75 Years at the Forefront of Medicine
“One works at the lab bench without haste and without rest. Time has no meaning; every day something will be done, something will be found out…The world’s most vexatious medical problems here can be solved and very soon.”

Charles Huggins, MD, one of the original faculty when the University of Chicago Hospitals opened
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For three-quarters of a century, the University of Chicago Hospitals has operated with one purpose: to be a leader in the advancement of medical science by bringing together research, teaching and patient care. Nothing has altered that mission for 75 years. This is a remarkable legacy.

From the start, the University of Chicago Hospitals was of critical importance to patients. The very first patient, given medical record number 1, was a 21-year-old bank teller with a gum infection. He remained our patient for 32 years, returning to the Hospitals for a variety of reasons, including typhoid fever, until he ultimately moved away from Chicago. His record concludes with a 1968 letter from his wife offering thanks for “the care and concern” shown her husband.

In the 1920s, when the plans were first laid for our Hospitals’ gothic towers and archways, the architects drew on a quarter of a century of momentum, interrupted briefly by world war, to build a hospital where the University’s full-time faculty could teach, practice and discover new treatments and cures. Our original facility was designed, in accordance with the times, with the needs of our faculty primarily in mind.

Seventy-five years later, with our teaching and research aims fully intact, one major difference stands out. Our architectural focus emphasizes the hospital experience of patients. Our spacious, light-filled Duchossois Center for Advanced Medicine represents masterful patient-centered design, with specialty clinics conveniently located next to related diagnostic and treatment services.

In that same way, the University of Chicago Comer Children's Hospital, which will open in 2004, will welcome and support children and their families as they turn to us for highly complex care. This children’s facility is designed to make it easy for families to interact with physicians, nurses and other caregivers, and will offer space to learn, play and fully benefit from the hospital environment.

No one can look at our 75-year history without experiencing awe at the medical advances accomplished here. The story of our first surgical patient, a 21-year-old farmer, reminds us that the University of Chicago Hospitals was at the forefront of medicine from the beginning. Like many of our current patients, this young man traveled from another state to seek care here. Physicians in his community had done their best but had limited resources. Five years after he damaged his elbow in a fall, his surgeon at the University of Chicago performed a successful orthopedic procedure, restoring the full range of motion. X-rays and elaborate multiple-exposure photographs taken after his operation document his complete recovery.

Our current therapeutic capabilities are as astonishing today as this patient's recovery must have seemed in 1927. We are light years ahead of the progress we could have predicted 75 years ago. Bringing these advances to our patients is really what our legacy of teaching, research and patient care means. I am impressed with the strength that our mission lends to our future.

Michael C. Riordan
President and Chief Executive Officer
When you consider the millions of people who have received extraordinary care and all the remarkable
discoveries that have been made here, it's hard to believe that the University of Chicago Hospitals is
only 75 years old. After all, 11 scientists associated with the University have received the Nobel Prize
for Physiology or Medicine. Entire fields of medicine began here, such as organ transplantation, cancer
chemotherapy and sleep research. Many leaders of American medicine trained here and have gone on
to train subsequent generations of leading scientists and clinicians. How could all that have happened
in an institution where several members of the faculty are older than the buildings?

Part of the explanation lies in the birth of the Hospitals. Most hospitals grew up slowly and piecemeal,
in crowded urban centers or remote rural settings. They were places where doctors in private practice
pooled resources to house their patients. The University of Chicago Hospitals, on the other hand,
emerged in 1927 as an academic medical center, part of a great university, a facility designed for
research, teaching and patient care.

It was the right place and the right time. The University's Billings Hospital was created a decade after
the appearance of the Flexner Report, a survey that found serious flaws in many American medical
schools and suggested a better way, with a full-time faculty combining research and teaching instead
of clusters of doctors acting on their own. In fact, Abraham Flexner himself drew up the original plan
for our medical center.

From the very beginning, doctors and students at the University of Chicago combined research with
patient care. The investigations of that era laid the groundwork for research that still sets the standard
75 years later. Dr. Charles Huggins, one of the original members of the surgical faculty, developed the
concept of manipulating hormones to treat certain cancers, a field in which the University continues to
excel. As a top-secret experiment during World War II, Dr. Leon Jacobson performed the first successful
cancer chemotherapy, another field where we still lead the way. In yet another wartime effort, Dr. Alf
Alving, while searching for better treatments for malaria, discovered the first genetic abnormality that
altered how patients responded to the drug primaquine. Now, Dr. Mark Ratain, the first Leon Jacobson
Professor of Medicine and a specialist in evaluating new anti-cancer drugs, is developing the new field
of pharmacogenetics — the study of how a patient's genes influence how he or she responds to a drug.

It's important to keep time and progress in perspective. What could be more ancient, for example, than
sleep, “the innocent sleep that knits up the ravell'd sleeve of care,” as Shakespeare described it more
than 400 years ago, “Balm of hurt minds, great nature's second course.” Next year, specialists from all
over the world will gather on campus to celebrate the mere 50th anniversary of the discovery of REM
sleep, a discovery made here in 1953 and considered the birth of the scientific study of sleep. At the
meeting, they will join our illustrious scientists to discuss the latest research and participate in an old
University of Chicago Hospitals tradition — exploring the forefront of medicine.

So this year we must suspend our disbelief and accept that despite its distinguished history, its gothic
towers and its catalogue of accomplishments, this venerable institution is only three-quarters of a
century young.

Paula Wolff
Chair, Board of Trustees
For 75 years — from the day it opened, November 1, 1927, to today — faculty and staff at the University of Chicago Hospitals have worked together with colleagues in the sciences and throughout the University to combine research, teaching and patient care in ways that bring extraordinary strengths to all three. After three-quarters of a century, the combined power of that approach continues to unfold. This report provides an opportunity to revisit that remarkable past, take pride in recent progress and anticipate a future of exceptional promise.
2002: A Year of Achievement

Building for the Future

Construction began last fall on the University of Chicago Comer Children’s Hospital. Community leaders joined Hospitals trustees and administrators for a groundbreaking ceremony on November 6, 2001. Opening in 2004, the new building will be twice the size of the current children’s hospital.

Celebrating Diversity

Three Hospitals employees shared the Martin Luther King, Jr., Humanitarian Award, presented each year to the employees who best exemplify Dr. King’s commitment to fellowship, peace and justice. The winners were chosen for their public service, volunteer activities and devotion to patients and those in need outside of the work environment. This year, State Senator Barack Obama from the 13th legislative district was the keynote speaker at the annual celebration.

During fiscal year 2002, accomplishments at the University of Chicago Hospitals extended from the basic sciences to clinical care, from advising on national research policies to advancing community wellness, from setting the standard for clinical excellence to blazing a trail for workplace education. These triumphs are the result of hard work by dedicated physicians, nurses, clinical staff, administrators and support staff, as well as many others.

A few recent examples follow.

HONORED AS ONE OF THE COUNTRY’S BEST HOSPITALS

It is an accolade that the University of Chicago Hospitals has known seven times: the Honor Roll of U.S. News & World Report’s annual “Best Hospitals” survey. The Honor Roll singles out fewer than 20 hospitals from more than 6,000 in the United States.

The University of Chicago Hospitals is the only hospital in the state of Illinois to achieve Honor Roll status — ever.

The survey rates hospitals in several clinical specialty areas, based on a formula that includes the hospital’s mortality data, nursing resources, technology, patient volume and the opinions of hundreds of board-certified physicians.

In 2002, 12 programs at the University of Chicago Hospitals were ranked among the nation’s very best. Cancer, digestive diseases and orthopedics were in the top 10 in the country. Ear-nose-throat, geriatrics, gynecology, hormonal disorders, kidney disease, neurology and neurosurgery, respiratory disorders, rheumatology and urology also were cited as among the top 40 programs in the United States.

Honor Roll status is a tribute to all employees and medical staff, recognizing teamwork as well as individual excellence.
GUIDING THE NATION

In January, Janet D. Rowley, MD, the Blum-Riese Distinguished Service Professor of Medicine, Molecular Genetics & Cell Biology, and of Human Genetics, was named to President George Bush's Council on Bioethics, under the direction of her colleague Leon Kass, MD, Professor in the Committee on Social Thought at the University. On the Council, Dr. Rowley works with 16 esteemed physicians, scientists, ethicists, theologians, journalists, social scientists and lawyers to analyze bioethical concerns related to scientific advances, such as the use of embryonic stem cells, and to advise President Bush on the difficult questions raised by the regulation of this research.

THE UNIVERSITY OF CHICAGO HOSPITALS ACADEMY: DRIVING STAFF GROWTH

The WorkforceChicago 2.0 award, presented to the Hospitals’ Academy this year, recognized outstanding accomplishments in workplace education. Since 1993, the Academy has been an industry leader in employee development and organizational change.

With 30,000 course enrollments annually, the Academy addresses work-team concerns, management techniques, customer courtesy, computer skills and much more. The Partners in Education program helps qualified employees earn degrees or certifications. It targets areas with critical shortages, such as nursing, surgical technicians and medical billing. In fact, with nearly 300 nurses enrolled, the Academy is a “virtual nursing school,” helping to fill an urgent need for more nurses. The Academy’s new Virtual University provides courses over the Internet.

These programs help the Hospitals recruit and retain staff. “When we invest in our employees, we invest in improving the overall care experience for patients and their families,” says Judy Schueler, Executive Director for the Academy.
Committed to the Community

Community outreach is not a new concept for the University of Chicago Hospitals. In the past, many people from various departments conducted outreach. What is new is the concentration of community affairs activities under designated leadership and increased commitment within the organization.

“The University of Chicago Hospitals has a renewed and clearly defined commitment to building strong relationships with our neighbors,” says Michelle Obama, Executive Director of Community Affairs. “The Hospitals, which, along with the University, is the largest employer on Chicago’s South Side, holds a unique position of influence. We view this position as an earnest responsibility, and pledge to make a favorable impact on our neighboring communities.”

STRONG PRESENCE IN THE COMMUNITY

Being a good neighbor is a fundamental part of being an outstanding hospital. The University of Chicago Hospitals expanded its commitment to serving the surrounding community in many ways during the past year.

The Hospitals’ newly established Office of Community Affairs sponsored initiatives focused on nearby communities, including Hyde Park, Woodlawn, South Shore, Englewood, Kenwood and Oakland. For example:

- Families of Chicago schoolchildren turned to healthier habits thanks to the Adopt-a-Pediatrician program, which is a partnership including the Hospitals, the Department of Pediatrics and three local public schools. In its third year, this program, with a grant from the state of Illinois, supported a family outreach program aimed at smoking cessation, which included performances of an anti-smoking play written by students. Afterward, nearly 50 family members signed up for smoking cessation classes.

- As the lead agency for SAFE KIDS Chicagoland, the University of Chicago Children’s Hospital reaches out to prevent injuries, the leading cause of death for children under age 15. The Buckle-Up and Mobile Car Seat Check-Up Van programs target injuries caused by improper use of child safety seats.

Other ongoing outreach projects include:

- The University of Chicago Asthma Center combines advanced research with focused patient care and community outreach targeted at both students in local public schools and their parents.

...
Child Protective Services provides comprehensive medical services to abused and neglected children. The state-supported Multidisciplinary Pediatric Education and Evaluation Consortium, formed in August 2001, evaluates suspected abuse cases and determines appropriate medical, legal and protective action.

The Hospitals and the Biological Sciences Division provide financial support to the Friend Family Health Center, which offers outpatient services to all, regardless of their ability to pay. Services provided by University of Chicago physicians include pediatrics, obstetrics and gynecology, internal medicine, adolescent care, immunizations and laboratory services.

The Kids’ Safety Team, based at the Friend Family Health Center, provides car seat checks by a certified child passenger safety technician. The service is offered to families that bring a child under the age of nine for a well-child visit. Car seats and booster seats are provided without charge for families that require one. More than 2,000 children have benefited from the program since September 2001.

A TRUE UNIVERSITY HOSPITAL

In 1916, when Abraham Flexner drew up plans for the proposed medical school at the University of Chicago, he urged that it be created “in complete harmony with the highest modern educational ideals.” It took ten years to raise the funds, but when the Medical School and Hospital opened in 1927 it was the first time an entire medical center was created on such a plan, with all physicians serving full-time as university faculty, working side-by-side with the basic science departments. Although much has changed, the close ties between fundamental research and clinical care remain. In fiscal 2001-2002, new leaders — Michael Riordan as President and CEO of the Hospitals and Dr. James Madara as University Vice President for Medical Affairs and Dean of the Biological Sciences Division and the Pritzker School of Medicine — have vowed to strengthen that alliance and, in the process, to speed the movement of new and better therapies from the laboratory bench to the patient bedside.
The University of Chicago Hospitals & Health System Management Team
1927-2002:
On the Shoulders of Giants

At the University of Chicago Hospitals, creative and careful research contributes daily to better patient care. Discovering why and how disease occurs leads to more effective treatments. Many of today’s therapies — rooted in science and nurtured by compassion — were made possible by basic research begun here decades ago.
“If I have seen further,” Sir Isaac Newton wrote to a fellow scientist in 1675, “it is by standing upon the shoulders of Giants.” A look at some of the clinical programs that made the University of Chicago Hospitals a leader in medicine is a fitting way to honor the giants of the early years, to applaud some of today’s pioneers who now peer from the giants’ shoulders, and to herald the Hospitals’ 75th anniversary.
Oncology at the Forefront

Ranked by U.S. News & World Report as one of the six best in the entire country, the cancer program at the University of Chicago Hospitals fuses science, research and clinical care. The University of Chicago Cancer Research Center brings together specialists from 15 disciplines, including hematology/oncology, radiation oncology, pathology and molecular biology. More than 300 physicians, scientists, nurses, technicians, data analysts and physicists, as well as many others, collaborate to understand and treat common and rare cancers. Active research programs and 14 core laboratories provide leading-edge technology in human immunology, DNA sequencing, cancer genetics and prevention, pharmacology and other domains. The University of Chicago receives more funding from the National Institutes of Health and from the National Cancer Institute than any other institution in Illinois.

The University of Chicago’s close relationship with Argonne National Laboratory brings the world’s most advanced protein imaging technology within the grasp of University researchers. Argonne’s Advanced Photon Source technology provides detailed images of the molecular abnormalities found within cancer cells. Armed with insights like these, University of Chicago cancer researchers can develop precisely targeted treatments.

Each year, nearly 1,300 people participate in clinical trials here. They seek unconventional solutions to life-threatening problems, including many treatments not available anywhere else. This is the only medical center in the area contracted to conduct National Cancer Institute sponsored phase-I and phase-II clinical trials of the very latest cancer therapies.

“Physicians doing the research are the thought-leaders in the field,” says Nicholas Vogelzang, MD, the Fred C. Buffet Professor of Medicine and Director of the Cancer Research Center.

Milestones at the University of Chicago Hospitals

1892
- University of Chicago opens.
- Founding President William Rainey Harper envisions a medical school and a hospital.

1898
- Harper forms affiliation with Rush Medical College for clinical training of medical students. He views the affiliation as temporary, specifying that: “it is the distinct purpose of the University [of Chicago] to establish such a Medical School when funds shall have been provided.”
MAKING BREAKTHROUGHS IN ONCOLOGY
Precisely targeted radiation therapy — combined with innovative gene therapy — produced promising results in 2002 in a phase-I study for patients with resistant solid tumors. Developed by Ralph Weichselbaum, MD, Chairman of Radiation and Cellular Oncology, the new treatment involves injecting a specially designed virus directly into the tumor. The virus, in turn, inserts the gene for a powerful anti-cancer substance into cells within the tumor. Then, doctors use radiation therapy to turn on the gene, which damages cancer cells on its own, makes radiation therapy more effective and disrupts the tumor's blood vessels.

“We've conducted research on this for a decade,” Dr. Weichselbaum explains, “from molecular studies, to cellular studies, to animal studies, to human trials.” Phase-II trials are now underway for patients with pancreatic cancer.

Another team, led by Everett Vokes, MD, Section Chief of Hematology/Oncology, combines radiation and chemotherapy to control locally advanced head and neck cancers and to reduce tumor recurrence. Dr. Vokes recently demonstrated that this approach can eradicate advanced head and neck tumors while preserving organs, resulting in high survival rates and improved quality of life, even for patients with advanced disease.
Legacies from the Past:
Cancer continued

During World War II, Leon Jacobson, MD, was among the first to use a toxic drug compound — nitrogen mustard — to treat metastatic cancer successfully. This established the foundation for cancer chemotherapy. Physicians today still use derivatives of nitrogen mustard to destroy select cancers. Dr. Jacobson later laid the groundwork for autologous bone marrow transplantation by showing how blood cells could be regenerated.

In the 1970s, Janet Rowley, MD, identified the first chromosomal translocations related to specific leukemias. Now, new cases of leukemia routinely undergo chromosomal analysis as one of the bases for treatment decisions. More precise diagnostic tests have helped to increase survival rates for pediatric leukemia from less than 15 percent in the 1970s, to more than 70 percent today.

Combining chemotherapies also yields positive results. In a multi-center phase-III trial for mesothelioma, patients who received a new drug (pemetrexed) plus the standard (cisplatin) survived longer and had less pain than patients who received cisplatin alone. This combination is the first effective therapy for this difficult-to-treat disease. The Hospitals has developed one of the busiest programs in the United States for this rare, asbestos-related cancer and is now testing many new therapies.

Physicians here are making inroads with unconventional applications for stem cell transplantation, which is now used to treat leukemia, myelodysplasia and lymphoma, as well as other cancers, plus sickle cell disease and thalassemia.

Oncologists at the Hospitals have developed the second largest program in the world using “mini transplants” — non-myeloablative allogeneic stem cell transplantation — to treat kidney cancer. Plans are in process to apply this innovative approach to prostate cancer as well.

The Hospitals’ newly renovated 19-bed bone marrow transplant unit is dedicated to stem cell patients. “We combine optimal clinical care with innovative, scientifically founded treatment approaches in the best possible treatment environment,” says Koen van Besien, MD, Director of Stem Cell Transplant and Lymphoma.

Since 1987, Jacob Rotmensh, MD, a specialist in gynecologic cancers, along with associates here and at Argonne National Laboratory, has investigated the use of distinctive radioactive particles to treat the micro-metastases that make ovarian cancer so deadly. Dr. Rotmensh’s team has developed a new way to deliver radiation therapy. They are preparing to launch the first clinical trial of the isotope bismuth-212 for women with advanced ovarian cancer. Because bismuth-212 releases high energy at a very short range, it has the potential to kill cancer cells without penetrating deeply and damaging surrounding tissue. This is the only program in the world with the facilities and permission from the U.S. Department of Energy to make bismuth-212.
University of Chicago cancer surgeons have pioneered techniques to spare patients from disfiguring or debilitating consequences. Advances include: less radical surgery for breast cancer, reconstructive surgeries that minimize disfigurement from head and neck cancers, minimally invasive surgery for esophageal cancer, nerve-sparing techniques that reduce the risks of incontinence and impotence after prostate cancer surgery, and limb-salvage techniques that provide an alternative to amputation for children and adults with bone cancers.
Heart Care at the Forefront

Heart specialists at the University of Chicago Hospitals explore new ways to prevent and treat disorders of the heart in adults and children. A multidisciplinary approach brings together experts in cardiology and cardiothoracic surgery, plus biochemistry, genetics, molecular biology, nutrition, physiology and pharmacology. A recently expanded cardiac intensive care unit provides the highest level of care for patients with critical needs.

The Hospitals has one of the oldest and most successful cardiovascular research programs in the United States and receives considerable research funding from the National Institutes of Health. Promising areas include:

- Studies to assess the safety and effectiveness of gene therapy designed to help grow new blood vessels, improve blood flow to the heart and reduce chest pain in people with severe coronary artery disease.
- Development of more precise methods for using echocardiography to assess and visualize heart function, including three-dimensional imaging.
- Studies led by David Faxon, MD, Chief of Cardiology at the University of Chicago and immediate past-president of the American Heart Association, to determine the best ways to prevent or treat coronary artery disease in people with type 2 diabetes. Faxon is also participating in an innovative study to gauge the role of blood viscosity as a factor in vascular disease.
- Exploration into the genetic factors that increase susceptibility for atherosclerosis, hyperlipidemias and congestive heart failure. Physicians and scientists at the Hospitals also are developing new genetic and pharmacologic treatments for these disorders.

MAKING GREAT STRIDES IN CARDIOLOGY & CARDIAC SURGERY

University of Chicago physicians are on the front line of developing and refining the newest techniques to repair problems of the heart.

The Hospitals’ heart transplant program has grown rapidly, recently becoming the largest in Illinois and one of the few that performs both adult and pediatric heart transplants.
Ziyad M. Hijazi, MD, Chief of Pediatric Cardiology, is the world's leading authority on uses of Amplatzer devices to repair congenital cardiac defects without surgery. Data from several hundred patients under Dr. Hijazi's care led to FDA approval in late 2001 of the Amplatzer Septal Occluder, used to repair atrial defects. He is now heading several multi-center trials using similar devices to repair other structural defects.

The University of Chicago Hospitals is the first of only two phase-I test sites for the CardioVAD, an implant for patients with advanced heart failure. The device is a permanent intra-aortic balloon pump, the only ventricular assist device that can be turned on and off. Trials for the CardioVAD are led by Valluvan Jeevanandam, MD, Chief of Cardiac and Thoracic Surgery.

Beating-heart surgery has virtually replaced traditional coronary bypass surgery at the Hospitals. This newer technique makes it unnecessary to stop the patient's heart during bypass surgery. This reduces the complications associated with traditional surgery, including neurologic damage, and has significantly reduced mortality. Cardiac surgeons at the Hospitals were among the first to adopt this approach to bypass surgery and have trained many other surgeons to perform this procedure.

Emile Bacha, MD, Director of Congenital and Pediatric Cardiac Surgery, has introduced several minimally invasive techniques that result in less trauma and faster recovery for infants who require heart surgery.
Endocrinology at the Forefront

Ranked among the 15 finest centers in the United States, the University of Chicago Hospitals’ endocrinology program has a reputation for progressive therapies and research. Specialists here treat patients with diabetes, thyroid disorders, pituitary tumors, polycystic ovary disease, bone diseases such as osteoporosis, and other diseases related to hormonal imbalance. Their research plays a critical role in advancing medical knowledge about these chronic conditions.

EXPANDING OPTIONS FOR PEOPLE WITH DIABETES
The University of Chicago Hospitals houses one of the most expansive diabetes programs in the country, with multiple specialists and resources to address this far-reaching disease. The Hospitals has one of only six federally funded Diabetes Research and Training Centers in the United States. Hormonal specialists at the Hospitals receive more funding for diabetes and endocrinology research from the National Institutes of Health than any other hospital in Illinois, and are among the top five nationally in research funding for endocrinology.

University of Chicago endocrinologist Louis Philipson, MD, and transplant surgeons Marc Garfinkel, MD, and J. Michael Mills, MD, are pursuing islet cell transplantation, a less-invasive form of transplantation that may cure those with insulin-dependent diabetes. They will open a new laboratory for islet isolation in late 2002, with support from a state of Illinois grant.

DISCOVERING DISEASES
University of Chicago physicians are explorers, as well as healers. For example, careful clinical observation, combined with the powerful tools of molecular biology, has enabled thyroid specialist Samuel Refetoff, MD, to discover several diseases over the past three decades, including a disorder now known as Refetoff syndrome.

Legacies from the Past: Endocrinology
In 1906, Robert R. Bensley, PhD, identified the islets of Langerhans in the pancreas. Nearly a century later, physicians here are transplanting these islets in an effort to cure diabetes.

In 1967, Donald Steiner, MD, found that insulin is made by first producing a larger precursor molecule called proinsulin that is then “edited” to produce insulin.

In 1977, Eugene Goldwasser, PhD, isolated erythropoietin, the hormone that stimulates production of red blood cells. “Epo,” widely used to treat anemia, is now a multi-billion-dollar drug.

Leslie DeGroot, MD, provided new knowledge about the relationship between the immune system and thyroid disease and about the causes of and treatments for thyroid cancer.

In the 1990s, Graeme Bell, PhD, and Nancy Cox, PhD, found several genes linked to type 2 diabetes. These discoveries help explain what causes diabetes and provide clues as to who is most susceptible.

1933
The late Walter G. Zoller donates his estate to establish a dental clinic to serve the poor.

1943
Edward A. Doisy receives the Nobel Prize for his discovery of the chemical nature of vitamin K.

1943
Donation establishes Nathan Goldblatt Memorial Hospital for Cancer Research, with 60 patient beds and dedicated space for cancer research, radiology and clinics.

1946
Hermann J. Muller, PhD, receives the Nobel Prize for the discovery of the production of mutations by means of X-ray irradiation.
This year, Dr. Refetoff and colleagues identified another new disease, in a young boy with delayed motor skills and poor coordination. Dr. Refetoff’s team traced the boy’s disorder to a tiny mutation in one copy of the gene for thyroid transcription factor, a protein that plays a major role in the development of the thyroid gland. Further studies found neurological defects and thyroid abnormalities in other children with the mutated gene.

**CREATING NEW THERAPIES**

Frederic E. Wondisford, MD, Section Chief of Endocrinology, and his colleague Bruce Weintraub, MD, developed a drug that revolutionized treatment of thyroid cancer. This drug is a synthetic version of human thyrotropin, a hormone that normally stimulates the thyroid to take up iodine and make thyroid hormone. Previously, cancer patients had to stop taking their thyroid hormone replacement to receive cancer treatment. Some patients became seriously ill. Now, patients can remain on hormone replacement during cancer treatment. The Hospitals was one of the first centers in the United States to use this drug, which is now routinely prescribed.
Gastroenterology at the Forefront

The discipline of gastroenterology has its roots at the University of Chicago Hospitals. Home to the nation’s first full-time University-affiliated gastroenterology section, the Hospitals has seven decades of leadership in research of digestive disorders and their treatment. This leadership earned the department a ranking as the sixth best gastroenterology program in the United States. Patients here benefit from the collective efforts of more than 25 gastrointestinal specialists, as well as surgeons and researchers with expertise in digestive disorders.

Pursuing IBD on Multiple Fronts
Parallel teams at the Hospitals have made landmark discoveries about new treatments and the causes of the inflammatory bowel diseases: Crohn’s disease and ulcerative colitis. An international study led by Stephen Hanauer, MD, Section Chief of Gastroenterology, found that patients who took the monoclonal antibody infliximab sustained longer remissions with fewer hospitalizations and fewer surgical interventions than patients who used traditional therapy. Infliximab is the first biologic agent approved by the FDA to treat inflammatory bowel disease. Dr. Hanauer has been involved in the development of infliximab since 1995.

For more than 15 years, Fabrizio Michelassi, MD, Professor and Vice Chairman of the Department of Surgery, has pioneered new operations for the surgical treatment of severe inflammatory bowel disease, including advances in surgical techniques for ulcerative colitis and bowel-sparing procedures for Crohn’s disease. Dr. Michelassi recently published the definitive textbook on surgical treatment of inflammatory bowel disease. He also has contributed to the treatment of gastrointestinal cancers, refining surgical techniques to increase the cure rate of patients with pancreatic, colon and rectal cancer. In this latter group, Dr. Michelassi has championed techniques which minimize urogenital function impairment and the need for a permanent stoma. More recently, Dr. Michelassi and colleagues have extended the applications of minimally invasive surgery to the treatment of gastrointestinal disorders.

Exploring genetic factors is the latest frontier in fighting IBD. In 2001, gastroenterologist Judy Cho, MD, and her team were among the first worldwide to identify a gene (Nod2) that raises risk for Crohn’s disease. Now, Dr. Hanauer’s clinical group is working with Dr. Cho’s genetics
team to re-classify patients with Crohn's disease, based on their genetic profile and clinical symptoms. Ultimately, this step could lead to more individualized treatment.

Building upon the Nod2 finding, a team led by gastroenterologist David Rubin, MD, has been looking at the risks and benefits of genetic testing for susceptibility to Crohn's disease. Although still preliminary, this work could lead to earlier diagnosis or ways to reduce risk for people with Nod2 abnormalities.

**ADDRESSING NEGLECTED DISORDERS**

Pediatric gastroenterologist Stefano Guandalini, MD, is making strides in celiac disease, which often goes undiagnosed or misdiagnosed in the United States. Also known as celiac sprue or gluten-sensitive enteropathy, celiac disease is an inherited autoimmune disorder characterized by the body's intolerance to gluten (a protein found in wheat, rye, barley and many food additives). Eating gluten prompts the body's immune system to attack the small intestine.

Two years ago, Dr. Guandalini established the University of Chicago Celiac Disease Program, the only program of its scope in the United States. Its multidisciplinary team provides care for children and adults with celiac disease, increases awareness about this little-known disorder among the public and the medical community, and conducts basic and clinical research on celiac disease.
Neurosciences at the Forefront

Legacies from the Past: Neurology

University of Chicago researchers have made important advances in neurology.

Nathaniel Kleitman, PhD, established the world’s first sleep laboratory at the University, filled with measuring devices designed and built by himself and his students. In 1939, he published “Sleep and Wakefulness,” the first major textbook on sleep, which rapidly became the “bible” of sleep researchers everywhere. In September, 1953, Kleitman and one of his students reported the discovery of rapid eye movement (REM) during sleep and suggested the association of this eye movement with dreaming. This discovery is often described as the beginning of modern sleep research, for it demonstrated that there are at least two major kinds of sleep and that sleep includes active brain processes.

At the University of Chicago Hospitals, the work of neuroscientists to understand how the brain performs its miraculous and varied tasks has led to innovations by neurologists and neurosurgeons in the diagnosis and treatment of patients with epilepsy, Parkinson's disease, stroke, peripheral neuropathy, amyotrophic lateral sclerosis, dementias, prion diseases, multiple sclerosis, brain malformations and other neurological conditions.

SETTING THE PACE IN NEUROSCIENCE CRITICAL CARE

The Hospitals recently opened a new, 10-bed Neurosciences Critical Care Unit. Coupled with the Neurosciences Critical Care Program, the Neurosciences Critical Care Unit brings state-of-the-art resources to victims of stroke or brain injury, and other patients with complex neurological challenges.

This is the only program in Chicago staffed by full-time specialists in neuroscience critical care. The multidisciplinary team includes neurologists, neurosurgeons, interventional neuroradiologists, vascular surgeons, critical care specialists, nurses trained in neurointensive care and specialists in rehabilitation medicine.

FINDING THE SOURCE OF EPILEPSY

Accurately identifying the source of seizures is critical to treating epilepsy. Physicians here have developed and refined the techniques of analyzing brain activity in new ways that enable them to pinpoint the specific area of the brain from which seizures originate.

Adults with epilepsy benefit from the most sophisticated non-invasive diagnostic tools available. Using computer analysis methods established by John Ebersole, MD, Director of the Hospitals’ Adult Epilepsy Service and Co-director of the Comprehensive Epilepsy Center, physicians can reconstruct detailed three-dimensional images of the brain’s electrical activity. These images are vital for guiding treatment. This is the only center in the United States currently using this form of three-dimensional electroencephalogram functional imaging to identify the source of epileptic seizures and to reduce the need for more invasive studies, such as placing electrodes directly on the brain. A new four-bed Adult Epilepsy Monitoring Unit provides unrivaled resources for detailed studies of brain activity.

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Legacies from the Past: Neurology

Nathaniel Kleitman, PhD, established the world’s first sleep laboratory at the University, filled with measuring devices designed and built by himself and his students. In 1939, he published “Sleep and Wakefulness,” the first major textbook on sleep, which rapidly became the “bible” of sleep researchers everywhere. In September, 1953, Kleitman and one of his students reported the discovery of rapid eye movement (REM) during sleep and suggested the association of this eye movement with dreaming. This discovery is often described as the beginning of modern sleep research, for it demonstrated that there are at least two major kinds of sleep and that sleep includes active brain processes.

continued →
Technology initially designed to help military personnel detect enemy vehicles now helps University of Chicago pediatric neurologists pinpoint the source of epileptic seizures previously considered untreatable. Directed by Kurt Hecox, MD, PhD, the Pediatric Epilepsy Center is the only site in the United States using this adaptive beam forming technology to track electrical activity within the brain. The new technology finds clues that can be missed by magnetic resonance imaging and electroencephalogram. Adaptive beam forming has made corrective surgery, performed by a team led by David Frim, MD, PhD, possible for many children who used to suffer with “intractable” epilepsy. This and other advanced technologies are routinely applied in the new five-bed Pediatric Epilepsy Monitoring Unit.

Basic science needed to advance pediatric epilepsy care is based in the Falk Center for Advanced Study and Care of Pediatric Epilepsy, formed to improve treatment worldwide for children with epilepsy by collecting and sharing new data on epileptic seizures. The Falk Center is the country’s largest research endeavor of its kind. Under the leadership of Dr. Hecox, the center provides a forum for scientists to exchange insights and compare strategies aimed at a common goal: triumphing over epilepsy.

**LEADING THE WAY IN MOVEMENT DISORDERS**
The newly expanded Movement Disorders Center provides extraordinary care for adults with Parkinson’s disease, dystonia, essential tremor, Tourette syndrome, tic disorders, tardive dyskinesia and other movement disorders. Combining the expertise of neurologists Arif Dalvi, MD, and
Legacies from the Past:
Neurology continued

Basic research by neurologists Barry Arnason, MD, and Avertano Noronha, MD, favorably changed the course of debilitation for many people with multiple sclerosis. In 1978, Dr. Arnason and colleagues discovered that people with MS had reduced function in cells that suppressed the immune system. Three years later, Dr. Noronha identified activated T cells in the spinal fluid of MS patients. These cells trigger the body's assault on myelin sheaths of nerve fibers. The work of Drs. Arnason and Noronha led to clinical trials here of beta interferon, the first effective drug for MS.

Un Jung Kang, MD, and neurosurgeon Richard Penn, MD, the center offers leading-edge medical and surgical options to treat involuntary movement disorders. Dr. Penn was one of the first neurosurgeons in the United States to investigate the use of deep brain stimulation to treat Parkinson's disease and essential tremor, and Dr. Dalvi is an expert in managing patients with these disorders.

University of Chicago physicians continually search for more effective treatments. One approach being developed here delivers a substance that protects nerve cells directly into the portion of the brain affected by Parkinson's disease. Dr. Kang has studied the effect of these substances, known as neurotrophic factors, in animal models of Parkinson's disease. Dr. Penn pioneered the use of implanted pumps to distribute neurotrophins to precise locations within the nervous system — similar to the methods developed for Parkinson's treatment. “This therapy aims to reverse the progression of Parkinson's disease unlike anything else currently available,” says Dr. Dalvi.

Gene therapy, another approach that may slow the progression of the disease, is also being tested at the center. Dr. Kang spearheads basic research on gene therapy for Parkinson's.

BOLSTERING EFFORTS IN PERIPHERAL NEUROPATHY

Peripheral neuropathy — a common, yet virtually unknown disorder — is getting attention in Chicago's only center dedicated to diagnosing, treating and studying this condition. Peripheral neuropathy results from injury to the peripheral nerves. It is most common in older adults and diabetics.

The Hospitals' Jack Miller Center for Peripheral Neuropathy is a unique program that combines the expertise of neurologists, neuropathologists, neurobiologists and other specialists into a comprehensive, collaborative clinical and research program. The team has amassed demographic and epidemiological data about patients with idiopathic peripheral neuropathy and is examining the causes of this condition using animal models and molecular biology approaches. “We have formulated some hypotheses regarding the cause of this common form of peripheral neuropathy,” says Raymond Roos, MD, Chairman of Neurology. “Until now,” he adds, “the relative lack of knowledge about peripheral neuropathy in the medical field has impaired our ability to treat it.”
CREATING BREAKTHROUGHS

Striving to minimize the devastation caused by stroke, University of Chicago researchers are involved in HEADDFIRST, a federally funded clinical trial to determine whether surgical decompression can reduce swelling of the brain and prevent brain damage from strokes.

Collaborative efforts between University of Chicago neurointensivists, led by Axel J. Rosengart, MD, PhD, Assistant Director of the Neurosciences Critical Care Program, and colleagues at Argonne National Laboratory are developing novel methods to deliver medications directly to injured brain areas in critically ill patients. The team also is working with bioengineers to develop techniques for real-time bedside brain imaging, which is in the pre-clinical testing phase.

The Neurogenetics Clinic and Brain Malformation Research Project, led by pediatric neurogeneticist William Dobyns, MD, provides resources for patients with genetic disorders that affect the nervous system. They have collected data from 2,300 patients which provided insights into these disorders. These data may benefit patients and families of patients by leading to more precise diagnosis, prognosis, symptom management and genetic counseling.

With its powerful 3 Tesla magnet, the new Brain Research Imaging Center creates detailed images of the brain's motor and sensory activity. The center is a collaboration between the Departments of Neurology and Radiology. It will advance research in neurology, neurosurgery, psychiatry, medicine, pediatrics and pharmacology, as well as other fields.
Decades of Leadership in Organ Transplantation

The University of Chicago Hospitals has long been known for having one of the most innovative organ transplant programs in the United States. Transplant specialists at the Hospitals have been pioneers in expanding the surgical techniques used in pediatric liver transplantation, improving the drugs used to prevent graft rejection, defining the ethics of transplantation, and pushing back the boundaries of multi-organ transplantation.

Liver Transplantation: Established in 1984, the Hospitals’ liver transplant program is the oldest in the Midwest and one of the oldest in the nation, performing liver transplants for adults and developing innovative solutions for the shortage of cadaver organs for small children. Surgeons here performed the first segmental liver transplant in 1986, the first split-liver transplant in the United States in 1988 and the nation’s first living-donor liver transplant in 1989. These advances provide a second chance to many children who might otherwise have died awaiting an organ.

Kidney: Since 1968, the Hospitals has had a history of success in more than 2,000 kidney transplants, with survival rates that exceed national norms. The Hospitals has the most experienced and active program in Illinois. Research conducted here by the kidney transplant team led to FDA approval of the monoclonal antibody OKT3, which became a common anti-rejection therapy. More recently a “humanized” version of this antibody, which causes fewer side effects, was developed at the University.

Pancreas: Fifteen years ago, University of Chicago surgeons performed the first pancreas transplants in Illinois for patients with advanced diabetes. Since then, success rates for pancreas transplantation at the Hospitals have far exceeded the national average. Pancreas transplants can control blood sugar levels and may prevent some of the complications of diabetes. More recently, in 1998, the Hospitals began to perform islet-cell transplants (a much less invasive procedure), using just the insulin-producing cells to restore blood-sugar control.

Clinical Advances Continue

For the first time ever, a team used a portable organ preservation system (POPS) to keep a human kidney and a human liver functioning at body temperature for nearly 24 hours after removal. Transplant surgeon David Cronin, MD, PhD, has been working for three years with a biotechnology company to develop this device. Traditional techniques cool the donor organ during transport, which diminishes its cellular activity and metabolic function. In contrast, the new POPS device stores the organ in a warm, blood-based solution, which may reduce damage and improve chances of survival for transplant recipients.

University of Chicago Hospitals is first in the country to perform stereotacti needle biopsies to diagnose breast cancer.
Heart: The Hospitals’ heart transplant program, in place since 1984, has expanded rapidly under new leadership to become the largest in Illinois with a success rate among the best in the nation. The heart team also works closely with the abdominal organ transplant team to orchestrate complex multi-organ transplants. Hospitals surgeons have performed more heart-liver transplants than any other program and performed the only successful heart-liver-kidney transplant.

FIRST LIVING-DONOR LIVER TRANSPLANT PATIENT
In 1989, University of Chicago surgeons performed the world’s first successful living-donor liver transplant. In that landmark operation, one-year-old Alyssa Smith received a portion of liver from her mother, Teri. Today, Alyssa is an active, healthy high school freshman.

Living-donor transplants increase the supply of organs for very small patients and reduce the need for children to wait for cadaver organs. Since 1989, the University of Chicago Children’s Hospital has performed more living-donor liver transplants for small children than any other program in the country.
Legacy from the Past: Neonatology and Pediatrics

The birth of modern obstetrics and neonatology can be traced to Joseph Bolivar DeLee, MD, whose crusade for safe, clean birthing conditions changed the paradigm for childbirth. In the late 1800s, most births took place at home. Countless women died, and many babies were injured at birth. Dr. DeLee opened Chicago Lying-in Dispensary in 1895 with high standards for cleanliness, patient care and training for doctors and nurses. In 1927, Chicago Lying-in Hospital affiliated with the University of Chicago, with Dr. DeLee as head of the new Department of Obstetrics and Gynecology.

Dr. DeLee established one of the nation’s first nurseries for premature infants at Chicago Lying-in Hospital. The concept of a neonatal nursery evolved into the field of neonatology.

As a major referral center for pediatric tertiary care, the University of Chicago Children’s Hospital provides advanced specialty care for complex medical problems.

INNOVATIVE TECHNIQUES EASE SURGERIES

Conventional surgery can be intimidating for anyone, but when the patient is a child, the fear factor rises. Donald Liu, MD, PhD, Chief of Pediatric Surgery, is one of the few pediatric surgeons nationwide to specialize in minimally invasive surgical techniques for children.

Minimally invasive techniques use tiny video cameras to peer inside the body and minute surgical instruments that fit through inch-long incisions. Most patients experience less postoperative pain, faster recovery, less scarring and fewer complications than with standard surgery. Since the mid-1990s, minimally invasive surgery has become common practice for adult patients. Yet, the trend has been slow to take hold in pediatrics.

Dr. Liu is accelerating that trend. He is the only Chicago surgeon performing a minimally invasive procedure for children with “funnel chest” deformity (pectus excavatum) and the only one offering minimally invasive surgery for children with gastroesophageal reflux disease, using radiofrequency energy to narrow the gastroesophageal junction and prevent reflux. This procedure can be performed on an outpatient basis.

EXPERT CARE FOR THE TINIEST PATIENTS AND THEIR MOTHERS

At the University of Chicago Hospitals, the tiniest patients receive full-scale medical and surgical care. The Hospitals’ neonatal intensive care unit (NICU) is one of the largest and most advanced in the United States, with nearly 50 beds designated for level III tertiary care — the most intensive level of treatment for infants.
Many neonatal patients suffer from both low birth weight and medical complications. Multidisciplinary care for these vulnerable newborns often begins at the moment of birth, or even before. The Hospitals' exceptional NICU team can perform complex cardiovascular surgical repairs on infants, and can provide ECMO therapy, which temporarily functions as the child's heart and lungs, for newborns with severe respiratory failure.

Care for newborns and their mothers often goes hand-in-hand. Through the University of Chicago Perinatal Network — a joint venture of the Department of Pediatrics and the Department of Obstetrics and Gynecology — University of Chicago physicians diagnose and treat women with high-risk pregnancies, as well as critically ill newborns. Through the Perinatal Network, the Hospitals functions as the referral center for 10 community hospitals, stretching from Kankakee to Chicago's North Side, and from Lake Michigan west to Naperville. The network provides consultation or treatment for more than 32,000 births per year. Infants and mothers may be treated at the University of Chicago Hospitals during their most critical stages and then transferred to their community hospital when advanced-level care is no longer needed. Additionally, the Hospitals has the only perinatal network in the country with a network-wide database to monitor all births and outcomes. This tool helps physicians and nurses continually upgrade services.
New Children's Hospital Pushes Standards Higher

When the new University of Chicago Comer Children's Hospital opens in 2004, it will provide the ultimate in pediatric healthcare facilities. The new building will be more than twice as large as the current Children's Hospital, which opened in 1967. It will feature the best in advanced medical technology and resources within an environment designed from the ground up for children and their families.

The new hospital will incorporate ideas submitted by patients and family members through the Kids’ Advisory and Family Advisory boards. Creature comforts were high on their list of priorities. As a result, the Comer Children's Hospital will include:

- Spacious patient rooms with big bathrooms and ample space for parents to sleep overnight;
- Personal computers in patient rooms so pediatric patients can access games, artwork or movies, keep up with their schoolwork, and communicate with other pediatric patients;
- A “kid-friendly” food court;
- Areas for pediatric patients to meet each other; and
- A kitchen, as well as laundry facilities, for families.

The new 155-bed hospital will include two 30-bed medical/surgical units, a 30-bed pediatric intensive care unit that is twice the size of the current unit and a 65-bassinet neonatal ICU. Surgical suites will be tailored to the unique needs of children before, during and after surgery.

“The new Comer Children's Hospital will be a beacon for our community,” says Herbert T. Abelson, MD, the George M. Eisenberg Professor and Chairman of the Department of Pediatrics. “It will help us to recruit and retain the very best clinical and research faculty to advance pediatric medicine.”
Recollections from Seven Decades

With 67 years at the University of Chicago Hospitals, gastroenterologist Joseph B. Kirsner, MD, PhD, presents the long view of the Hospitals’ evolution. He has seen much change over the decades, as technology flourished and healthcare was transformed. Yet, one thing remains constant. “The mission of William Rainey Harper (founding president of the University) has been maintained over the decades, with combined commitment to research, teaching and patient care,” Dr. Kirsner notes. “It has kept the Hospitals at the forefront of medicine. Yet, the mission has been applied differently at different times.”

EARLY DECADES EMPHASIZED RESEARCH & TEACHING

During the Hospitals’ first half-century, research and medical education took precedence over clinical care. “The early days of the medical center stood true to Harper’s mission,” Dr. Kirsner recalls. “Patient care was seen as a means to advance medical research and teaching.”

Dr. Kirsner’s own experience reflected this emphasis. When he joined the faculty in 1935, he says, “I was told I needed to do research to remain here.” With a $100 budget and a $500 grant, Dr. Kirsner converted a storeroom into a laboratory and began his studies on peptic ulcers. His work led to a new antacid treatment and a decrease in alkalosis, a frequent complication of earlier medication. Over the next 25 years, Dr. Kirsner and his mentor, Walter L. Palmer, MD, PhD, helped forge the Hospitals’ gastroenterology program into an internationally recognized center.

In the decade following World War II, nationwide interest in research intensified. Academic medicine flourished, as resources previously focused on the war effort were shifted to research in medicine and other fields to benefit the public. The National Institutes of Health grew from a small entity to a mammoth enterprise. In the 1950s, Dr. Kirsner persuaded NIH leaders to create the General Medicine Study Section, which is now a key supporter of GI research.

REDEFINED PRIORITIES BOLSTER PATIENT CARE

The trend toward greater emphasis on patient care began in the 1960s. “We began to ask, ‘Who speaks for the patient?’” he recalls. Dr. Kirsner became Chief of Staff in 1971. He and others pushed to improve patient care. Clinically oriented physicians joined the research-focused faculty, forming a unique academically based clinical and research approach to medicine. Today, says Dr. Kirsner, the University of Chicago Hospitals serves as a “model” for excellence in patient care, and for leadership in medical research and teaching.
Financial Highlights

Financial results from operations in fiscal year 2002 were among the very best in the Hospitals’ history. Admissions rose by more than six percent, with especially strong growth in the cancer, surgery and neurology programs. Both inpatient days and outpatient visits increased by five percent. Driven by top-line growth, operating income totaled $67 million on revenues of $697 million. This figure includes three components: $42 million of income from current year operations at the main Hospitals; a reduced loss of $11 million from distributed health system services; and a gain of $36 million from reserves set aside in prior years against billing system risks. This recovery reflects increasingly strong cash collections from accounts receivable over the past 18 months.

Ninety-five percent of operating revenues came from patient care services, while nearly half of expenses went to staff salaries and benefits.

In fiscal year 2002, the Hospitals provided $29.4 million of charity care at the main campus, including unreimbursed costs for Medicaid patients. This commitment to our community represents an increase of nearly 20 percent from 2001.

Non-operating items on the statement of revenues and expenses include market value losses from stock investments that track the S&P 500 index, a small gain from the sale of sites no longer needed within the health system, and a substantial but one-time write-off from the sale of Louis A. Weiss Memorial Hospital to Vanguard Health Systems Inc. In June, Vanguard assumed administrative and financial responsibility for Weiss, a community hospital on Chicago’s north side, under an arrangement that continues many of the Hospitals’ clinical and training programs there.

Even with the sale of Weiss and several other health system components, the Hospitals’ total assets on the balance sheet increased by three percent to $942 million. In September 2001, the Hospitals successfully issued $90 million of long-term debt to finance part of the $130 million Comer Children’s Hospital project — with the rest funded by generous donors, grants and operating income. Net assets, or amount by which assets exceed liabilities, decreased during the year from $378 million to $350 million. Excluding Weiss from the beginning balances, net assets were nearly level, as operating gains offset declines in the market value of investments.

The Hospitals again provided $15 million to the University’s Biological Sciences Division through the Academic Renewal Fund to support development of clinical and research programs. This transfer, as well as unrealized losses on investments, restricted contributions and changes in the valuation of derivatives, are recorded as other changes in net assets.

As a result of strong operating income and cash collections, together with increased focus on operations at the main Hospitals, the University of Chicago Hospitals & Health System is well positioned for the future of clinical care and innovation.
## Financial Report 2002

### STATEMENT OF REVENUES AND EXPENSES

*For the years ended June 30, 2002 and 2001 (in millions of dollars)*

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$697</td>
<td>$610</td>
</tr>
<tr>
<td>Compensation, supplies, services and other</td>
<td>521</td>
<td>495</td>
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<tr>
<td>Provision for doubtful accounts</td>
<td>55</td>
<td>65</td>
</tr>
<tr>
<td>Depreciation and interest</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>630</td>
<td>614</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>67</td>
<td>(4)</td>
</tr>
<tr>
<td>Impairment loss on investments, investment income and unrestricted gifts, net</td>
<td>(17)</td>
<td>31</td>
</tr>
<tr>
<td>Loss from the sale and operation of Weiss</td>
<td>(61)</td>
<td>(6)</td>
</tr>
<tr>
<td>Other, net</td>
<td>3</td>
<td>(4)</td>
</tr>
<tr>
<td>Excess (deficit) of revenues over expenses</td>
<td>($8)</td>
<td>$17</td>
</tr>
</tbody>
</table>

### BALANCE SHEET

*For June 30, 2002 and 2001 (in millions of dollars)*

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$197</td>
<td>$111</td>
</tr>
<tr>
<td>Investments</td>
<td>383</td>
<td>342</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>332</td>
<td>343</td>
</tr>
<tr>
<td>Other assets</td>
<td>30</td>
<td>116</td>
</tr>
<tr>
<td>Total assets</td>
<td>$942</td>
<td>$912</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$136</td>
<td>$124</td>
</tr>
<tr>
<td>Long-term debt, less current maturities</td>
<td>358</td>
<td>281</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>98</td>
<td>129</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>592</td>
<td>534</td>
</tr>
<tr>
<td>Net assets</td>
<td>350</td>
<td>378</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$942</td>
<td>$912</td>
</tr>
</tbody>
</table>

### PATIENT ACTIVITY

*For the years ended June 30, 2002 and 2001*

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>26,233</td>
<td>24,649</td>
</tr>
<tr>
<td>Patient days</td>
<td>159,173</td>
<td>151,196</td>
</tr>
<tr>
<td>Length of stay</td>
<td>6.07</td>
<td>6.13</td>
</tr>
<tr>
<td>DCAM visits</td>
<td>372,731</td>
<td>353,941</td>
</tr>
<tr>
<td>ER visits</td>
<td>71,039</td>
<td>68,085</td>
</tr>
</tbody>
</table>
Maintaining the Momentum

Seventy-five years ago, the founders shaped a medical center at the University of Chicago that would quickly become a leader in research, teaching and patient care. The new institution challenged conventions, exceeded expectations and generated new knowledge, which accumulates faster and faster each year. Guided by the vision of the University’s first president, William Rainey Harper, and all who followed, the founders’ mission — to make life better for those with disease — endures. It enables today’s physicians and scientists, nurses and technicians, indeed, all those who work at the Hospitals, to stand on the shoulders of giants, to see far into the future and to lead the way into a world with enormous promise for those who provide medical care, and for those who need it.