



**Armed Forces Retirement Home (AFRH)
ADVISORY COUNCIL MEETING
Thursday, October 17, 2024
10:30 – 12:30 ET
AGENDA**

LOCATIONS:

- Armed Forces Retirement Home-Washington, 140 Rock Creek Church Road NW, Sherman Building, Room 206, Washington, DC 20011
- Armed Forces Retirement Home-Gulfport, 1800 Beach Drive, Admin Conference Room, Gulfport, MS 39507

VIDEO/TELECONFERENCE:

Meeting URL: <https://meet.goto.com/845277549>

Optional Dial-in: (224) 501-3412

Access Code: 845-277-549

AGENDA

- **CALL TO ORDER / WELCOME / INTRODUCTIONS – Chair – Mike Heimall, Director, Washington DC VA Medical Center**
- **AFRH CHIEF OPERATING OFFICER (COO) REMARKS – John RisCassi**
- **AFRH CHIEF EXECUTIVE OFFICER (CEO) REMARKS – Steve Rippe**
- **FINANCIAL UPDATE – Travis Cook, AFRH Chief Financial Officer**
- **ORGANIZATIONAL ACCREDITATIONS BRIEFING – Lakesia Campbell, AFRH Performance Improvement Officer**
- **BREAK**
- **MARKETING AND ADMISSIONS BRIEFING – Karen Nowowieski, AFRH Public Affairs Officer**
- **SHERIDAN BUILDING RENOVATION BRIEFING – Justin Seffens, AFRH Corporate Facilities Manager**
- **TECHNOLOGY MODERNIZATION FUND INVESTMENT BRIEFING – Travis Smith, Strategic Advisor**
- **COUNCIL DISCUSSION – Chair – Mike Heimall**
- **CLOSING REMARKS / NEXT MEETING DATE – Chair – Mike Heimall**
- **ADJOURN**



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ADVISORY COUNCIL
MEETING MINUTES
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Council Members Present

In-person

Mr. Michael Heimall, Chair
Col. Jason Blaylock
Mrs. SherryBeth Grady
Col. Peter Kulis
Mr. Robert McAndrews
Dr. Stephanie Repasky
Mrs. Hilary Rosado
Mrs. Katie Smith-Sloan

Teleconference

LTC Maria Bentinck
Dr. Alice Bonner
Mr. William Burns
Dr. Ann Kolanowski
Dr. JoAnne Reifsnyder

Council members absent

Mr. Leon Caffie

Speakers

Mr. John RisCassi, AFRH Chief Operating Officer
MG Steve Rippe, AFRH Chief Executive Officer
Mr. Travis Cook, AFRH Chief Financial Officer
Mrs. Lakesia Campbell, AFRH Performance Improvement Officer and Designated Federal Officer
Ms. Karen Nowowieski, AFRH Public Affairs Officer
Mr. Justin Seffens, AFRH Corporate Facilities Manager
Mr. Travis Smith, AFRH Strategic Advisor

AFRH staff

Ms. Donna Smith, AFRH Acting Deputy Chief Operating Officer
Mr. Joe Pollard, AFRH Chief Counsel
Ms. Marine Robbins, AFRH Public Affairs Specialist

Others

Dr. Leon Hutton
Mrs. Laura Kennedy
Mrs. Nancy Royster

Mr. Heimall called the meeting to order at 10:30 a.m., offering opening remarks along with Mr. RisCassi and MG Rippe. Mr. Cook provided a financial status update highlighting overall income, expenses, spending authorizations, and the trust fund balance, as well as discussing key revenue and cost trends. Mr. Cook noted that AFRH's operating authority of \$68 million in 2024 is less than the \$70 million actually spent due to two-year carry over funds which assists with contingencies and funding gaps between fiscal years such as continuing resolutions and appropriations lapses. For 2025, AFRH is subject to the Fiscal Responsibility Act spending cap resulting in flat line for operating spending with all of the required 10% cut taken from the capital budget. In capital authority for FY 2025, AFRH requested \$32 million total authority, for which \$31 million is for the Sheridan Building renovation and will be paid with general funds, with the remaining in \$1 million for ordinary capital maintenance—representing a \$7 million cut from FY 2024. The trust fund is estimated to end FY 2024 at \$192 million with \$76 million encumbered

for the Sheridan renovation project with a net of \$116 million. Mr. Cook noted that AFRH has doubled the trust fund balance since 2016.

Mr. Cook provided revenue trends, noting steadily increasing resident fees since 2021, realizing a \$2 million increase as a result of increased occupancy and higher resident fee rates from cost-of-living increases for military retirees, however noting a \$1 million decrease from DOD fines and forfeitures. Mr. Cook highlighted a significant increase in investment income from \$48,000 for 2021 to over \$10 million in 2024. Mr. Cook provided a cost trends update noting that food and labor were the primary drivers with a \$1.1 million increase in food cost since 2022 mainly due to inflation. Due to statutory federal pay increases, AFRH experienced a \$4 million increase (40% over 2 years) as well as a 35% increase of \$1.4 million in contract labor as a result of minimum wage increases, impacting primarily the janitorial and food service laborers as well as IT, Dept. of Treasury and HR contract increases. Mr. Cook noted that AFRH received a \$6 million investment from the Technology Modernization Fund managed by the GSA to update AFRH's IT infrastructure and electronic health record with a 25% payback (\$1.2 million) over 5 years.

Mrs. Smith-Sloan asked two questions:

- 1.) Do you outsource your food service? A) Food prepared on site through a contract service.
- 2.) Are you a part of DOD? A) We are an independent agency and are not under DOD financially. AFRH works directly with Office of Management and Budget from the Executive Office of the President and through congressional subcommittees for appropriations.
Mrs. Sloan-"which committees oversee the home." A) Senate and Veteran Affairs, military construction and other related subcommittees.

Mrs. Campbell provided the accreditations update noting that both campuses completed The Joint Commission surveys in 2024: Washington from May 14-17 and Gulfport from June 4-7, achieving full accreditation without conditions. As successes, Mrs. Campbell noted that there were no Home Care findings during the survey for either campus with challenges noted as two sentinel event falls in the DC facility. *It is noted that the slide presented to the committee reflects 3 falls but explained that one was removed on 10/16/2024 as the supporting documentation does not support a fall with injury. Mrs. Campbell updated that as a result of two sentinel event falls from May-October 2024, the DC campus plans to implement a quality/safety stand down to fully access the falls program. Mrs. Campbell noted that the Gulfport campus received a high risk, wide spread finding during the survey resulting from two sterilization/infection control deficiencies. It was explained that one deficiency resulted from sterilization packs containing a substance on the pack that prohibits confirmation of package integrity and the other deficiency resulting from inappropriate biological testing for the autoclave on site. The council was updated that the immediate mitigation for those findings included removing the instruments out of circulation and immediately discontinuing the use of the autoclave until sterilization could be confirmed.

LTC Maria Bentinck's question:

- 1) How does The Joint Commission score observations when they are in any facility? A) Mrs. Campbell explained that AFRH is accredited under the Ambulatory Care, Nursing Care, Assisted Living and Home Care manuals and the SAFER matrix reflects each manual for each campus. It was explained that the SAFER matrix is a risk matrix on an X, Y axis that assists organizations with determining their focused areas of improvement based on the scope and potential risk to the organization.

2) How often are you accredited? A) Every 36 months.

Mrs. Campbell updated the council that AFRH has decided to retain CARF accreditation due to statutory requirements to maintain accreditation within all levels of care.

Ms. Nowowieski provided a public affairs and admissions update highlighting a change in eligibility requirements to include removal of the age 60 requirement, admissions of couples with non-military spouses and admission of National Guard and Reserve to ensure compliance with Title 24. Ms. Nowowieski notes an increase of female veterans by 85% over both campuses, an increase of couples by 75% and one same sex couple in Gulfport. AFRH has improved the processing time since April 2024 to 21 days. Current data reflects 669 total inquiries to date with 171 total applications processed. 22.7% of people placing inquiries are researching options prior to decision-making to enter the home which should result in a steady stream of interested veterans. 10.7 % of interested veterans are interested for move-in within the next 12 to 24 months which aligns with AFRH's 5-year plan. Future target areas include those areas that Medicare Advantage are expected to drop-Vermont, New Hampshire, Rhode Island, Wisconsin, Michigan and potentially Florida and North Carolina. Also noted is that now that there is an applicant from the Philippines, the plan is to be better positioned to maintain visibility internationally as veterans are retiring and considering housing options.

There was a question of current occupancy. A) Currently at 85% in Gulfport with a goal of 90% by January 1, 2025. DC's current census is at 93%-a decrease from 101% due to planned renovation. Ms. Nowowieski notes the current challenge with the VA affiliates is that AFRH is incorrectly perceived as a skilled nursing facility for individuals who need immediate placement so there is an effort to ensure that advertising material appropriately describe the home as a retirement community.

Mr. Heimall asked if the DC and Gulfport staff needed more education on the AFRH programs. Ms. Nowowieski responded that there have been some questions from the VA and noted that she is working closely with staff regularly to ensure that correct information is provided to veterans AFRH offerings. Ms. Nowowieski stated that they review ways to assist as many veterans as possible as they review eligibility requirements. Mr. Heimall stated that during recent conversations with insurance executives, the consensus is that a trend is going to occur with Medicare Advantage (MA) that a lot of insurers will exit a lot of the markets. Ms. Nowowieski stated that while they hate to capitalize on natural disasters, inflation, mortgage rate increases and insurance, they watch and monitor all to help target the areas of greatest increase and they've been successful with that. Mr. Heimall stated that it appears that United Healthcare is probably the only one in the market that is all in on Medicare Advantage and everyone else is looking for a way out. Ms. Nowowieski stated that they also watch changes to VA funding, changes to VA policy, as they want to develop a relationship with our local VA to help with prescriptions because once our residents move up in care, because they have different doctors, they can't get the prescriptions that they were getting and many times, if they don't have Medicare Part D, "we going to be on the hook for that." She stated that we want to develop an MOU or agreement of some kind where doctors can work with our doctors. She stated that we do it at the state Veterans Home level so we can certainly do it at this level.

Ms Sloan stated "going back to MA for a second, across the country, we're seeing MA reimbursements rate plummet, sometimes less than Medicaid rate and we're doing a lot of advocacy around that. It just feels like how to fix this problem because it's really unfair to the providers to be paid so little by the MA plan. I don't think that that was ever CMS's attempt. The attempt to privatize has not been successful in my opinion, particularly for acute care for sure."

Mr. Travis Smith briefed updates on the Sheridan building renovation. Initial funding is in the bank and generating interest for phase 1. He stated that AFRH received the funding of \$77 million in FY 23 which at the time was what we expected the entire project to cost. The estimate was several years old, pre COVID before the various market and supply chain inflationary changes. The revised estimate through General Services Administration for the project is now up to an additional \$31 million which was requested in the FY 25 budget. He notes that it is included in both the House and Senate versions of the FY 25 bills and AFRH leadership expects it to pass. He stated that we're on continuing resolution right now which is expected to last until at least December so the need is for Congress to pass the budget. He states that he is hearing it is likely going to go past December, probably into March or April.

MG Rippe stated that the renovation project is on track to start June/July 2025. To answer a council member question of "What is that building?" MG Rippe explained that Sheridan is the main resident building in DC currently holding 435 rooms, noting that the rooms are smaller than Gulfport at 272 square feet. He explained that the renovation is going to use the current external balconies and turn them into hallways and double the size of every room. He stated that we will have some 700 sq. ft. rooms here and 40,000 sq.ft. added to the building, put a laundry area on every floor, and it will be a green building. He explained that Assisted Living residents will move down to the first floor. For the renovation, he explained the way the building was constructed, it has a firewall in the middle with separate utilities to each side. All of the residents have been moved to the south side, with renovations taking place in half of the building on 7 floors of the north side of the building. He noted that once the north side was complete, the residents would move to the north side and the south side will be renovated.

Mr. Smith briefed that although General Service Administration would like to have all of phase one and two funding before starting on phase one, AFRH has more than enough to get through the first phase and most of the second phase. He noted that the second phase was not expected to start until about a year and a half after the start of construction. He stated that right now, AFRH is on track for the construction management award in March and then major demolition activities expected around June of next year.

MG Rippe briefed that upon his arrival 7 years ago, because of the state of the home, the home was only authorized \$1 million a year for capital. We're a \$500 million physical plant. The answer is \$10 million. So since FY20, we've got \$47 million for capital project spending authority, which is essentially enable us to fix all of the things that were end of life and needed to be fixed."

Mr. Smith briefed "So we've chunked through a lot of the reserve deferred maintenance projects, some of the awards that we're expecting to come for the new year once continuing resolution is resolved." He noted that in Washington, we're looking at chiller installation for the Sherman building, the high voltage equipment installation, repairing the Rose Chapel's waterproof envelope and finishing the second phase of the water infrastructure upgrades on the 50- to 100-year-old water infrastructure."

For Gulfport, he briefed that we are moving ahead with replacing both the primary and back-up generators with boilers and the chillers for the entire building. He noted the challenge for 2025 is that every agency had to take a 10-14% reduction under the Fiscal Responsibility Act. He stated that the Office of Management Budget took that \$7 million directly out of capital-putting us back to the \$1 million level.

MG Rippe stated that 'they're giving us \$32 million, 31 of that goes to the Sheridan renovation. He stated that "we have enough capital stuff going on right now so the \$1 million is fine" for one year.

Mr. Smith briefed the council on the Technology Modernization Fund stating that the \$6.1 million investment from the government wide technology modernization fund is managed by General Service Administration and allows federal agencies to submit proposals to receive an investment to complete technology projects. AFRH's our current electronic health record presents capability challenges and that AFRH has been working with the DOD/VA Federal Electronic Health Record Management Office (FEHRM) to assist with reviewing both the DOD and VA system. After reviewing both versions, that pursuing the DODs version does not have long term care capability within the system itself and would require a separate contract. He noted that DOD's success with implementation is partly because they deployed to each facility a standard system the way they designed it without initial customization. Additionally, it would be challenging for all of ARFH staff to receive DOD CAC cards so with those two main issues, AFRH expects that the DOD version will not meet its needs. Mr. Smith briefed that a health care team of AFRH employees visited the North Chicago VA to review their system, which includes long-term care capability, with positive feedback that it would better fit AFRH needs. The VA is currently looking into how we might fit into their implementation/deployment cycle and considering some of the same challenges as with the DOD system 1) how do we provision users? 2) How do we provide network access from AFRH facilities to the VA system, etc.

Other updates include: AFRH is still investing in hardware upgrades with deployments of new laptops and desktops to users, and will berolling out new network hardware to both campus locations with the next few months.

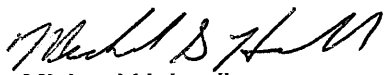
Mr. Heimall commented that it may be a good cost break by modding the VA contract to add the two homes, but could potentially avoid credentialing issues by contracting directly with Oracle Cerner. "And then it facilitates for the same page and it facilitates exchange of information through health information exchanges a lot easier than actually logging into a VA system." Mr. Smith acknowledged the consideration and commented that 'we just don't know where we're going to fit into the VA deployment cycle yet." He commented that we're hoping to receive some assistance from the TMF in consideration from the VA, noting that AFRH would benefit from the type of implementation team that assisted North Chicago and he is unsure if we receive that type of support going directly with Cerner Oracle but noted that leadership is considering going directly with Cerner Oracle.

Dr. Kolanowski commented that based off of research that she is involved with to survey the health information technology maturity across nursing homes in the US, she recommended that we also pay attention to feedback from direct care staff regarding how the system facilitates their workflows. She states that they are finding that what works for administrators and leaders are not working for front line staff.

Mr. Smith briefed that components of AFRH's current system perform other workflows for other areas including billing, incident reporting, and other key business functions. He noted that replacements or workflows within the new system will likely be required. There were no questions or additional comments from any board members.

There are no open recommendations or action items. With the agenda complete, Mr. Heimall opened general discussion, announced his retirement from the VA, and spoke briefly of his professional transition. He expressed his appreciation of being affiliated with the home and

gratitude of the work done at AFRH. MG Rippe and Mr. RisCassi thanked everyone for their participation. Mr. Heimall adjourned the meeting at approximately 11:30 a.m.

A handwritten signature in black ink, appearing to read 'Michael Heimall', written in a cursive style.

Michael Heimall
Chair