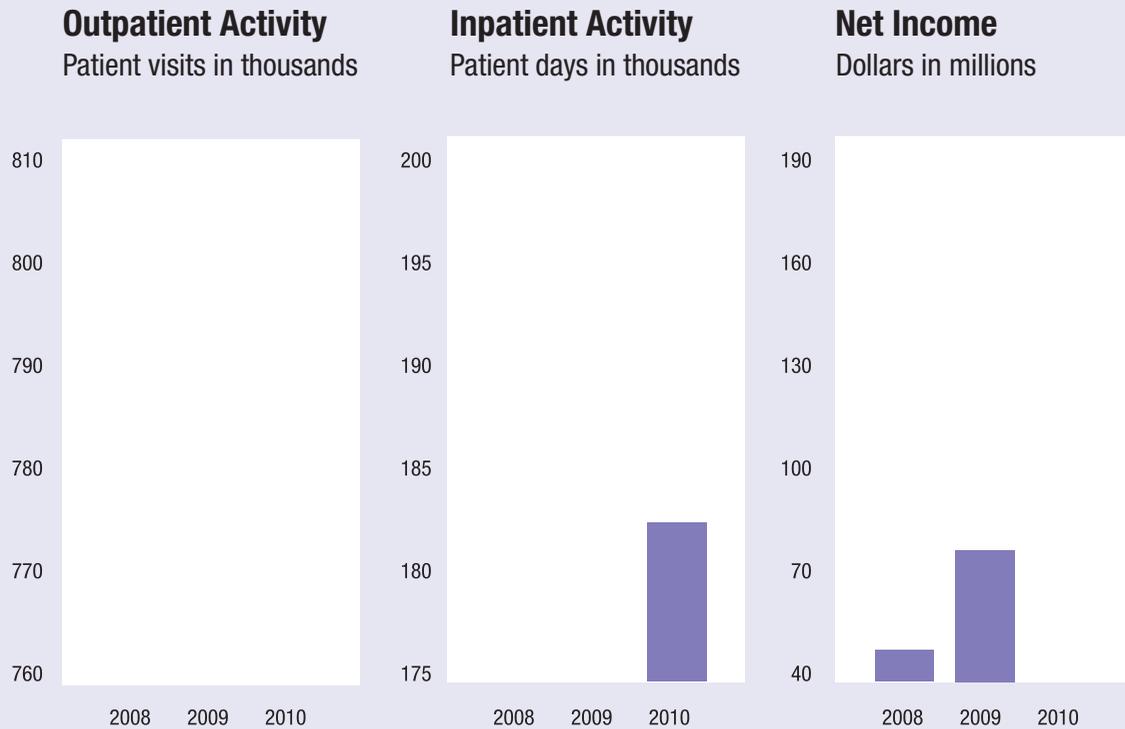
## Additional Information

	2010	2009
Uncompensated/undercompensated care	<b>137,957</b>	137,501
Reinvestment in facilities and equipment	<b>168,532</b>	140,005

# Financials

*Fiscal years ending June 30, 2009 and June 30, 2010 (dollars in thousands)*

*In fiscal year 2010, UCSF Medical Center provided \$138 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 offers medical care to children, emergency patients and those community members who require our specialized services, regardless of ability to pay.*



\* Based on patient days

# Building a Healthy 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.*

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\*On June 30, 2010

**Leadership\***



Annual Report 2010



UCSF Medical Center

UCSF Benioff Children's Hospital

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University of California, San Francisco  
UCSF Medical Center  
P.O. Box 45339  
San Francisco, CA 94145-0339





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Marketing Director  
Mark Gelhaus

Marketing Manager  
Andrea Eastman

Managing Editor  
Brad T. Snyder

Art Director  
Ellen Heywood

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**UCSF Medical Center**  
**UCSF Benioff Children's Hospital**  
505 Parnassus Ave. • San Francisco, CA 94143  
(888) 689-8273  
[www.ucsfhealth.org](http://www.ucsfhealth.org)  
[www.ucsfbenioffchildrens.org](http://www.ucsfbenioffchildrens.org)

To support UCSF Medical Center  
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Office of Development  
220 Montgomery St., 5th Floor • San Francisco, CA 94104  
(415) 476-5640  
[www.ucsfhealth.org/future](http://www.ucsfhealth.org/future)

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