Our Vision

IS THAT ALL CHILDREN IN THE COMMUNITIES WE SERVE ARE ABLE TO REACH THEIR MAXIMUM HEALTH POTENTIAL.
Advancing Pediatric Care, Research and Training

For the past 14 years, the Foundation has raised funds to ensure that Lucile Packard Children's Hospital and the child health programs at Stanford University School of Medicine are able to provide the finest, family-centered care to children and expectant mothers; train the next generation of pediatric and obstetric medical leaders; and conduct research into treatments and cures for diseases of childhood and pregnancy.

Continued growth in community support has helped transform Packard Children's into one of the nation's top children's hospitals, and has sustained its commitment to care for any child in the community, regardless of their financial means. Due to that success, the Hospital now is operating well beyond its intended capacity, and has planned a major expansion. The Foundation launched its Breaking New Ground Campaign to help fund this expansion, and to support education, training, and research at the School of Medicine. In 2010, the Foundation reached $400 million toward its campaign goal of $500 million.

Also in 2010, the Development staff placed new emphasis on corporate partnerships, community events, and online fundraising—successfully engaging new donors in wider geographic regions, including the South Bay and northern Peninsula.

Overall in 2010, donations for the Hospital and School totaled $48 million, thanks to the generosity of 8,804 individuals, foundations, and corporations.

Among the Packard Hospital and School of Medicine highlights for the year:

- U.S. News & World Report has once again ranked Packard Children's among the nation's best pediatric medical centers. The 2010 "America's Best Children's Hospitals" issue placed three of the Hospital's specialties in the nation's Top Ten, including heart and heart surgery (#5), kidney disorders (#5), and neonatology (#6). These honors made Packard Children's the only Bay Area children's hospital with programs in the Top Ten.

- In April, Packard opened the new Center for Comprehensive Fetal Health & Maternal and Family Care, designed to provide coordinated treatment for mothers and infants with challenging diagnoses. Families expecting a child with complicated medical issues benefit enormously from the Center's collaborative subspecialty care and pioneering research.

- In an extraordinary event, the lives of three young Packard patients were saved by a single organ donor. Highly coordinated teamwork involving dozens of physicians, nurses, and Hospital staff resulted in separate pediatric kidney, heart, and liver transplants—carried out all on the same day. The three organ recipients are now thriving, thanks to Packard's nationally recognized leadership in transplant surgery and care, and of course, to the donor who made it possible.

- Nurses from the Red Cross War Memorial Children's Hospital in Cape Town, South Africa, arrived at Packard Children's last summer to kick off a joint quality improvement project. The ongoing alliance fosters the professional development of critical care nurses at both hospitals, and develops strategies to improve clinical practices and patient care.

- In a case believed to be a U.S. first, Packard's imaging team, led by Radiologist-in-Chief Richard Barth, MD, used prenatal MRI to detect a case of congenital chloride diarrhea (CCD). This frequently misdiagnosed genetic disease is extremely rare, with fewer than...
250 total cases reported worldwide, but it can cause serious metabolic problems and severe dehydration in newborns. Thanks to a course of treatment that began at birth, the young patient with CCD is now thriving. Her case is one of only four known instances of CCD diagnosis ever made via prenatal MRI.

- Researchers at Packard Children’s were awarded a $12.7 million grant from the National Institutes of Health to design a pediatric weight-control program that could be used across the country. Under the direction of Thomas Robinson, MD, MPH, the Irving Schulman, MD, Professor in Child Health, Packard’s Center for Healthy Weight boasts an impressive track record: more than 80 percent of participants succeed in reducing their weight during an intensive, six-month program. The NIH grant will enable Packard’s model to benefit more overweight children nationwide.

- Members of the Stanford Autism Center at Packard Children’s Hospital, participating in an international consortium of researchers, announced the discovery of specific genes that give rise to autism. They believe this new information about the biological underpinnings of the complex disorder may lead to novel treatments and therapies.

### Hospital Auxiliaries

Seven community-based Auxiliaries operate businesses and stage benefit events to support uncompensated care and other special projects at Lucile Packard Children’s Hospital.

In 2010, the auxiliaries and their individual members donated more than $1.6 million. San Jose Auxiliary runs the Thrift Box and hosts Pumpkin Patch each fall; Allied Arts Guild Auxiliary operates Allied Arts Guild in Menlo Park and stages Tally Ho annually; Charter Auxiliary runs monthly rummage sales; Palo Alto Auxiliary manages many popular fundraisers, including American Girl Doll events and Restaurants with Heart dining events; Roth Auxiliary manages and staffs the Gift Shop in Packard Children’s Hospital; San Mateo-Burlingame Auxiliary hosts special events; and the San Francisco Auxiliary presents the annual Jewel Ball gala.

In addition, the Association of Auxiliaries oversees the Auxiliaries Endowment which currently stands at $13 million. It comprises bequests from members of the all-volunteer Auxiliaries and their families. Since the endowment was formed in 1999, more than $5.3 million in payout has supported new Hospital programs, purchased equipment, funded major patient services and facilities, and endowed a fund honoring Harvey Cohen, MD, PhD, former chief of staff.

In 2010, the Auxiliaries Endowment payout of $845,487 was directed toward a $5 million pledge to the Hospital’s Phase II expansion project.
Taking Data Into Action

Following our statewide expansion of kidsdata.org in 2009, the Foundation focused in 2010 on marketing this flagship website, which offers data for all counties, cities and school districts in California. We cultivated relationships with key partners across the state, and over the course of the year held nearly 50 kidsdata workshops in 22 counties, from Shasta to San Diego.

Throughout the year, the Foundation also disseminated local information about children’s health and well-being to organizations in all 58 California counties. Staff also developed working relationships with numerous individuals in approximately 20 counties, including in the state’s major population centers, and with organizations that work statewide on behalf of kids.

In 2010, the Foundation significantly expanded the data offered on kidsdata.org. For example, more than 50 measures of child health and well-being were added, spanning special health care needs, family structure, demographics, emotional health, child safety, child care, and more. To promote the use of our data to foster improvements in children’s health, the Foundation in November 2010 awarded grants to 14 organizations in California to stimulate creative strategies for using data in their work. The grants, which incorporate data from kidsdata.org, will be used for a range of purposes, including data analysis, action planning, training and education, and public information campaigns.

More about the Foundation’s data and information programs is available on the website at lpfch.org/programs.
Enhancing the System of Care for Children with Special Health Care Needs

Improving California's system of care for children with special health care needs became the primary focus of the Foundation's investments in 2010. This relatively new area complements the Foundation's fundraising on behalf of Packard Children's Hospital by seeking to develop a more complete continuum of care for children with special needs in their communities.

To assess the current health status of children with special health care needs, the Foundation commissioned an analysis of California data from two national surveys. The resulting report, Children with Special Health Care Needs: A Profile of Key Issues in California, documents how poorly the state is faring on many measures for these children and their families. In fact, California is worst in the nation on a composite index that measures whether children with special health care needs have adequate health insurance, receive basic preventive care, and receive medical care that is comprehensive, ongoing and family-centered.

When the Foundation released this report in November 2010, it also announced formation of a new California Collaborative for Children with Special Health Care Needs. This statewide organization will provide a mechanism for individuals and organizations to work together to address some of the issues documented in the report and create an enhanced system. The Collaborative will not replicate the activities of existing groups, but will seek to bring together a range of stakeholders to address issues that are common to most children with special health care needs.

At the same time, the Foundation maintained its support of ongoing efforts by parent groups to improve the system, providing strategic planning grants for Family Voices California and its youth group. These grants will help the organizations define their goals and strategies for the next few years.

During 2010, the Foundation also continued to invest in work by the State of California to support a Medicaid Waiver from the federal government. Waivers allow the states to implement innovative programs, and California's waiver will focus in part on restructuring California Children's Services, the largest public funder of services for children with special health care needs. Under the waiver, the state will test pilot models of various systems of care for these children. The Foundation funded consultant assistance for hospitals and physician groups to determine whether they would apply to be pilot sites. The Foundation also supported development of an evaluation design for the pilots.

Addressing another important issue for children with special needs, the Foundation invested in a project whose goal is to implement changes in medical education. This work is designed to ensure that pediatricians are familiar with the complexity represented by the special needs patient population, and that there are sufficient numbers of trained pediatricians to lead the medical home teams that will be crucial to the future well being of children. In a related effort, the Foundation also convened national experts to develop and promulgate a common definition of care coordination.

More information about the Foundation's work regarding children with special health care needs can be found at lpfch.org/programs/cshcn/.
Dear Friends,

Thank you for your interest in the work of our Foundation. In 2010, we made solid progress toward our ongoing fundraising and programmatic goals, and we also extended our work in several new directions.

Our Breaking New Ground Campaign, which supports expansion of Packard Children’s Hospital and research and education at the Stanford School of Medicine, reached $400 million toward its $500 million goal by the end of 2010. Our Development staff also placed new emphasis on corporate partnerships, community events, and online fundraising—successfully engaging new donors in wider geographic regions, including the South Bay and northern Peninsula.

In total, 8,804 individuals, foundations, and corporations gave $48 million to the Hospital and child health programs at the School of Medicine in 2010. Packard Children’s also ranked once again among the nation’s top children’s hospitals, due in great part to the wonderful generosity of our donors.

The Foundation’s Programs and Partnerships work expanded in a new direction with the launch of the California Collaborative for Children with Special Health Care Needs. As increasing numbers of children are living with chronic conditions, our goal is to help create a higher-quality system of care for these children and their families. The Collaborative is a statewide effort to bring together families, providers, payors, policymakers and others to advocate for an enhanced system. This work complements our fundraising efforts for Packard Children’s by focusing on the lives of children outside the hospital setting.

After the 2009 statewide launch of our flagship website, www.kidsdata.org, we focused in 2010 on extending our reach throughout the state and ensuring that our data are used. To that end, we traveled around the state introducing the site, and we launched a competitive program of small grants to encourage organizations to develop innovative ways to use data to improve the health of children.

The continuing confidence of our donors and the collaborative spirit of our community partners make it possible for us to continue to move in new directions. We deeply appreciate your support of our efforts to ensure that children reach their maximum health potential.

Susan Orr  
Board Chair

David Alexander, MD  
President and CEO

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About the Foundation

Our Mission

To elevate the priority of children’s health, and increase the quality and accessibility of children’s health care through leadership and direct investment

Our Guiding Principles

The vision of the Lucile Packard Foundation for Children’s Health is that all children in the communities we serve are able to reach their maximum health potential.

Our work is guided by four core beliefs:

- All children are society’s responsibility, and their health should be a primary consideration in all economic, social, political, and personal decisions
- Children’s health includes their physical, mental and social well being
- Children should have access to high-quality, culturally competent, family centered health care when and where they need it, provided through a delivery system that recognizes their unique physical and developmental needs
- Society should continuously invest in research and innovation to improve the health and development of children

Our Programs

Fundraising for Packard Hospital and Stanford School of Medicine

The Foundation is the sole fundraising entity for Lucile Packard Children’s Hospital and the child health programs at Stanford University School of Medicine. Philanthropy supports clinical care, research, and education to improve the health of children and expectant mothers, locally and worldwide. To learn more, please visit supportLPCH.org.

Improving Systems of Care for Children With Special Health Care Needs

The Foundation invests in efforts that promote better systems of care in California, for children with special health care needs. Improving health care for children with special needs will enhance the quality of care for all children.

Elevating the Societal Priority of Children

The Foundation brings key children’s issues to public attention by providing wide-ranging, up-to-date data and research, and by tracking the status of California’s children over time through its website, www.kidsdata.org.

Our Governance

The Foundation is a 501(c)3 public charity that is governed by a board of directors. Although we are independent from Packard Children’s Hospital and the Stanford School of Medicine, all philanthropic dollars raised by the Foundation are directed to those entities. Our financial information and governance policies are published on our website, and we provide an annual online Report to the Community.

Our History
The Foundation is named for Lucile Salter Packard (1914-1987), in honor of her lifelong commitment to the well being of children. Mrs. Packard and her husband, David (1912-1996), cofounder of Hewlett-Packard, were the driving forces behind the development of Lucile Packard Children’s Hospital, from which the foundation evolved. The Hospital, which opened in 1991, merged with Stanford University Medical Center in 1996, and the Foundation was established as an independent public charity to ensure a continued source of dedicated funding and support for the health and well being of children.
Board of Directors, 2010

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Vice Chair and Treasurer
J. Taylor Crandall

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Elaine Chambers

President and CEO
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Chris Schaepe
Edward L. Schor, MD
Steven Schroeder, MD
Boyd Smith
George Still Jr.
### Financial Statements

#### Years Ended December 31, 2010 and 2009

#### Statements of Activities

<table>
<thead>
<tr>
<th>Changes in unrestricted net assets:</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues and other support:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income and gains, net</td>
<td>$11,093,743</td>
<td>$15,597,234</td>
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<tr>
<td>Reimbursement of development expenses</td>
<td>9,571,092</td>
<td>8,453,074</td>
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<tr>
<td>Other Income</td>
<td>32,720</td>
<td>76,608</td>
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<tr>
<td>Net assets released from restrictions</td>
<td>3,891,724</td>
<td>3,574,191</td>
</tr>
<tr>
<td><strong>Total unrestricted revenues and other support</strong></td>
<td><strong>24,589,279</strong></td>
<td><strong>27,701,107</strong></td>
</tr>
</tbody>
</table>

| Expenses:                         |            |            |
| Children’s Health Initiative      | 3,891,724  | 3,574,191  |
| Development                       | 8,508,749  | 7,744,378  |
| Foundation programs               | 2,070,786  | 2,937,590  |
| Finance and administration        | 1,463,294  | 1,350,903  |
| **Total Expenses**                | **15,934,553** | **15,607,062** |
| Increase in unrestricted net assets | 8,654,726  | 12,094,045 |

#### Changes in temporarily restricted net assets:

| Investment income and gains, net  | 7,175      | 137,209    |
| Net assets released from restrictions | (3,891,724) | (3,574,191) |
| Return of unused grant funds      | 3,951,510  |           |
| **Increase (decrease) in temporarily restricted net assets** | 66,961     | (3,436,982) |
| Increase in net assets            | 8,721,687  | 8,657,063  |
| **Total net assets, beginning of year** | **121,395,438** | **112,738,375** |
| **Total net assets, end of year** | **130,117,125** | **121,395,438** |

#### Statements of Financial Position

<table>
<thead>
<tr>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$12,318,854</td>
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<tr>
<td>Pledges designated for others</td>
<td>55,301,249</td>
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<tr>
<td>Investments</td>
<td>147,827,414</td>
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<td>Note receivable from related party</td>
<td>684,850</td>
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<tr>
<td>Other assets</td>
<td>933,553</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$217,065,920</strong></td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$4,711,954</td>
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<tr>
<td>Deferred rent</td>
<td>470,315</td>
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<tr>
<td>Grants payable:</td>
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<tr>
<td>Community grants</td>
<td>391,500</td>
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<tr>
<td>Children’s Health Initiative grants</td>
<td>1,407,740</td>
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<tr>
<td>Net assets:</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>99,541,587</td>
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<tr>
<td>Temporarily restricted net assets</td>
<td>30,575,538</td>
</tr>
<tr>
<td>Total net assets</td>
<td>130,117,125</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$217,065,920</td>
</tr>
</tbody>
</table>

Note: The notes that accompany the financial report are an integral part of the financial statements and are required for a full presentation. They are not included here. Copies of the audited financial statements are available upon request.