

Financial Stewardship Strategies

- Continue to implement financial stewardship policies and practices
- Conduct periodic reviews in select areas to ensure Stevens identifies and implements financial improvement opportunities
- Institute future-oriented financial planning practices
- Enhance training and communication on financial matters

Measurable Goals

- Achieve 2006 operating margin of -\$135,000 and total margin of \$1,200,000
- Achieve annual threshold level of cash flow from operations of 2% of net revenue
- Increase days cash on hand during 2006 by 2 days
- Increase days cash on hand (post 2006) by 5 days/yr. towards goal of 100 days
- Improve Moody's bond-rating by one rating category each year
- Invest in facilities and equipment such that the average age of plant is reduced from 12.0 to 9.5
- Reduce debt-to-equity ratio from 1.6 to less than 1.0 over a 5-year period*
- Document and distribute an Annual Report summary of the community benefits provided by Stevens Hospital (by 6/30 of each year)

* This ratio utilizes long-term department from operations and excludes tax levy supported debt

Community Engagement Strategies

- Stimulate a sense of community partnership and ownership of Stevens Hospital
- Strengthen connections among employees, physicians and the community through increased involvement and feedback
- Re-establish Stevens Hospital Foundation
- Either directly or in collaboration with others, provide health and prevention services throughout the community
- Enhance Stevens' relationship with local police, fire, emergency medical services and educational institutions

Measurable Goals

- Each member of Stevens senior management team:
 - Presents Stevens' Strategic Plan to a community/civic body during first half of 2006
 - Makes 2 additional community presentations annually
- 100% active participation among Operations Council and Directors in at least one community, civic or local charitable organization
- Achieve year-to-year improvement on measures in community opinion survey
- Achieve 60 annual positive media coverages (2005 YTD results are 30)
- Participate in 20 health screenings / fairs annually
- Increase number of active auxiliary members from 18 active members to 100
- Increase the number of participating volunteers from 175 to 350
- Host events at more than 7 public venues annually

Workforce Development Strategies

- Invest in management & staff development
- Celebrate and invigorate employees & physicians
- Foster a culture of employee empowerment and involvement
- Strengthen organizational values
- Improve employee recruitment and retention
- Improve relations with organized labor through increased communication

Measurable Goals

- Become listed as one of Puget Sound's "Best Places to Work" in Washington CEO magazine
- Reduce the average time to fill a vacant position by 40%
- Convert 10% of part-time employees to full-time status
- Reduce the unwanted turnover rate from 2.4% to 1.25%
- Active involvement of 30 employees per year in performance improvement projects
- Achieve employee satisfaction results that demonstrate improvements in all measured indicators

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2006-2008 Strategic Plan



Medicine is changing.
So is Stevens.

Stevens Hospital Mission

Improve the health and well-being of the community through local, high-quality and compassionate healthcare services.

Stevens Hospital Vision

To be a trusted and financially strong provider of high-quality healthcare services who collaborates with others to creatively respond to the health needs of a diverse community.



Facilities /Capital Strategies

- Develop an ongoing and sustainable capital access program
- Initiate an aggressive timetable and planning effort to replace, expand and modernize and maintain the Stevens Hospital campus/facilities to meet our communities' needs
- Develop a methodology for evaluating the allocation and use of capital (capital spending and balance sheet strengthening)
- Develop and implement an Information Systems Strategic Plan

Measurable Goals

- Achieve annual threshold level of cash flow from operations of 2% of net revenue
- Achieve annual net funds from Foundation of \$1 Million
- Achieve district voter approval for an increase in the existing Maintenance & Operations Levy
- Achieve district voter approval for capital bond issue

Quality & Customer Service Strategies

- Continue to develop, communicate and manage to measures of quality
- Enhance internal training and development programs for customer service
- Institute policies and practices that foster patient-centered service
- Strive for quality award recognition

Measurable Goals

- Improve quality scores in four major volume areas or procedures
- Achieve incremental reimbursement payments by demonstrating quality that meets necessary targets
- Establish one or more departmental quality indicators that are tracked and monitored, with improvement demonstrated monthly
- Maintain readiness for accreditation
- Improve "recommend" score to above the database mean in the customer satisfaction survey
- Reduce avoidable patient days by 75%
- Establish measurement(s) of progress consistent with "100,000 Lives Campaign" participation

Physicians Partnership Strategies

- Improve the hospital environment as a place for physicians to practice
- Stimulate mutual understanding of business interests and economic drivers
- Increase volume of clinical activity for hospital and physicians
- Develop varied business partnerships with physicians

Measurable Goals

- Increase year-to-year hospital admissions of 7% by June 2007
- Increase in outpatient visits of 10% by June 30, 2007
- Increase in number of active medical staff from 240 to 350



Image Enhancement Strategies

- Establish a strong Stevens brand that is recognized as well-integrated with the local community
- Actively address the role of facility in presenting an image to customers and visitors
- Increase positive external messages

Measurable Goals

- Increase unaided awareness of Stevens in the primary and secondary market from 2004's rating of 50% to 60%
- Communicate quality messages via four communication vehicles in 2006
- Twenty members of the leadership team will present a Stevens presentation at civic and community groups

Scope of Services Strategies

- Formalize and apply an objective set of criteria to programmatic / service line decision-making
- Develop a set of decision-support tools