The mission of ValleyCare Health System is to assume the leadership role for the health of the communities of the Tri-Valley.
Dear Friends,

I am pleased to update you on our impressive progress in the last fiscal year. Strategic collaborations with some of the best health care providers in the Bay Area have yielded a number of first class programs for our community.

Our relationship with UCSF Children’s Hospital culminated in a summer 2008 opening of the Pediatric Specialty Clinic and Prenatal Diagnostic Center, located at ValleyCare Medical Center in Pleasanton. For the first time, women and children of the Tri-Valley have local access to UCSF prenatal and pediatric specialists.

We opened the Regional Cancer Center at ValleyCare, in association with Valley Medical Oncology Consultants and UC Davis Cancer Center, bringing the latest cancer treatments, expertise, research and clinical trials together in one convenient location. This state-of-the-art center houses the latest computerized radiation therapy, which is capable of shaping the beam to spare healthy tissue, and brings cancer treatment closer to home.

Our arsenal of high-tech equipment expanded with the addition of Digital Mammography in ValleyCare’s new Women’s Imaging Center, which opened last spring in the Medical Plaza at Stoneridge and West Las Positas Boulevard. ValleyCare physicians continue to push the forefront of medical technology. The Joint Replacement Institute, which opened under the direction Dr. Aaron Salyapongse, provides advanced surgical expertise and technology, along with education and specialized rehabilitation to our joint replacement patients.

Once again, the American Heart Association recognized ValleyCare’s cardiac care and we were listed among the top 500 (out of 5000) hospitals in the nation in U.S. News & World Report. Distinction in healthcare is ValleyCare’s goal, and with your support, we will continue to advance as a center of excellence in the northern California.

Sincerely,

Tim Weaver
Chairman, ValleyCare Board of Directors

ValleyCare physicians continue to push the forefront of medical technology.
For ValleyCare to continue providing high quality, personalized care, it requires the commitment of the entire community.

Dear Friends,

Healthcare is a dynamic industry with new technology and improved treatments emerging constantly. To maintain the high level of healthcare excellence we’ve grown accustomed to, both now and 50 years down the road, requires forward thinking and unparalleled commitment. Fortunately, ValleyCare's physicians, staff, board of directors, volunteers and community are more than up to the task. They are the reason I can say with confidence that ValleyCare will meet the challenge of offering state-of-the-art healthcare well into the future.

We continue to seek the finest technology, expertise and programs to advance our patient care. I am very proud of our affiliation with the best — UCSF — to bring prenatal and pediatric specialists to the women and children of the Tri-Valley. Since cancer touches everyone in some way, the Regional Cancer Center is a collaborative effort to bring the latest in cancer treatment, all under one roof, to the people of this community. The new Women's Imaging Center is not only beautiful, but houses the latest in digital mammography. Our physicians continually amaze me with their willingness to go beyond and bring advanced techniques and technology to our patients.

As with any hospital today, we face great challenges, especially when it comes to healthcare dollars. I am grateful to those who generously contributed to ValleyCare's Emergency Room Expansion Campaign. Phase I launched last spring and was completed in the fall. There is a caveat, of course. We still need over $4 million more to complete the next phases. In 1992, the first full year of operations for the ER in Pleasanton, there were 13,500 visits. In 2005, ER visits had nearly doubled at 25,000, and today they number 35,000.

To give you a sense of the importance of philanthropy, in 1992 the ValleyCare Foundation's goal was to raise $5,000 annually. Today that goal is $2 million annually, in addition to special campaigns. For ValleyCare to continue providing high quality, personalized care, it requires the commitment of the entire community.

Thank you to all who tirelessly support ValleyCare by using our services, attending our fundraisers, by volunteering and by giving so liberally. You have been so generous in the past years I know we can count on you to be equally supportive in the years ahead.

Sincerely,

Marcy Feit
CEO, ValleyCare Health System
ValleyCare Health System and UCSF Children's Hospital have joined forces to broaden the array of health services for women and children. For the first time, women and children of the Tri-Valley have access to UCSF prenatal and pediatric specialists at ValleyCare Medical Center.

UCSF Children’s Hospital has an extraordinary legacy of doing what has never been done before. UCSF pediatric and obstetric specialists teamed up to found the world’s first fetal surgery program, develop the first prenatal tests for common genetic blood diseases and lead the way in discovering life-saving treatments for newborn lungs. In addition, a recent survey by U.S. News & World Report, ranked UCSF Medical Center among the nation’s top 10 premier hospitals in the West.

This collaboration means you won’t have to travel out of the area for specialized care, and you will receive the best of what both ValleyCare and UCSF offer — high quality specialty health care for children and prenatal diagnosis for women that is accessible, compassionate and service-oriented. Patient care is integrated in one setting with local and academic physicians working side by side.

**PEDIATRIC SPECIALTY CLINIC**

UCSF Children’s Hospital at ValleyCare features a first of its kind, multi-specialty clinic where experienced UCSF pediatricians provide specialty services including:

- Gastroenterology
- Pulmonology
- Eating disorders

In addition, they provide support to ValleyCare’s existing pediatric cardiology services.

Pediatric hospitalists, physicians from UCSF who specialize in caring for hospitalized children, are on staff at ValleyCare Medical Center 24 hours a day, seven days a week. In addition, two UCSF neonatologists direct the care of newborns in the Intensive Care Nursery. These physicians work closely with local pediatricians to provide highly collaborative and well-coordinated care.

**PRENATAL DIAGNOSTIC CENTER AT VALLEYCARE**

As part of UCSF Women’s Health services, the Prenatal Diagnostic Center at ValleyCare consists of a multidisciplinary team of providers including perinatologists, genetic counselors, and medical diagnostic sonographers from the Department of Obstetrics, Gynecology and Reproductive Sciences. These specialists guide couples through testing options, provide expert interpretation of test results, and help couples make important decisions about their pregnancies. Preconception counseling and high risk pregnancy consultation are also available.

For women who are pregnant and wish to obtain more information about the risk of birth defects or genetic disorders, the Prenatal Diagnostic Center at ValleyCare offers the most technologically advanced screening and diagnostic tests available, including first trimester screening. This non-invasive test is designed to detect greater than 90 percent of fetuses with Down syndrome and is one of the few centers nationwide that offer instant test results. This allows women who are found to be at increased risk the opportunity to proceed with further testing at an earlier stage of pregnancy.
Since nearly everyone is touched in some way by cancer — if not personally, then through family, friends and acquaintances — ValleyCare Health System, Valley Medical Oncology Consultants and UC Davis collaborated to bring to our community the Regional Cancer Center at ValleyCare. Located just two blocks from ValleyCare Medical Center in Pleasanton, Tri-Valley patients now have easy access to a state-of-the-art, integrated center with caring and skilled professionals, the latest targeted treatment therapies, access to clinical trials and up-to-date educational material — all under one roof.

PATIENT CENTERED CARE IN A PLEASING ENVIRONMENT
To help ease a patient’s anxiety, services are offered in a modern, yet soothing and friendly environment where healing and caring are top priorities. While one physician coordinates care, patients have the benefit of an expert team of oncology professionals working together to guide them (and their family) through treatment and follow-up. Treatment and care is specialized depending on each patient’s individual needs.

BENEFITS OF TARGETED RADIATION
Radiation treatment for cancer has been used safely and effectively for more than 100 years. However, new technology has improved treatment tremendously. The cancer center houses the latest computerized linear accelerator for radiation therapy (known as IMRT), which is capable of “shaping” the beam to target just the tumor and spare healthy tissue, and also speeds treatment time.

INFUSION THERAPY CENTER
Within the cancer center is a light-filled infusion therapy center where patients receive chemotherapy, biologic therapy and other targeted therapies on an outpatient basis. It is a relaxed and serene environment, staffed by oncology certified registered nurses. Since some infusions can take time, large easy chairs make it a comfortable environment.

ONGOING CANCER RESEARCH/CLINICAL TRIALS
The cancer center is affiliated with UC Davis Medical Center and its Institutional Review Board. Through this affiliation, newer anti-cancer therapies are made available to patients with the added benefit of being treated closer to home.

UC Davis conducts a number of clinical trials that are funded by the National Institute of Health and the National Cancer Institute. Patients who participate in clinical trials benefit by having a larger research team in their court and may also receive new treatments not available to all patients.

CANCER SUPPORT GROUPS AND THE VALLEYSKIRK HEALTH LIBRARY
The ValleyCare Health Library and Ryan Comer Cancer Resource Center is located in the same building as the cancer center. The Library offers free public access to consumer friendly, up-to-date health and medical information with the largest cancer collection in northern California. A supportive and knowledgeable staff helps patrons find the information they need, as well as provide referrals to cancer support groups.
Computer Assisted Surgery

Computer assisted surgery assures the surgeon that the replacement joint is precisely aligned and that range of motion and flexibility are maximized, which also means a longer life for the implant.

Tissue Preserving Hip Surgery

ValleyCare is proud to have one of the first orthopedic surgeons in California to use a revolutionary technique for total hip replacement that does not require dislocation of the hip. Until now, all hip replacement surgery, whether minimally invasive or the traditional open method, required dislocation of the hip in order to implant the artificial hip. The use of less invasive surgery, during which no muscle is cut, and the fact that less anatomy is disrupted in this latest procedure, makes the joint more stable, thus significantly reducing the potential for future dislocation.

Hip Resurfacing

The FDA recently approved hip resurfacing, which is a total hip replacement that preserves more natural anatomy. Considered to be a bone preserving operation, hip resurfacing actually retains the head of the femur. This type of surgery is ideal for younger candidates and active individuals who may outlive a traditional total hip replacement. The benefits include reduced risk of dislocation, greater range of motion and reduced wear.
TEAM APPROACH
Offering the benefit of over 30 health professionals working together on a customized plan for each patient, the program embraces a team approach. The team has been specially trained in the education, diagnosis and treatment of patients with joint pain — specializing in hips and knees.

EDUCATION AND REHABILITATION
ValleyCare’s Joint Institute offers orthopedic patients a dedicated surgical unit where orthopedic nurses provide care. Patients also receive a personalized care plan notebook. While in the hospital, patients are encouraged to attend rehabilitation sessions together, which provides further support and helps the healing process.

Education seminars offered throughout the year, combined with our experienced physical therapists provide each patient with the information and tools he/she needs to take an active role in their own recovery and rehabilitation.

By providing advanced surgical expertise and technology, along with education and specialized rehabilitation, our patients experience reduced hospital stays, a faster recovery and a return to the activities they enjoy much sooner.

What Our Patients Say

Ramona Elder
At age 46, Ramona Elder of San Ramon didn’t think the severe pain she was experiencing could be a hereditary hip problem. She thought the discomfort was from a bulging disc in her back. However, the constant pain was interfering with her life, her work and keeping up with her five-year old. After two years of misery, Ramona had her hip replaced with Dr. Salyapongse at ValleyCare’s Joint Institute. Less than two months post-surgery, she felt 100 percent better. “My recovery has been fast. I am pain free and feeling great.”

Bob Moody
Bob Moody (60) was forced to give up his love of playing baseball and fast-pitch softball, as years of pitching had ruined his right hip. “The pain was so bad I could barely walk. I was turning into an old man and missing the life I had,” he said. Bob decided to seek a good hip surgeon, and after much research, found Dr. Salyapongse at ValleyCare’s Joint Institute. “My surgery was on Monday and by Thursday I was enjoying Thanksgiving dinner pain free! It was the best move I could have made. I got my life back!”

Bob Weber
Bob Weber constantly raves about his experience when he had his right hip replaced at ValleyCare. “I am so impressed with the care, the expertise of Dr. Salyapongse, the precision of the surgery and the pain management.” Having had his left hip replaced five years ago, he says there is no comparison then to his recent experience. “It’s amazing how little pain I felt and how fast I recovered compared to the last time. Only a few months after surgery, he was back to playing 18 holes of golf. “I just walk around the golf course pain free and shake my head in amazement.”
EMERGENCY SERVICES
Emergency Rooms are vital to any community. Nearly everyone has either used one or has a friend or family member who has needed emergency services. Thanks to the generosity of many people, Phase I of the Emergency Room expansion at ValleyCare Medical Center is complete.

Fundraising continues for subsequent phases, which will physically expand the space, including the waiting area. More than $4 million is still needed to complete the project. The total price tag is nearly $7 million, which includes $1.7 million from Measure A funds.

Emergency room visits have more than doubled since ValleyCare Medical Center opened in 1991. In the first full year of service, the emergency room had 13,500 visits. Today, they number 35,000.

NEONATAL INTENSIVE CARE UNIT EXPANDING TO HELP BABIES
The Level II Neonatal Intensive Care Unit at ValleyCare Medical Center expanded from four beds to ten and is designed to offer a higher level of care for newborns that need extra help. Our affiliation with UCSF Children’s Hospital provides us with pediatric hospitalists and neonatologists 24/7. This allows ValleyCare to care for these babies who might otherwise be transferred to hospitals outside the area.

Expansion highlights include:
- Infrastructure for wireless technology that allow for “wireless on wheels” or WOWs for documentation, order entry and all lab/x-ray results. This allows nurses and physicians to remain near the baby while charting and writing orders.
- Recent research has shown that noise and lighting have certain negative effects on premature babies. As a result, each bed has separate lighting for parents and staff that can be dimmed and adjusted to meet the needs of each individual baby. Flooring and ceiling products were chosen to help with sound abatement as well as aesthetics.

While fundraising for this $1.8 million expansion continues, many individuals and organizations have contributed to this expansion campaign including Ruby Hill Giving Thanks Charity Ball Committee, the Livermore Valley Winegrowers Association, Wayne & Gladys Valley Foundation and the William G. Irwin Charity Foundation.
SECURITY IN THE PALM OF YOUR HAND

VALLEYCARE INSTALLS LATEST ID TECHNOLOGY

ValleyCare Health System is the first hospital in the West, and third in the country, to install the latest security system for patient registration. ValleyCare’s Patient Access Lifetime Match — PALM — is leading-edge technology designed to prevent identity theft and is a failsafe way to guard medical records. Developed by Fujitsu in Japan for use at ATMs in place of PINs, PALM is a biometric identification system that uses a near-infrared light wave to scan a patient’s palm. The scan produces a distinctive, biometric signature to that patient’s vein pattern, which is 100 times more unique than fingerprints, making it far more secure. This “signature” is then attached to the patient’s medical record and stored in a secure system at ValleyCare that complies with federal and state security regulations.

The PALM scan streamlines the registration process and prevents identity theft and fraud. In addition, if an unconscious patient arrived in emergency, a PALM scan could quickly and easily identify that patient if he/she was previously enrolled.

Painless and simple, the patient places his/her hand on the scanner and the unique “signature” is created in seconds. In addition to improving the speed of patient registration, biometric palm scanning can minimize the amount of personal information a patient needs to communicate either verbally or through written forms during registration. Initially, other forms of identification will be required to match up medical records, but once the scan is part of a patient’s record, registration will be quick.

HOW YOU CAN HELP

Members of the Tri-Valley community have always been generous with their time and money to ensure that vital, state-of-the-art healthcare is here when needed. Now, more than ever, philanthropic support is crucial. You can help by making a direct donation or by attending and contributing to any or all of the following events that benefit ValleyCare Health System:

ValleyCare Charitable Foundation Golf Tournament, June 5, Wente Vineyards
HopYard Golf Tournament, June 29, Castilewood
ValleyCare’s Christmas Tree Lane, November 19–21, Palm Event Center, Pleasanton.

Call the ValleyCare Charitable Foundation today to offer your support 925-373-4560.

VALLEYCARE CHARITABLE FOUNDATION FINANCIALS FISCAL YEAR JULY 2007 – JUNE 2008

ValleyCare Foundation would like to thank all who have given on behalf of ValleyCare programs and services.

SPECIAL EVENTS ................................................................. $432,400
HopYard Alehouse Golf Scramble 2006 ............................. $3,000
Christmas Tree Lane 2007* .............................................. $172,200
Ruby Hill Giving Thanks Ball 2008 ................................. $53,000
Livermore Valley Wine Auction 2008 ............................. $52,500
ValleyCare Foundation Golf Tournament 2008* ............... $151,700

AUXILIARY ................................................................. $343,300
FOUNDATION GRANTS ...................................................... $45,060
INDIVIDUAL and CORPORATE DONATIONS ............... $993,090
TOTAL FUNDS RAISED .................................................. $1,813,850

ENDOWMENT FUND .......................................................... $791,700

*represents gross income
With California’s population continuing to grow, and age, as well as having the largest uninsured population in the country, community hospitals are facing increasing financial pressures. More than 70 California community hospitals and emergency rooms have closed in the last decade.

Unfortunately, for the uninsured population, emergency rooms are often utilized as medical offices. Since hospitals are required by law to see everyone who comes into the ER, no matter their ability to pay, reimbursement shortfalls from Medicare and Medicaid are putting a significant financial strain on California hospitals. Fortunately, ValleyCare has received support from community members and businesses to launch the expansion of our emergency services. Fundraising continues to complete this expansion project.

In addition, ValleyCare has developed a number of collaborative relationships with other entities such as UCSF Children’s Hospital, UC Davis Cancer Network, Valley Medical Oncology Consultants and the Livermore Rotarian Foundation, to name a few. These affiliations help ValleyCare in providing vital services to our community.

ValleyCare is not-for-profit, which means we reinvest any net income back into the organization for new technology, services, programs and facilities. No money is sent out of the community to pay stockholders. It also means we do not receive any income from taxes, and are required to provide a specified level of uncompensated care. In fiscal year 2008, ValleyCare provided more than $9 million in care to people without adequate means to pay, and $4.8 million was provided in programs and services that benefited the entire community.

### COMMUNITY BENEFIT STATEMENT

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### GROWING TREND IN COMMUNITY BENEFITS

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VALLEYCARE ANNUAL REPORT 2007 – 2008

Members during FY 07-08

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Tim Weaver
Vice Chairman
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Deborah Acosta McKeehan
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Iqbal Omarili, M.D.
Emergency Medicine
Cynthia Penn-Duecker, M.D.
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