

AFRH STRATEGIC PLAN
FISCAL YEARS 2013 - 2016

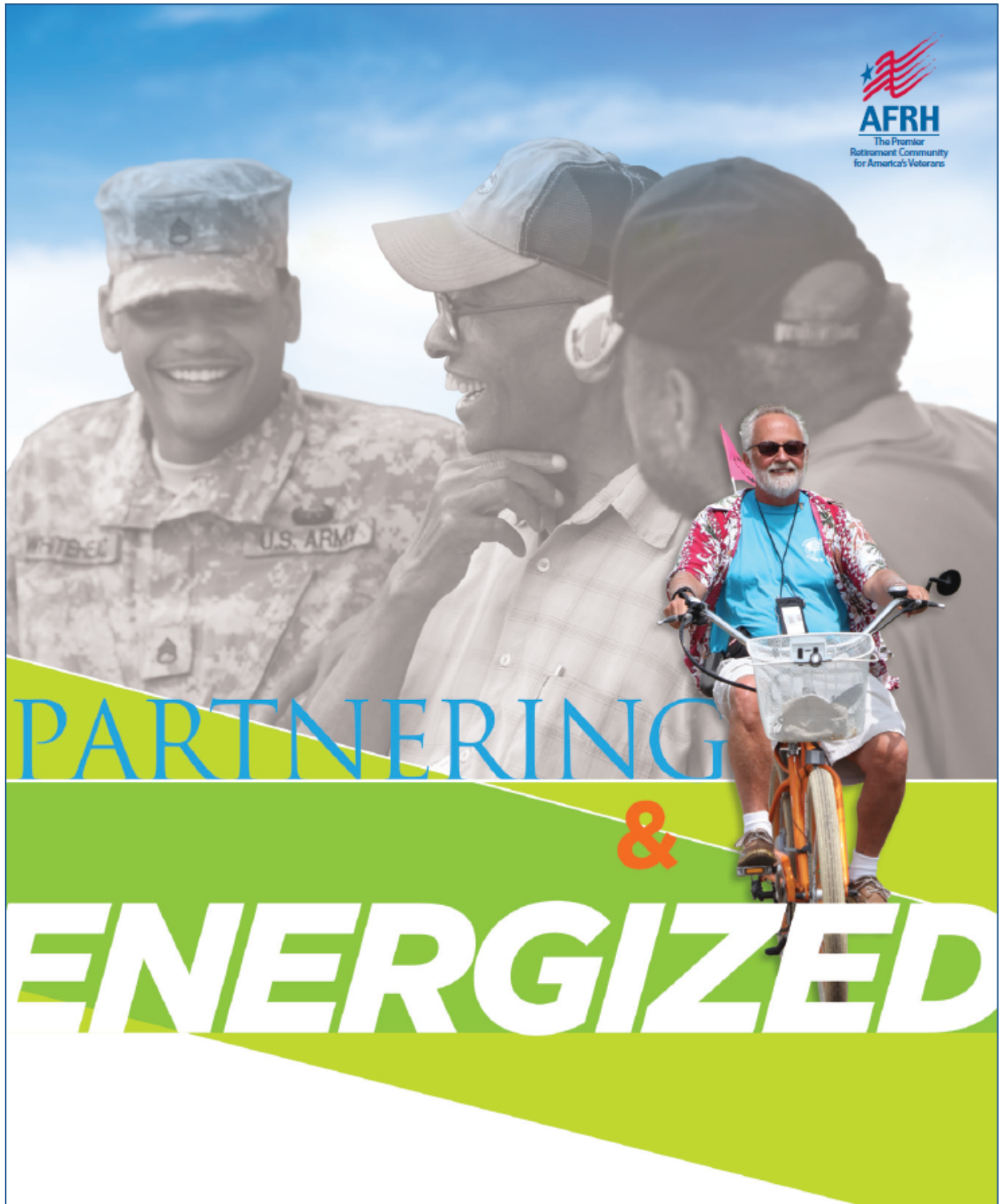


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INTRODUCTION

Partnering and Energized

*We are pleased to present the AFRH Strategic Plan for Fiscal Years (FY) **2013 – 2016**, a realignment of the FY 2011-2015 Plan, to coincide with the current presidential term. AFRH has implemented the "person-centered" approach to retirement. We are energized working in our new modern buildings on both campuses and also with partnerships of many organizations and individuals.*

AFRH HISTORY



Approximately 200 years ago, the leaders of our young nation made a solemn Promise to care for America's former enlisted military personnel who were aging or infirm. This pledge would be the soldiers' payback for risking their lives to preserve liberty. In 1811, Congress realized this pledge by passing legislation to construct a new home for destitute Navy officers, sailors, and Marines. In 1831 the interim Naval Hospital (at left) opened in the former country home of the notable Pemberton family in Philadelphia. By 1833, the new Naval Asylum was finally complete and it went on to house more than 400 pensioners.

By 1851, momentum had built to fund a second home in Washington, DC using reparations from the Mexican-American War. At the behest of General Winfield Scott, the Federal government bought the Riggs family cottage and farm in the Washington countryside and established the Soldiers' Home with just three "inmates". A Trust Fund was then formed to sustain the Home for future generations of veterans. Since then, two separate and distinct homes evolved to meet the needs of their residents. The Naval Asylum moved to Gulfport, MS and the Soldiers' Home became a "city within a city" with a working farm. In the 1950s, leisure and recreation took priority and new amenities were added. By 1991, both merged and began operating under one standard business model. Today they make up one thriving, modern retirement community: AFRH.

CORE BUSINESS

AFRH is organized in a contemporary business establishment with a corporate office that manages independent functioning retirement communities in different locations. This arrangement allows corporate to make strategic decisions as well as communicate with Congress and constituents. Each AFRH facility operates under an Administrator, who reports to the COO. Each community may make its own tactical operational decisions, manage its facilities, and respond to local resident requirements. The COO is subject to the authority, direction, and control of the Secretary of Defense, delegated to the Under Secretary of Defense (Personnel & Readiness) and the Assistant Secretary of Defense (Readiness and Force Management). Plus an AFRH Advisory Council provides expertise and knowledge of all aspects of senior living.

ONGOING FUNDING

AFRH is an independent establishment of the Executive Branch of the Federal government – and is financially independent. A permanent Trust Fund was established almost two centuries ago to sustain AFRH. This Fund continues to be fed by active duty enlisted and Warrant Officer monthly payroll deductions, as well as fines and forfeitures from all branches of the military. It is also fed by monthly AFRH resident fees, the sale or lease of underutilized land and buildings, gifts and bequeaths and interest gained on the Trust Fund balance.

CURRENT STATUS

AFRH has two campuses: The Gulfport, MS facility reopened in October 2010 in a modern, energy-efficient building as it was damaged and closed in 2005 in the aftermath of Hurricane Katrina. The Washington, DC campus was established in 1851 on a scenic site near Capitol Hill, and was modernized during 2012-2013. The energy efficient Scott Building opened in February 2013 with common service and program spaces, an expanded dining area, and upper levels of care.

EXECUTIVE SUMMARY

THE SPAN OF ACHIEVEMENT

Our standard operating environment was established following the National Defense Authorization Act of 2002 which created and then appointed an AFRH Chief Operating Officer (COO). An AFRH Chief Financial Officer (CFO) was hired that same year. In 2003, the first AFRH Strategic Plan was developed. The core philosophy of that strategy was the "One Model". Additionally, the plan called for regular assessments of our "core competencies," plus determinations on whether to build internal capacity or competitively outsource functions. The AFRH 2003 Strategic Plan became our roadmap to recovery. Updated in 2006, the AFRH Strategic had as its main thrust the Gulfport Stand Up to replace the hurricane-damaged facility and the Scott Project to update and modernize Washington. The next iteration of the Strategic Plan was completed in 2011 embracing "Person-centered Care" for all operations.

2003 - 2005

After faltering in the 1990s and starting fresh in 2002, AFRH planned for and propelled forward on an upward trajectory. The consuming passion was to build on the Home's historic past and plan for a modern future. Fulfilling the needs of our residents is at the heart of it all. And management was focused on fulfilling our Vision: "To actively nurture the Health and Wellness Philosophy of Aging...." So, we continually reshaped operations.

By 2004, we had reduced the footprint at the sprawling Washington campus and outsourced transportation, dining services, and maintenance at both campuses. As a result both AFRH communities flourished. The agency was once again fiscally solvent and the Trust Fund balance began to rise again. However, Hurricane Katrina put many plans on hold in August 2005. After that destructive storm, AFRH-Washington became the sole provider of resident housing for AFRH, and many resources were shifted to care for transferred residents from Gulfport.

2006 - 2010

Changes beyond our control swept over AFRH in 2006 and forced us to retool our strategy and initiatives so we could maintain the ground we had gained. To truly endure, AFRH needed to change and adapt again – just as it has done many times over the past two centuries. Our greatest challenge was to provide better service and programs for all residents now at the Washington campus, while rejuvenating its infrastructure. Meanwhile, the other major challenge was to rebuild Gulfport. Throughout this period we developed services better matched to the residents' needs and abilities so they could be more independent and mobile. Strategic objectives were achieved in all resident-focused action plans. Our "One Model" became a reality, as Washington managers worked diligently to replicate processes, contracts, and programs for a receptive new management team in Gulfport. For the first time in the Home's storied history, we realized two campuses with business models that mirror one another. So, residents who move from one community to another can feel right at home with the same care and service. By November 2010 the new Gulfport reopened as the new standard in senior care. Fiscally, AFRH received its 6th annual "unqualified" audit opinion in 2010, and the Trust Fund balance held steady at high levels. By the close of FY10, we also transformed our information systems, partnering with National Business Center (NBC) to provide a hosted network that is compliant with the Federal Information Security Management Act of 2002 (FISMA). The assessments we underwent in 2010 offered suggestions and ideas, yet they culminated with praise for our resident care staff. We responded to the oversight of Office of Personnel Management (OPM), our Advisory Board, Department of Defense (DoD) Inspector General (IG), and the Commission on Accreditation of Rehabilitation Facilities (CARF), our oversight authority designated by Congress.

With focused goals and objectives, AFRH completed a modern building in Gulfport and designed a new one for Washington. We created a major pilot program in senior living: Independent Living Plus (ILP). Plus, we realized many goals and objectives in the final year of our FY06-10 Strategic Plan. At the start of FY11, we closed our outdated Scott dormitory and transitioned all AFRH-W residents to the

Sheridan and LaGarde residences. Plus, we moved dining to Sherman North and relocated all service staff to the Sherman and Sheridan buildings.

Through focused goals and objectives AFRH completed a modern building in Gulfport and designed a new one for Washington. We created a major pilot program in senior living, Independent Living Plus (ILP). Plus, we realized many goals and objectives in the final year of our FY06-10 Strategic Plan. At the beginning of FY11, we closed our outdated Scott dormitory and transitioned our entire AFRH-W population to the Sheridan and LaGarde residences, moving dining to Sherman North and relocating all our service staff to the Sherman and Sheridan buildings.

2011-2012

Throughout 2011 and 2012 the major focus was on the completion of the Scott Project, to advance the wellbeing of residents and staff through our evolving concept of person-centered care, and to maintain smooth operations at the fledgling Gulfport facility. The Scott Project with its exciting design concept was under construction throughout 2011-12. The ILP program grew and assisted more residents to remain independent. The AFRH performance challenges centered on our Strategic Human Capital Plan, the succession plan, staffing models, military heritage, staff training, and cost containment.

The 1850s-era Sherman Building and historic Quarters were damaged in the August 2011 earthquake. Emergency funding from Congress and the President provided restoration to the Sherman Building, parts of the Sheridan Building, and Quarters #1, #2, #3, #4, and #6. Finally, the modernized facilities at AFRH-W can provide advanced care.

Drawing on external stakeholders to help us and publishing a 10 year Capital Improvement Plan were additional initiatives added to propel us forward. Aligned with DoD's strategy, AFRH forged ahead with its energy and gas-house emissions reductions to become compliant with Executive Orders 13423 and 13415.

2013 FORWARD

In 2013 the AFRH-W Scott Project was completed on budget and within the schedule and the new building was occupied. The goal of this multi-faceted endeavor is to reduce costs and improve care. The Project entailed reducing our footprint on sprawling grounds, reducing excessive maintenance of an aging infrastructure, and improving wellness to stave off costly Long Term Care.

Upon completing our AFRH-W construction projects (Scott and Sheridan), we closed the LaGarde Building, our standalone healthcare facility. This closure yielded significant energy savings and eliminated costly transportation contracts to shuttle residents and staff to the lower campus and back. Now, all resident activity revolves around the lovely new Scott Building and the historic quadrangle. The Scott Project also empowered us to close the aging and inefficient Power Plant (scheduled for FY 2014), which satisfied heating requirements for both the old Scott dormitory and the closed LaGarde Building. Other buildings serviced by the Power Plant received individual heating / cooling units under the Scott Project.

Both campuses now boast advanced amenities and LEED certified energy-efficient buildings.

CHALLENGES

While our achievements are impressive, we do realize the high costs associated with recent advances. Management withdrew funds from the AFRH Trust Fund in order to deploy the 5-year Scott Project, so the Fund's value has dropped, as expected. In addition, we have incurred declining revenue streams. Therefore, it is clear we must alter our strategy to bolster the AFRH Trust Fund—the sole source of operational funds. Reductions in the military have lowered Fines & Forfeitures, which is one of our key funding sources. These factors will continue to impact revenue in the coming decade. As a result, we are harnessing our resources and directing them to vital areas in order to maximize resources.

As we move forward with our strategy, we welcome the insight of various oversight organizations. For instance, the AFRH is an accredited Continuing Care Retirement Community (CCRC) by one of the leading healthcare authorities, Commission on Accreditation of Rehabilitation Facilities (CARF). This organization makes key observations and offers invaluable feedback on our efforts across the board.

The AFRH also responds to recommendations for improvement via the oversight of Department of Defense (DoD) and advice from the AFRH Advisory Council and Defense Health Agency.

SUMMARY

AFRH is truly a leader in retirement living. The new Gulfport community represents a 21st Century model for senior living – with energy efficiencies, wellness programs, and enjoyable activities. The design for the Washington Scott Building is also modern and efficient. Upgrades to the Sheridan dormitory, small house concept designs for upper levels of care, and person-centered care dining have all boosted the services and programs at AFRH-W.

AFRH strategically poised itself to maintain and expand its fundamental role of serving our nation's retired military personnel. But first, we determined we must build the "AFRH of the Future." As we prepared for our revival in the 21st century, we focused on providing the same high level of care and services found in the private sector. Yet, our niche is a focus on military heritage – where residents find camaraderie and enjoyment in being among "their own."

In short, to live up to our nation's original *Promise* to care for its Veterans – and grow the Trust Fund that supports them, AFRH has had to evolve. AFRH is rapidly becoming the vibrant and modern CCRC we envisioned in 2002.



STRATEGIC PLATFORM

The Vision to Succeed



The AFRH Vision, Mission and Guiding Principles were updated in 2011 to focus on the agency's evolving top priorities. Also, these new strategies aim to meet and exceed the expectations of a new generation of military veterans and retirees. When an organization has a strong future vision – and its people and resources are aligned towards a goal – progress is boundless. Finally, in 2013 when the Scott Project was finished, environmental initiatives and the need to seek contributions from external stakeholders replaced other objectives in the strategy.

Since 2002, AFRH has been relentlessly pursuing a new course to improve the residents' lives. Our charge: to transform an historic site into a modern facility with the best service and amenities. While the journey has had ups and downs, the focus forward has been unwavering. We've made great progress revamping facilities and programs with Aging in Place, which provides more personalized care and broader support. Plus we've made greater strides with modern business practices and capital improvements. All of these efforts will keep America's unsung heroes healthy and happy well into their golden years. Now management is achieving its strategy to create two premier facilities that are also cost-effective. After all, prudent management and fiscal discipline put us in the position to re-create AFRH in the first place. Soon, our aim to achieve greatness will be fully realized. A renewed energy abounds from all the upgrades and from new and enduring partnerships in the community.

PARTNERING

Managing a successful retirement facility requires more than new buildings, modern amenities, and progressive care. It requires a strong and thriving connection to the community beyond the perimeter. Residents and staff benefit from strong support from interested organizations, families, and stakeholders. Moving forward, cultivating more community volunteers and business partners is vital to continued progress.

AFRH's key public partnerships are with Department of Defense, Department of Treasury (Bureau of Public Debt), Department of Agriculture (National Finance Center), General Services Administration and Office of Management and Budget. We have numerous ongoing programs with these and other agencies. As we move forward, we plan to increase our outreach and partnerships with other public and private organizations.

General Services Administration (GSA) managed the new construction projects. Jacobs Engineering and Hensel Phelps played a vital role in the design / build of the new Scott. Bureau of the Fiscal Service (BFS, formerly Bureau of the Public Debt (BPD)) partnered by providing accounting support and Interior Business Center (IBC) provided IT infrastructure support.

Veteran Service Organizations (VSOs) are lending invaluable support to the AFRH and its residents, while Friends of the Soldiers' Home in DC are helping to expand volunteerism. Even AFRH contractors are contributing vital support in performance management and marketing communications. Finally, volunteers from the Seabees, the Humane Society, and Keesler AFB are helping AFRH-Gulfport blossom. Altogether, partnerships are helping the Agency grow, evolve, succeed, and thrive.

ENERGIZED

The word “Energized” succinctly captures the physical and emotional spirit of the AFRH in 2013. Enthusiasm is high among residents and positive outlooks come from our staff. The significant improvements in the facilities both in Gulfport and Washington as well as the improved resident service and staff performance have added to the increased energy in the Homes.

AFRH STRATEGY

VISION

A retirement community committed to excellence, fostering independence, vitality and wellness for veterans, making it a vibrant place in which to live, work and thrive.

MISSION

To fulfill our nation’s commitment to its veterans by providing a premier retirement community with exceptional residential care and extensive support services.

PERSON-CENTERED CARE

This philosophy is defined as the careful manner in which resident needs are considered while developing responsive plans of care and delivering meaningful services. This concept recognizes that AFRH residents are active participants in guiding and charting their own lives. In order for Person-centered Care to be effective, everyone must identify and understand each resident’s individual needs, listen carefully to the resident’s expressed needs, and offer smart choices for consideration. Resolution and negotiation between staff and residents will yield realistic actions taken within the scope of AFRH resources and capabilities—and highly personalized results. Our core person-centered “values” include: choice, dignity, respect, self-determination and purposeful living within the support structure of a caring environment. Person-centered Care does not imply all resident desires are to be met without regard to available resources and the organization’s ability to successfully meet their needs.

The value of Person-centered Care extends well beyond development of a written plan. The way in which AFRH implements each plan is equally important. In order to ensure our planning and service is truly person-centered:

- AFRH pledges to continually evaluate its policies, procedures and the delivery of Person-centered Care to ensure the spirit of the plan is deployed Agency-wide
- AFRH is committed to breaking down silos and barriers within the organization that inhibit or slow its comprehensive plan to achieve a person-centered Home
- AFRH will ensure that planning and implementation of this philosophy is in sync with policy and guidance provided by CARF, the AFRH accrediting organization

FUTURE GOAL

Person-centered Care will help AFRH achieve its Mission, Vision and Guiding Principles, which will ultimately make this a more vibrant and wonderful place to live and work.

Guiding Principles:

Person-centered

“Person-centered Care” is defined as the careful manner in which resident needs are considered while developing responsive plans of care and delivering meaningful services.

Accountability

We expect our workforce to achieve what we promise to residents, staff and service partners. To ensure success, we measure progress and provide feedback to our customers.

Integrity

We will strongly uphold the mission of AFRH. We are honest and ethical and deliver on our commitments. We recognize that good ethical decisions require individual responsibility enriched by collaborative efforts.

One vision/one mission/one organization

Success depends on our devotion to an unwavering vision and mission. Working together in different locations, under various managers and leaders, we maintain a distinct focus to serve our residents. We collaborate and respond in a unified and single voice.

Workforce growth

We strive to hire and retain the most qualified people. We maximize their success through training and development as well as maintaining and promoting open communication.

Honor heritage

We honor the rich history of the US Armed Forces – from our Veterans to our victories. As such, our campus reflects that military heritage with memorabilia and tributes.

Inspire excellence

We continuously work to improve each process, service and its delivery, while striving for excellence in all we do. We expect excellence and reward it.

STRATEGIC GOALS

RESIDENT CENTERED CARE

Every person understands the resident's individualized needs and takes realistic action within AFRH's resources and capabilities.

STEWARDSHIP

Pursue and implement innovative ways to deflect, reduce and manage costs by maximizing the utilization of assets, resources, and programs while focusing on needs and desires of this and future generations.

STAFF CENTERED FOCUS

Expand staff knowledge that directly impacts the accountability and efficiency of the organization and empowers them to act.

EXTERNAL STAKEHOLDERS

Harness, cultivate and focus our external stakeholders to become increasingly active participants engaged in AFRH's operation in each of the next 5 years.



FACILITIES

THE VENUES OF VITALITY

Two campuses are designated by law to provide retirement services and amenities to former enlisted and Warrant Officers who meet the eligibility requirements. One campus is located in Gulfport, Mississippi and the other is in Washington, DC. Together, the organization strives to rival the care and services found in private retirement homes across the US. A comfortable retirement here is the ultimate payback for the sacrifices our residents made in serving America.

Gulfport, Mississippi



The first retirement “asylum” for military in the US was established in Philadelphia, PA in 1833. The Naval Home was built exclusively for aging sailors, seamen, and Marines. After 150 years, it was relocated to its present site in historic Gulfport, MS – on the former grounds of a military academy. And it later became part of AFRH.

The 11 story tower was damaged by Hurricane Katrina in 2005 and closed, then demolished making way for a new building. Congress appropriated funds to rebuild the Gulfport campus in May 2006 (per Public Law 109-234).

By 2007, funding and plans for a new AFRH-Gulfport were approved with the support of Congress. Our team rapidly integrated new trends in environmental design, incorporated the latest advances in Green technology, and implemented our new Aging in Place philosophy to foster personalized care and broader support. Ultimately, this new Home was built to mitigate the effects of a Category 5 hurricane. Like our resilient residents, AFRH-Gulfport stands tall once again.

Built under the management of General Services Administration (GSA) on schedule and within budget, the new Home opened for residency in October 2010. The Home is a wonder in modern engineering and senior health and housing. It is the result of great talent, firm resolve, and keen patriotism. The Gulfport home is located on approximately 40 acres of prime waterfront land on the Mississippi Sound. It features a new multi-tower complex with full amenities such as dining, social, recreational, and therapeutic activities, a swimming pool, hobby shops, a wellness center with basic dental and eye care, a bank, a barber and beauty shop, bowling areas, movie theater, a computer room and library, plus a private walkway to the beach.

AFRH-G received CARF accreditation in 2011 valid through 2016.

Since the Grand Opening, residency has swelled to near capacity. We have expanded our staff to meet the needs of this growing population. All levels of care are provided and guestrooms for visitors are available. Our Gulf Coasters are lively and energetic, and they have put a stamp on their home with new gardens, trees, flags, and memorabilia.

CURRENT STATUS

Still accepting new residents into its facility, AFRH-G is providing the same programs and services it has been noted for before Katrina and similar to those at AFRH-W.



The Washington DC campus of the AFRH dates back to 1851, when the Military Asylum was established. In its early days, the Home was a self-sufficient working farm, complete with livestock and farmhands. The campus proudly sits on the crest of a majestic hill in Northwest Washington, DC – nestled in the heart of a peaceful neighborhood with historic homes. Our campus is a constant reminder to the community of the great service and sacrifice that thousands of veterans have given to our country.

When prospective residents enter the Washington campus for the first time, they are stunned by its wooded acreage, rolling hills, majestic views, tranquil lakes and historic landmarks. In a warm country setting, the Home is just minutes from the US Capitol, White House and other national landmarks in Washington, DC. This tranquil environment has served as the temporary residence of four US Presidents, including the summer home of Abraham Lincoln.

AFRH-W has seen many changes in its two centuries. Built on farm land atop a hill overlooking the US Capitol, the Washington campus has been home to thousands of former enlisted military. The buildings include historic quarters and facilities and the large more modern residences built within the last 60 years - LaGarde and Sheridan buildings. We offer exceptional Residential Living, Assisted Living and Long Term Care facilities. The Sheridan building dormitory area accommodates resident and guest rooms as well as chaplain offices, dining services, the library, the wellness center which encompasses both medical, dental, and eye clinics and resident services.

To keep pace with changing needs in senior care, like complying with the American Disability Act requirements, much needed improvements were completed to our entire facility, making it more vibrant and functional. The modernization at the DC campus was a design-build of the Scott Dormitory (called the "Scott Project") approved and funded by \$5.6 million and \$70 million in FY 2009 and FY 2010 respectively from the AFRH Trust Fund. This funding was approved in the FY 2010 budget.

The Scott Project replaced the outdated and inefficient 1950's dormitory with the modern Scott Building for healthcare, recreation, and dining. Its modern design is now empowering our staff to deliver Person-centered Care—where services and resources revolve around the residents' needs. In FY 2013, the 1850s-era Sherman Building and historic Quarters were renovated (after incurring damage from the August 2011 earthquake). The historic Eagle Gate was redesigned, and the Sheridan residences were renovated to offer Assisted Living. Now this community is welcoming more visitors and volunteers than ever before.

Today, AFRH-Washington is yet evolving into an even finer retirement community that fulfills the government's original *Promise* to "take care of its own."

CURRENT STATUS

Washington is enjoying resurgence after major renovations and construction have enhanced the facility. Getting the word out to attract new residents is a major initiative. The improvements have accommodated the interests and requirements of a new generation of veterans and retirees.



ENVIRONMENTAL SCAN

THE ANALYSIS TO ADVANCE

SERVICE DESCRIPTION

AFRH is a unique Federal agency that closely resembles a private sector CCRC. The AFRH distinction: we only admit qualified former military members in accordance with guidelines established by law. And a longstanding Trust Fund supplies our resources. In order to advance the organization, we conducted a classic, Strategic “**SWOT**” Analysis – a detailed assessment of our various Strengths, Weaknesses, Opportunities and Threats.

This platform will help us retool our strategy and resources so we may thrive as an organization.

STRENGTHS

- Unique Brand
- Dedicated Staff
- Expansive, Valuable Properties
- Loyal Residents
- Rich Military Heritage
- Ample Levels & Types of Care
- New Modern Facilities
- Human Capital Plan
- IT Modernization
- CARF Person-centered Progress
- Resident / AFRH Partnership

WEAKNESSES

- Silos in Communication
- Accountability via CARF standards
- Decaying Physical Plant
- Not Capitalizing on External Stakeholders
- Training Gaps for Staff
- Absence of Contractor Training
- Insufficient Resident-centered Services
- Limited Campus Locations

OPPORTUNITIES

- Large Pool of Potential Residents
- Educating New Constituents
- Poor Economy = Cheaper Goods & Services
- Meeting New Expectations of an All-volunteer Force
- Advertising to VSOs & the Public
- Fundraising
- Social Networking (residents / prospects)
- “Virtual” Provision of Services

THREATS

- AFRH Value Not Recognized
- Poor Economy = Prospects Can’t Sell Homes
- Declines in retirement investments
- Drains on AFRH Trust Fund
- Difficulties in Replenishing Trust Fund

DETAILED SWOT ANALYSIS

STRENGTHS



- **Unique Brand:**

Our residents all share a special military affinity. Fighting in an armed conflict or serving the military for an entire career creates a unique camaraderie and understanding. This “Circle of Safety” is very comforting to residents in their later years. To strengthen this bond, AFRH creates innovative military-themed programs and maintains outreach to veterans and VSOs to recruit new residents.

- **Dedicated Staff**

There has been very little turnover at AFRH (except in health care) over the years. People who enjoy working with older people become attached to them – and prefer to stay here. In fact, staff members often go the extra mile out of a sense of duty – and they often provide

management with valuable input to improve the Home.

- **Expansive, Valuable Properties**

Both Gulfport and Washington are strategically located – and have retained their value over time. Gulfport is ideal for warm weather preferences, as it overlooks the Gulf of Mexico. Washington is in Northwest DC, near Capitol Hill. So, its great potential for development is one of the keys to supporting our veterans for many years.

- **Loyal Residents**

Happy AFRH residents say they’d prefer to live here than anywhere else. Many residents volunteer on campus and actively take advantage of the many activities and events we offer. Our residents tout the benefits to visitors and serve as the best “marketers” we could ever hope for.

- **Rich Military Heritage**

Thousands of old soldiers, sailors, airmen and Marines have lived at both Homes since the 1800s. To promote their rich military past, memorabilia is proudly displayed in various buildings and in the residents’ rooms. Truly, many colorful stories from America’s wars lie within the walls of this Home – just waiting to be shared.

- **Ample Levels & Types of Care**

Unlike many homes, AFRH offers three levels of care: Independent Living, Assisted Living, and Long Term Care. Today, the ILP pilot has expanded options to keep residents independent and in their rooms by providing home healthcare and daily living assistance. Plus, Dental, Medical, Optometry, and Pharmacy services are onsite.

- **New Modern Facilities**

We integrated sustainable design guidelines into new construction and renovation projects. Gulfport was built to withstand effects of a CAT5 hurricane, plus it is certified LEED Gold, as is the Scott Building. Further, we are in compliance with American Disabilities Act (ADA), person-centered concepts, and senior living design concepts.

- **Human Capital Plan**

AFRH is compliance with Office of Personnel Management’s guidelines for strategic human capital planning. Our “SHCP for FY09-14” was distributed in February 2010, along with a succession-planning guide. This directly supports a key AFRH Guiding Principle to support workforce growth.

- **IT Modernization**

By end of FY10, we had transformed our information systems by partnering with NBC (Now Interior Business Center-IBC) to provide a hosted network that is compliant with FISMA. An electronic health record system and email and file sharing in the Cloud for the entire agency was implemented in 2013.

- **CARF Person-centered Progress**

Management incorporated the Person-centered Care philosophy into the FY11-15 Strategy and all training for staff, contractors, and volunteers. Now AFRH is well on its way to improving its living and working environment.

- **Resident / AFRH Partnership**

AFRH management is listening to the residents in order to create personalized solutions to the various needs and wants (within the realistic capabilities of AFRH). This is helping us move toward a tighter-knit community, where staff and residents become even more loyal to each other and develop greater communication.

WEAKNESSES



- **Silos in Communication**

AFRH staff has been highly successful in solving resident issues and concerns while documenting them in great detail. Yet, CARF pointed out: accountability resides across the entire enterprise – and not within individual groupings, units, or even campuses. So, we must make an extra effort to collaborate with all units, stakeholders, and communities to ensure that comprehensive communication and cross-discipline solutions are reached in all areas.

- **Accountability via CARF standards**

AFRH-W has had two CARF inspections, but AFRH-G is yet to undergo one. Specific CARF standards that are not met will appear on inspection findings, but are yet to appear on individual performance plans.

Accountability exists through inspections but not through supervisor/manager employee objectives.

Additionally, CARF promotes accountability throughout the enterprise for all deficiencies, so that all parties are accountable.

- **Decaying Physical Plant**

AFRH-W buildings are old and need extensive repair. At a glance, our stately buildings are appealing, yet they have problems such as mold growth, peeling paint, worn fixtures, leaky faucets and more. Upkeep is expensive. So to minimize costs we've focused on Sherman, Sheridan and Scott buildings – the centers of resident activity.

- **Not capitalizing on External Stakeholders**

AFRH operates under Federal guidelines. Hence, unlike other retirement homes, it cannot leverage local and national organizations that may wish to provide volunteers and financial assistance. Many untapped resources exist outside the Government and AFRH has not pursued those actively. Hence, this is now a strategic goal.

- **Training gaps for staff**

Of late, the agency focus has been to make progress on modernizing our physical plant and buildings, implementing Aging in Place, and establishing Person-centered Care. As a result, staff training has not been at the forefront. Mandatory training classes are now prescribed, but some specialties have not received refresher training and updated methodologies to cope with emerging technology and gerontology advances.

- **Absence of Contractor Training**

Person-centered Care means considering the needs and aspirations of staff as well. AFRH uses a large percentage of its workers as contractors. Current contracts do not include the need for Person-centered Care training, and this must be changed so contractors will adhere to the new AFRH direction.

- **Insufficient Resident-centered Services**

AFRH has just recently become aware of the philosophy of Person-centered Care, so the provision of programs and services is lagging. The old models of directing residents to do what is generated by staff needs to be changed to a negotiated discussion between residents and staff. This will help our residents thrive and truly feel at “home.”

- **Limited Campus Locations**

Both Gulfport and Washington have their positives and negatives. Gulfport is isolated in the far south, which is not an appealing location for some, and there is an ongoing threat of hurricanes and evacuations. Washington is a downtown metro area that is not appealing to some who live far away or in small towns. Plus, driving into DC or taking public transportation is often challenging for the elderly.

OPPORTUNITIES



- **Large Pool of Potential Residents**

Many veterans, retirees, and current war-theater combatants don't know about AFRH and the great benefits of living here. A recent marketing study revealed approximately 3 Million potential residents now live here in the United States. *Our challenge is educate them on the many benefits of retiring at AFRH.*

- **Educating New Constituencies**

AFRH must seize the opportunity to educate new members of Congress as the administration changes each election. We can communicate what exactly will work best for our eligible veterans, such as added availability for those eligible, more flexible funding options for AFRH, and less bureaucracy.

- **Poor Economy = Cheaper Goods & Services**

At this low point in the economic recovery, AFRH should take advantage of completing as many capital improvements as possible because prices are down. Competition between vendors is heightened and much more can be acquired and completed at this juncture.

- **Meeting New Expectations of an All-volunteer Force**

AFRH has evolved over the centuries, just as the military has changed and adapted its operations. Similarly, today's military retiree has much greater expectations than those of a generation ago. Their attitudes about health, mobility, happiness, and family connections are quite different than retirees from the World War II era. Communication is key to reach and persuade today's all-volunteer force to live at AFRH. So, we must develop professional and effective marketing campaigns, outreach programs, volunteer support, and financial support.

- **Advertising to VSOs and the Public***

If AFRH were allowed to recruit new residents through advertising, like our private-sector counterparts, then more veterans could benefit from AFRH. Plus, we would realized

unprecedented growth and new revenue streams. Yet, as a Federal agency, AFRH can only provide informational advertisements.

**Requires Law Change*

- **Fundraising**

Currently, AFRH is not allowed to raise money. Many veterans organizations consistently raise enormous funds to support our former military. If AFRH had a different legal status, fundraising could provide vast resources to insure better services and continued growth.

- **Social Networking (residents / prospects)**

Adopting 21st-century communication methods will help AFRH reach new military members who have grown up with electronic communications. So, AFRH must adapt to new tactics to reach current and prospective residents.

- **“Virtual” Provision of Services**

We can reach more eligible residents by offering programs and services to those who live beyond the boundaries of both AFRH campuses. With technology, we can create national awareness for AFRH, and become the envy of other retirement homes and Federal agencies. A few offerings might include online activities, healthcare forums, senior living tips, home design trends, home healthcare resources, and military-related programs and events.

THREATS



- **AFRH value not recognized**

Garnering attention and creating a competitive edge remains our greatest challenge. Current retirees are not aware of the opportunities available to them given their investment in AFRH back in their service days. Currently, advertising is not permitted to reach potential residents. Hence, a great number of retirees remain unaware of AFRH and the great benefits of living here in retirement.

- **Poor Economy = Prospects Can't Sell Homes**

The current economic situation dictates that even eligible and approved seniors may not be able to move into AFRH after all. The rapid decline in home sales and values over the past five years means that it is taking seniors much longer to sell their homes. Plus, they end up with less money from the sale for retirement than originally anticipated. These factors may prevent some potential residents from moving into AFRH.

- **Declines in retirement investments**

Given the recent decline in investment income due to stock market fluctuations, many eligible retirees may not have as large of a nest-egg to live a comfortable retirement. This may indeed impact their decision to move from their own house to a full-service retirement home. Still, the cost of retiring at AFRH is far less than most private sector homes. So this apparent threat may indeed be an advantage we can leverage to convince veterans that their savings go further, and will last longer, living at AFRH. The challenge is to get the word out.

- **Drains on AFRH Trust Fund**

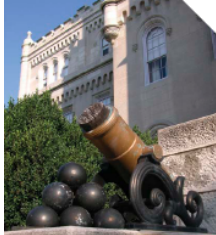
The burdens of our aging physical plant, rising energy consumption, and escalating service costs may drain the AFRH Trust Fund. So, new and innovative ideas must be deployed to halt the erosion of funds.

- **Difficulties in Replenishing Trust Fund**

The main source of revenue for the Trust Fund is military fines and forfeitures from active duty personnel. This works well when the US military is engaged in one or more war theaters, with many deployed troops. But, when a drawdown of forces occurs, our revenue declines rapidly.

STRATEGIC GOALS

THE GUIDE TO GREATNESS



The AFRH is a premier retirement community and continuing care provider for eligible veterans and retired military personnel of the US Armed Forces. We proudly serve our residents with the same level of honor and commitment that they demonstrated in serving our country. To fulfill our mission, we have defined our Strategic Goals across four major service areas:

GOAL PROMOTE RESIDENT-CENTERED CARE

Each person will understand each resident's individual needs and take realistic action to fulfill them within AFRH resources and capabilities.

Description & Purpose:

Our first responsibility is to ensure the satisfaction and wellbeing of the residents. AFRH also places high importance on the satisfaction of service partners and other key stakeholders. To generate high customer satisfaction, we will strategically provide quality services and meet our customers' needs. However, this is a negotiated relationship that operates within the realistic means and capabilities of AFRH.

Challenges & Trends:

Our major challenge is to educate the staff and residents about Person-centered Care to produce outstanding results, in spite of working in other operational models for years. Truly, the Home must facilitate the shift to a more effective living environment with the AFRH philosophy of Person-centered Care. To remain accredited by CARF, it is essential that we show validated changes and improvements as soon as possible. By 2014, AFRH must be compliant with guidelines from The Joint Commission for Ambulatory and Nursing Care.

GOAL MAINTAIN EXCEPTIONAL STEWARDSHIP

Pursue and implement innovative ways to deflect, reduce, and manage costs by maximizing assets, resources, and programs to fulfill needs and wishes of current / future residents.

Description & Purpose:

The Trust Fund is the source of financial resources for AFRH and has to be continuously replenished. Our fundamental financial strategy is to effectively manage resources, decrease expenditures, increase revenue and realize net growth in the AFRH Trust Fund. AFRH must maximize all available resources – while also providing the best services and facilities to our residents. AFRH, like all other Federal agencies, is required to meet energy, waste, water, and gashouse emissions standards. That requires the involvement of every person – from staff and resident to volunteer and contractor – to be aware, involved, and active in conserving energy.

Challenges & Trends:

Understanding Person-centered Care, gerontology, and senior living – as well as energy conservation,

environmental principles and fiscal responsibility – is a large educational component that AFRH must spearhead. Promoting awareness and empowering our community to act are the first steps.

GOAL SUPPORT A STAFF-CENTERED ENVIRONMENT

Expand staff knowledge that directly impacts the accountability and efficiency of the agency, which will in turn empower all employees to be proactive.

Description & Purpose:

Person-centered Care also involves the staff and their personal and professional growth. Every staff member must be aware of his/her ability to affect a difference in the bottom line as well as his/her interactions with other staff, residents, family members, and stakeholders. AFRH is a growth organization that promotes professional development and excellence for all staff members. Management can achieve this by promoting learning, refining skills, building competencies, developing proficiencies and encouraging advancement. The Home encourages its employees to continually improve and expand their skills – while also gaining from the rich experience of serving the AFRH community.

Challenges and Trends:

Many “baby boomers” are retiring from Government service – and they are taking with them a time-tested respect for authority and a hard-work ethic. Unfortunately, younger employees have different attitudes, behaviors and expectations in the workplace today. This new generation is more demanding and far less patient. A partnership between AFRH and its staff that allows empowerment is an ongoing challenge for training, supervision, and management.

GOAL LEVERAGE EXTERNAL STAKEHOLDERS

Harness, cultivate and focus our external stakeholders to become increasingly active participants who are engaged in AFRH operations in each of the next five years.

Description & Purpose:

The Home can provide quality services to America’s former enlisted by expanding its circle of influence to families, organizations, and corporations that are interested in veterans. These stakeholders can help to manage resources, facilitate communication, and promote AFRH operations.

Challenges and Trends:

Identifying and reaching out to people and organizations outside of the physical boundaries of AFRH is a new and exciting challenge. The possibilities are endless and quite lucrative when it comes to developing support and interest in America’s veterans who have served our country so selflessly.



STRATEGIC INITIATIVES

THE MIGHT OF MEASUREMENT



MEASURING SUCCESS

AFRH has developed four corporate Strategic Goals to align with the Obama administration's requirement for high priority performance goals. These goals form the basis of the AFRH Strategic Plan for 2011-2015 and now for the AFRH Strategic Plan for 2013-2016. Each has specific and measurable objectives – with corresponding Key Actions to ensure our steady progress.

Our ultimate hope is to make tremendous progress – so that our veterans will be just as proud of this organization as we are of them. With that in mind, we march forward with steadfast determination to meet and exceed the following Strategic Goals:

RESIDENT CENTERED CARE:

Every person understands the resident's individualized needs and takes realistic action within AFRH's resources and capabilities.

Objective RC1: Enhance and increase communication with direct input from Residents and staff.

- RC1-a** Build and implement a communication plan for Resident education.
- RC1-b** Develop AFRH policy to maintain Logbook (electronic database/spreadsheet) to document Resident generated complaints or questions with resolutions and follow-up.
- RC1-c** Enhance continuity of Position responsibilities between both campuses (Adhere to One Model – do not reinvent the wheel).
- RC1-d** Explore issues, CARF recommendations, and IG findings with Residents.
- RC1-e** Determine the proper alignment of surveys to obtain input from both resident and staff.

Objective RC2: Develop and offer comprehensive training for staff, and require parallel training for contractors and volunteers, related to Resident-centered care – which is in turn tied to performance, competencies, and accountability.

- RC2-a** Establish a Residents/Staff interaction training program oriented toward measurable results.
- RC2-b** Develop and maintain a Resident referral program with follow through for accountability.
- RC2-c** Assure safety program is exercised and effective.
- RC2-d** Use a team approach to deploy Vitality Plan.
- RC2-e** Train staff and volunteers how to respond to difficult situations.

Objective RC3: Encourage activities for Residents' Health and Wellness.

- RC3-a** Conduct annual PPD and other screenings for Residents and staff.
- RC3-b** Continue efforts on both campuses regarding health fairs.
- RC3-c** Develop and conduct Resident Health and Wellness activities.
- RC3-d** Expand Safety awareness through activities and programs.
- RC3-e** Establish and provide Resident social activities based on Resident survey input.

GOAL STEWARDSHIP:

Pursue and implement innovative ways to deflect, reduce and manage costs by maximizing the utilization of assets, resources, and programs while focusing on needs and desires of this and future generations.

Objective ST1: Utilize outside resources to lower costs (Medicare, Tricare, Historic Preservation Society, grants and fundraising).

- ST1-a** Develop an inventory list of resources (outside) to reduce costs.
- ST1-b** Petition for a grant: Historic Preservation Fund (HPF) under Department of Interior (DOI) to work on historical buildings.

- ST1-c Seek authority for grants and fundraising through DoD and Congress.
- ST2-a Objective ST2: Establish annual net revenue by 2013 and maintain "in the black" status.
- ST2-b Maintain and update AFRH Long Range Financial Plan.
- ST2-c Execute DOD guidance for AFRH-Washington Master Plan.
- ST2-d Maintain and implement AFRH Capital Improvement Plans.
- ST2-d Invest in video conferencing equipment to more effectively communicate ideas and hold meetings between communities.

Objective ST3: Establish metrics as a high priority to enhance financial objectives.

- ST3-a Monitor monthly metrics for key cost drivers.
- ST3-b Manage receivables in fiscally responsible manner.
- ST3-c Reduce auto close with credit cards.

Objective ST4: Explore new revenue streams.

- ST4-a Research one new revenue or cost-avoidance stream every year, for five years.

Objective ST5: Develop and deliver a resident-centered vision for AFRH property and services.

- ST5-a Develop and execute the Scott Project.
- ST5-b Develop and execute Earthquake recovery projects.
- ST5-c Develop and execute Facility Management requirements.
- ST5-d Comply with various regulatory requirements.
- ST5-e Maintain and enhance AFRH Strategy.

Objective ST6: Optimize use of technology solutions.

- ST6-a Update technology to track resident data.
- ST6-b Establish and maintain an IT strategy to optimize operations with cost-efficient technology and processes.

Objective ST7: Maintain and improve operations.

- ST7-a Prepare for and respond to operational inspections.
- ST7-b Review and improve current policies and ongoing processes for better results.
- ST7-c Ensure that financial operations are reported in an effective and efficient manner.
- ST7-d Prepare the President's Budget Request and corresponding documentation.
- ST7-e Follow through on June 12 offsite Stewardship initiatives.
- ST7-f Develop Internal Control Awareness program.
- ST7-g Develop and implement an AFRH Resident and Staff Communication Plan to include processes and content for Resident TV, town halls, Focus Groups, RAC, Communicator, RAC Resident Committees and Advisory Council.
- ST7-h Coordinate and direct single approach to AFRH administrative functions that address Corporate and Campus administrative functions and records management.
- ST7-i Minimize risk to leadership, the operational staff and functions throughout AFRH.
- ST7-j Advance the mission of the AFRH.
- ST7-k Provide Security Oversight for Agency and Campus

Objective ST8: Evaluate quality of services and activities.

- ST8-a Conduct audits at the Agency and facility levels.
- ST8-b Conduct AFRH Health Care annual review with implementation partners VA and TMA.

GOAL STAFF CENTERED ENVIRONMENT:

Expand staff knowledge that directly impacts the accountability and efficiency of the organization and empowers them to act.

Objective SC1: Educate staff on accreditation, inspection, and regulatory standards (annually).

- SC1-a Achieve and maintain CARF/CCAC accreditation (includes individuals and groups addressing CARF recommendations).
- SC1-b Formulate a staff training program for new and current employees, contractors, and volunteers.
- SC1-c Share focus groups, CARF recommendations, and DoD findings with all employees.
- SC1-d Increase Credentialing core competency.

Objective SC2: Encourage responsible displays of individual initiative to achieve organizational Goals and staff accountability (daily).

SC2-a Implement Team STEPPS approaches (huddles, SBAR, CUS) and more.

SC2-b Use the Needs Assessment Team (NAT) to break down silos.

SC2-c Implement and demonstrate strategic goal initiatives through Performance Improvement (PI) process.

SC2-d Maintain integrity of healthcare services to achieve high standard of care.

Objective SC3: Link performance to results.

SC3-a Establish and implement AFRH Performance Management.

Objective SC4: Encourage activities that promote workforce growth beyond training.

SC4-a Develop and implement activities that promote understanding (multi-cultural, cross-generational, cross-societal).

SC4-b Develop and deploy a plan that addresses personal education and growth.

SC4-c Follow through on June 2012 offsite Staff-centered initiatives.

Objective SC5: Demonstrate leadership in complying with Federally mandated initiatives.

SC5-a Establish and maintain an AFRH Strategic Human Capital program.

SC5-b Establish and implement environmental program initiatives to include energy efficiencies and reductions in greenhouse emissions.

GOAL EXTERNAL STAKEHOLDERS:

Harness, cultivate and focus our external stakeholders to become increasingly active participants engaged in AFRH's operation in each of the next 5 years.

Objective ES1: Explore and recommend Advisory Council membership to ensure diversity, local campus representation, and functional guidance based on membership's expertise.

ES1-a Develop orientation process for new members outside of regular meeting time. Get them up and running prior to their first meeting.

Objective ES2: Partner with High Profile Drivers (HPDs) to successfully effect recommended changes in law, policy, finance, healthcare, and Resident initiatives that impact AFRH.

ES2-a Make contact with Congressional staffers quarterly.

ES2-b Hold an annual Veterans Services Organization (VSO) event.

ES2-c Establish and hold 2 community events at each campus annually.

ES2-d Pursue military support for donations.

Objective ES3: Plus up opportunities to cross-flow information from our known and suspected silos.

ES3-a Adopt "One Vision, One Mission, and One Organization", then highlight successes quarterly to all stakeholders.

Objective ES4: Build and maintain confidence in stakeholders that the AFRH is the premier Retirement community for eligible former military.

ES4-a Develop appealing communications about the AFRH's amenities and distribute to external stakeholders quarterly.

ES4-b Arrange small and large events for eligible military stakeholders to deliver positive messages.

