

Vision 2010 Refining our focus

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HE VITAL transformation that began with our launch of Vision 2010 in 2005 was a bold commitment—to our patients and to the communities we serve—to make Harrison the best medical center in the Puget Sound region. We backed that commitment with a promise to do what it takes to provide you with exceptional patient care and customer service close to home.

Our employees, medical staff, leadership team, and board of directors share this vision of Harrison as a place where we can do outstanding work, adopt best practices, and fulfill our mission.

Our rigorous five-year process focuses on putting patients first. We're doing this by expanding healthcare services and access to them, heightening standards of clinical excellence, accelerating physician and employee collaboration, updating technology, and achieving financial stability.

We've also refined our Vision 2010 road map to concentrate even more on quality standards, customer service, and the clinical and operational arenas. Every patient deserves our best care—from every facet of our organization—every day.

Now, three years into our vision, we continue to move confidently and skillfully on this important journey. As this year's annual report highlights bear out, our noble work and accomplishments continue to support our shared vision on behalf of the patients and communities we serve.

Our aspirations are becoming realities.



A handwritten signature in dark ink that reads "Scott W. Bosch".

Scott W. Bosch
President and CEO

Vision 2010 focuses on putting patients first.

Every patient deserves our best care—from every facet of our organization—every day.



Highlights of the year

Our mission
We make a positive difference in people's lives through exceptional medical care.

GROWTH

Master facilities plan. We're altering the look of healthcare in our region, starting with plans to build a 92-bed Silverdale expansion. We'll sell \$175 million worth of tax-exempt bonds to fund the project and open in 2012. The Bremerton remodel currently under way will create more private rooms and better suit patient needs.

Port Orchard Urgent Care. We broke ground on a new, two-story, 36,000-square-foot medical building that will house a 24-hour urgent care center, expanded imaging services, physician offices, and a host of outpatient services. We're on track to open in early 2009.

North Mason healthcare. We partnered with North Mason's Public Hospital District 2 to provide primary and urgent care services at a clinic now being built in Belfair. We'll lease the new 7,800-square-foot clinic for at least 10 years under terms of the contract with PHD 2. The facility, to open in early 2009, will provide 12-hour urgent care in addition to primary care and outpatient laboratory and radiology services.

*I was treated with great care
and respect during my stay!
It was a wonderful experience.
B. C., Silverdale*

PEOPLE

Employee engagement. We achieved 85 percent participation in our fourth year of taking the Gallup Organization employee engagement survey. Not only was our participation the highest it's ever been, but our ratio of actively engaged employees to actively disengaged employees rose to its highest ever, 4-to-1, as compared with 3.54-to-1 last year.

Physician engagement. Our physicians rated a grand mean score of 4.05 (out of 5) in the Gallup Organization physician engagement survey. That score puts physician engagement in the 79th percentile, well above the national best-practice 75th percentile.

Hospitalists service. Using a progressive, patient-focused approach, 18 hospitalists in 14 full-time-equivalent positions help manage patients throughout our continuum of hospital care.

QUALITY

Joint Commission survey results. Joint Commission surveyors arrived unannounced in August to take an in-depth review of our operations. This independent, not-for-profit organization accredits and certifies more than 15,000 healthcare organizations and programs in the United States. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards.

Our hospital had work to do in several areas, but our physicians and staff impressed the surveyors at every turn. We've met all compliance conditions and will continue to have full accreditation status for both the hospital and home health for the next three years.

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2008 Board of Directors

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To learn more about Harrison's board of directors, click on "About Harrison" at harrisonmedical.org.

*This was my first time in the hospital,
and I was treated with much care and comfort—this is
a great hospital and great staff.*

D. M., Belfair

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Relationship and Results Oriented Healthcare™ (RROHC). We're in our third year of delivering care by this philosophy and method that combine patient- and family-centered communication with high-impact team practices to create positive health outcomes. Eighty-three of our registered nurses have earned RROHC certifications, with 18 more currently in the process.

Emergency Department. Local demand for emergency services continues to grow, with our ED patient load increasing 8 percent over last year—5,470 more patients to a high of 75,822. This year the state Department of Health trauma service surveyors found Harrison's "overall care to be outstanding." They emphasized that our trauma program provides a vital community service and has demonstrated growth and continued improvement since our last designation in 2005. Harrison Bremerton has been redesignated as a Level III Trauma Center.

TECHNOLOGY

Harrison Electronic Record and

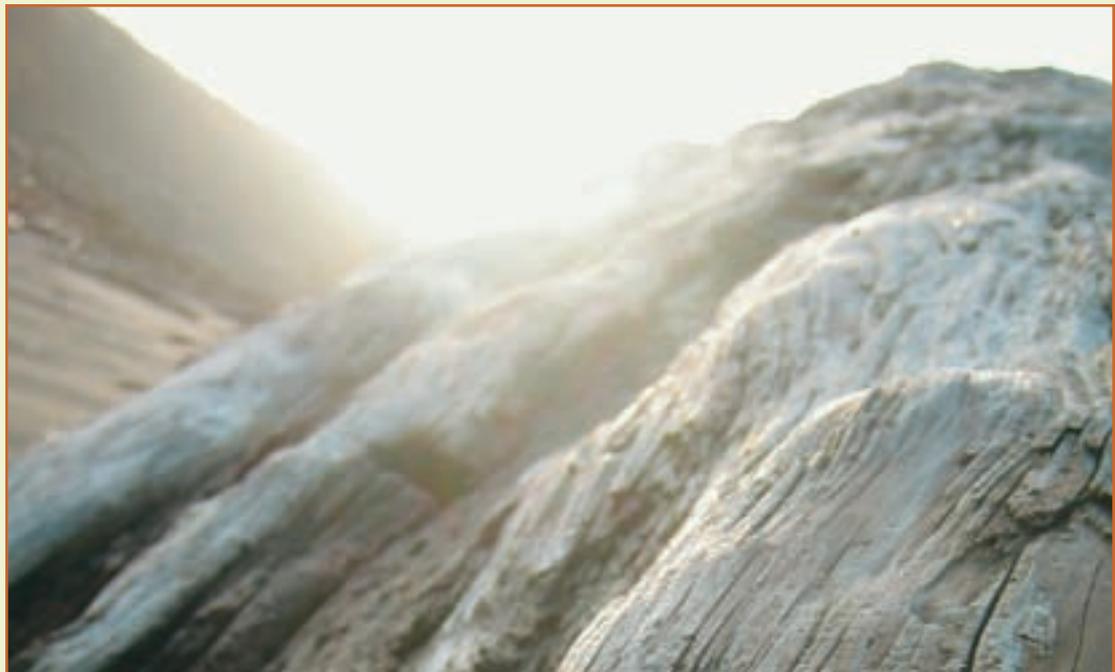
Orders (HERO). We've taken deliberate forward steps in our three-year plan to implement an electronic medical record system. This \$30.5 million project will streamline efficiency while improving patient safety, medical outcomes, and customer service. Patient privacy is guaranteed.

In September, all three Harrison campuses implemented HERO's first major phase. Now our clinical professionals can electronically enter, view, and share information essential to patient care.

Pharmacy progress. Bremerton's Pharmacy Department has completed a full remodel.

A robotic medical carousel system that uses barcode technology for all medications also has been installed and activated. This system is a predecessor to bedside scanning of medications in the near future. We're one of only three hospitals in the Puget Sound region using this technology.

Oncology services. Patient volume in our nationally recognized cancer care program led us to add a second linear accelerator. We've expanded our use of image-guided radiation therapy, an advanced intervention that allows for greater accuracy in radiation treatments.



Annual statistics

Admissions		Average stay (in days)		Births		Surgeries		ED visits	
2008	17,148	2008	3.9	2008	2,063	2008	12,771	2008	75,822
2003	13,832	2003	3.8	2003	1,791	2003	11,597	2003	51,320
1998	11,971	1998	3.7	1998	1,668	1998	10,685	1998	40,051
1993	13,534	1993	4.4	1993	2,216	1993	8,259	1993	40,116
1988	12,297	1988	4.7	1988	1,806	1988	6,139	1988	27,733



I would feel very comfortable returning to Harrison as well as taking my family to the facility. I would highly recommend your facility and appreciate the wonderful service we received.

H. L., Gig Harbor

Statement of revenues and expenses

As a nonprofit medical center, Harrison receives no direct tax subsidies. Our revenues are returned to the region in the form of services, technology, facilities, and programs.

REVENUES

Patient revenues—Net ¹	278,113,000
Other operating revenues	3,705,000
Non-operating revenues	5,447,000
Total	\$287,265,000

¹ Revenues of charity care totaling \$13,064,000 and discounts of \$263,002,000.

EXPENSES AND OTHER

Wages and employee benefits	\$143,153,000
Other expenses ²	91,389,000
Depreciation and interest expense	13,954,000
Patients failing to pay	12,378,000
Total	\$260,874,000
Excess funds for reinvestment ³	\$26,391,000

² Includes supplies, services, insurance, taxes, utilities, and rentals.

³ Reinvestment in future health programs, services, equipment, and facilities.