

# ***Defense Health Agency Update***

## ***Defense Health Board***

**Lt Gen Douglas J. Robb  
Director, Defense Health Agency**

**February 11, 2015**

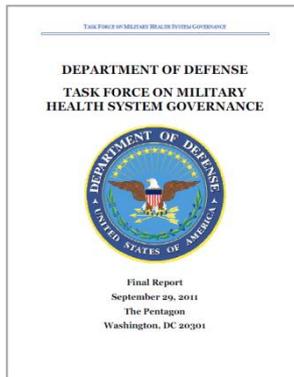


***“Medically Ready Force...Ready Medical Force”***

# How We Got Here: DSD “Nine Commandments” Memo



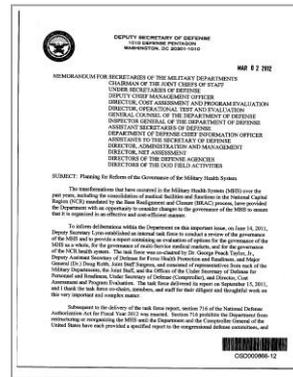
## DoD Task Force on MHS Governance



September 2011

Recommended DHA  
model for MHS  
governance

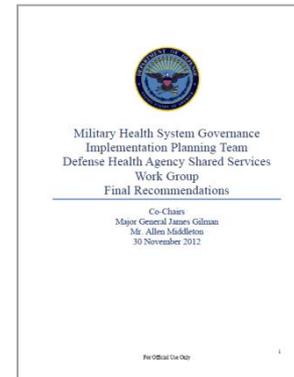
## DEPSECDEF Planning Memo



March 2012

Directed planning for  
DHA implementation

## DHA Planning WG Report



November 2012

Provided DHA and  
Shared Services  
implementation plan for  
DEPSECDEF approval

## DEPSECDEF “Nine Commandments” Memo



March 2013

Directed  
implementation of DHA

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# DepSecDef Memo

## “Planning for Reform of MHS” - March 2012



### ✓ 1. Defense Health Agency (DHA)

- a. Designated as a Combat Support Agency
- b. Assumes responsibility for the functions currently undertaken by TMA
- c. Assumes responsibility for shared services, functions, and activities in the MHS

### ✓ 2. Multi-Service Markets

- a. Appoint a Market Manager in geographic medical markets determined by overlapping multi-service catchment areas
- b. Market Manager's mission: create & sustain a cost-effective, coordinated, and high-quality market health care system
- c. Market Manager's authorities: manage & allocate MSM budget, direct adoption of common MSM clinical & business functions, and direct movement of workload & workforce as needed between/among MSM MTFs

### ✓ 3. National Capital Region Medical Directorate, DHA

- a. Assumes authority, direction, and control over the NCR health system, to include Walter Reed National Military Medical Center, Fort Belvoir Community Hospital, and all other MTFs that are determined to reside within the NCR market
- b. Directors of the WRNMMC, the FBCH, and the other MTFs will be selected by the USD(P&R) (or, if delegated, the ASD(HA), Director, DHA, or Director, NCR Med Dir) from nominees provided by the Military Departments
- c. Military personnel for the WRNMMC, the FBCH, and the other MTFs will be provided by the Military Departments according to manning documents maintained by the DHA

# DHA Leadership Team



 **Mr. Allen Middleton**  
Deputy Director



 **Lt Gen Douglas Robb**  
Director



 **CMDCM Terry Prince**  
Senior Enlisted Advisor



 **MG Richard Thomas**  
Director  
Healthcare Operations



 **RADM Bruce Doll**  
Director  
Research & Development



 **Mr. David Bowen**  
Director  
Health IT



 **Brig Gen Robert Miller**  
Director  
Education & Training



 **Mr. Joseph Marshall**  
Director  
Business Support



 **RADM Raquel Bono**  
Director  
NCR Medical

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# Defense Health Agency: *Global Support*



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# DHA as a Combat Support Agency

*Translation: DHA is to medical as DLA is to logistics  
or as DISA is to communications*



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# DHA: Day 499



**July 1, 2013**

- MHS transition teams stood up
- DHA Director selected
- 10 shared services assessed
- March 2013 report provided to Congress

**Oct 1, 2013**

- DHA operational and responsible for shared services
- NCR Medical Directorate operational
- eMSM transitions complete
- July and September reports provided to Congress

**Oct 1, 2014**

- All ten shared services are at IOC
- 5-year eMSM business performance plans complete and in execution

**Oct 1, 2015**

- DHA fully operational
- MHS Governance Transition Organization disbanded

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# DHA Shared Services



- 1 Facilities
  - 2 Medical Logistics
  - 3 Health Information Technology
  - 4 TRICARE Health Plan
  - 5 Pharmacy Programs
  - 6 Budget & Resource Management  
IOC 1 FEB 14
  - 7 Procurement/Contracting  
IOC 1 MAR 14
  - 8 Research, Development & Acq  
IOC 1 JUN 14
  - 9 Medical Education & Training  
IOC 10 AUG 14
  - 10 Public Health  
IOC 30 SEP 14
- IOC 1 OCT 13

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# Shared Services Savings Five Year Defense Plan (2015-2019)



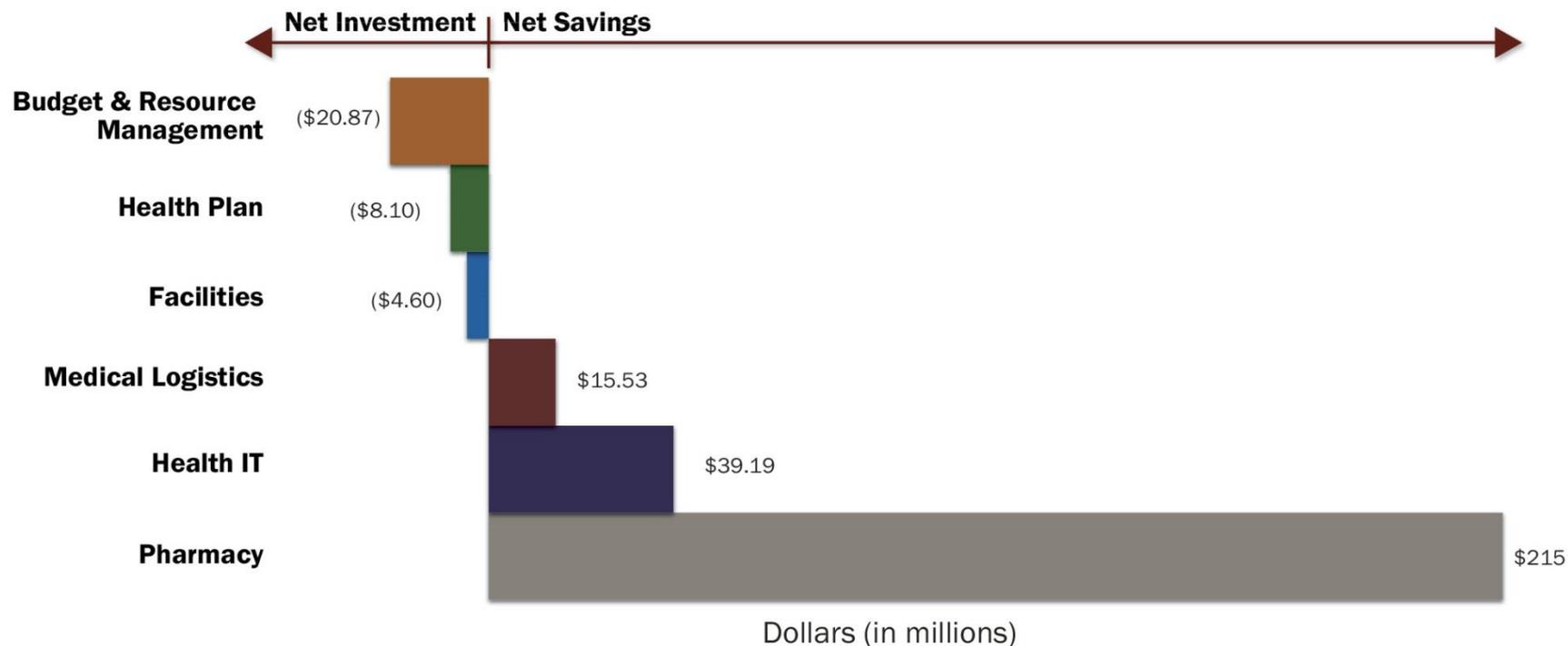
Shared Service	IOC	FY15-19 Savings
FACILITIES	1 OCT 13	\$537 M
MEDICAL LOGISTICS	1 OCT 13	\$189 M
HEALTH IT	1 OCT 13	\$265 M
HEALTH PLAN	1 OCT 13	\$456 M
PHARMACY	1 OCT 13	\$1,224 M
CONTRACTING	1 MAR 14	\$136 M
BUDGET & RESOURCE MGMT	1 FEB 14	\$279 M
MEDICAL RESEARCH & DEV	1 JUN 14	\$98 M
MEDICAL EDUCATION & TNG	10 AUG 14	\$ 5 M
PUBLIC HEALTH	1 OCT 14	\$293 M
<b><i>TOTAL</i></b>		<b><i>\$3.482 BILLION</i></b>

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# FY 2014 Shared Service Savings: *Covered DHA Initial Investment*



The DHA has achieved cost savings and paid for initial investments in FY 2014, resulting in net savings of approximately \$236 million.



*"Medically Ready Force...Ready Medical Force"*

# DHA First Year Achievements



- Established the DHA as a Combat Support Agency in support of medical readiness and appointed the first DHA Director
- Stood up ten integrated shared services to improve MHS-wide standardization, efficiency, and jointness
- Integrated more than 1,700 employees from the Army, Navy, Air Force, and the former TRICARE Management Activity (TMA) into the Agency at more than 40 sites around the globe
- Launched a robust analytics cell to provide dynamic decision support and standardized performance monitoring across the MHS
- Realigned the NCR Medical Directorate, including Walter Reed National Military Medical Center and Fort Belvoir Community Hospital, to the DHA
- Achieved FY2014 net savings of approximately \$236 million

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# Education & Training Directorate

## 1<sup>st</sup> Year Accomplishments



- Achieved Initial Operating Capability 10 Aug 2014
- One Stop Learning Management System
  - Joint Knowledge Online (JKO) new home for on-line tools
    - 23 portals → 1 portal
  - Joint Executive Skills Institute complete
- METC Strategic Partnerships
  - Bridge programs with 43 schools in 23 states that recognize military training for credit (WH Initiative)
  - “Military Combat Medic to RN” in 13 months a reality

# Education & Training Directorate

## Full Operational Capability Goals



- Military Medical Education Consortium
  - Create a university model to develop critical partnerships with civilian & military institutions in support of E&T
  - “Academic Affiliation Pilot” – collaboration with Uniformed Services University
    - Improves support for national certification / award credit for training
    - Enhanced recruitment and retention
    - Improved employment of Guard, Reserve and Veterans
    - Pilot Programs (Nuclear Medicine, Neurodiagnostic, Laboratory and Surgical Technologists)
- Tactical Combat Casualty Care
  - Refocus Defense Medical Readiness Training Institute (DMRTI) on critical skills training
- Modeling and Simulation
  - Advance cutting-edge technology to replace live animals and support medical training requirements

# HealthCare Operations

## 1<sup>st</sup> Year Accomplishments



- Created a process to more rapidly evaluate and incorporate emerging technologies and treatments (Laboratory-developed tests, autism coverage, tobacco reduction)
- Continued improvements in delivery models, generating savings and efficiencies
  - Published TRICARE 2017 Draft proposal and new regional strategy
  - Expanded Patient Centered Medical Home concept and Nurse Advice Line
  - Initiated TFL Mail Order Pharmacy and ePrescribing with civilian providers
- Strengthened Support to the Warfighters and Wounded Warriors
  - Coordinated review of TBI reporting and developed capability assessment of Casualty Management
  - Supported the 2014 Invictus and Wounded Warrior Games
  - Established the Operations/Fusion Cell to better coordinate operations, such as the Ebola Response Task Force, execution of SecDef Action Plan following MHS Review -- improving access, safety and quality

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# HealthCare Operations

## Full Operational Capability Goals



- Systematic review of the MHS healthcare delivery model and benefit reform
  - Comprehensive review of how we deliver care in the market, set conditions for the next generation of contracts
  - Leverage technology, targeted analytics and industry best practices to provide an enterprise view of the MHS and drive innovations in the delivery of healthcare in deployed, direct care and purchased care settings
  - Centralize collection from other health insurance (OHI), coordinated Medication Management Therapy strategy, Implement the Medical Neighborhood Continue improvements, and create Performance Management System in support of High Reliability Organization (HRO) strategy
  - Consolidate Deployment Health Assessments and Periodic Health Assessments, and integrate new requirements for mental health screening

# Research, Development & Acq

## *1<sup>st</sup> Year Accomplishments*



- Integrated Joint Program Committees for oversight of a \$2.2 B medical research enterprise
- Stood up a Clinical Investigation Research Office for multiservice clinical studies
- Created an Advanced Development CONOPS to manage research product development
- Established and prioritized Joint Medical Research and Development (R&D) Requirements
- Completed Brain Health program review
- Drafted Technology Transfer guidance

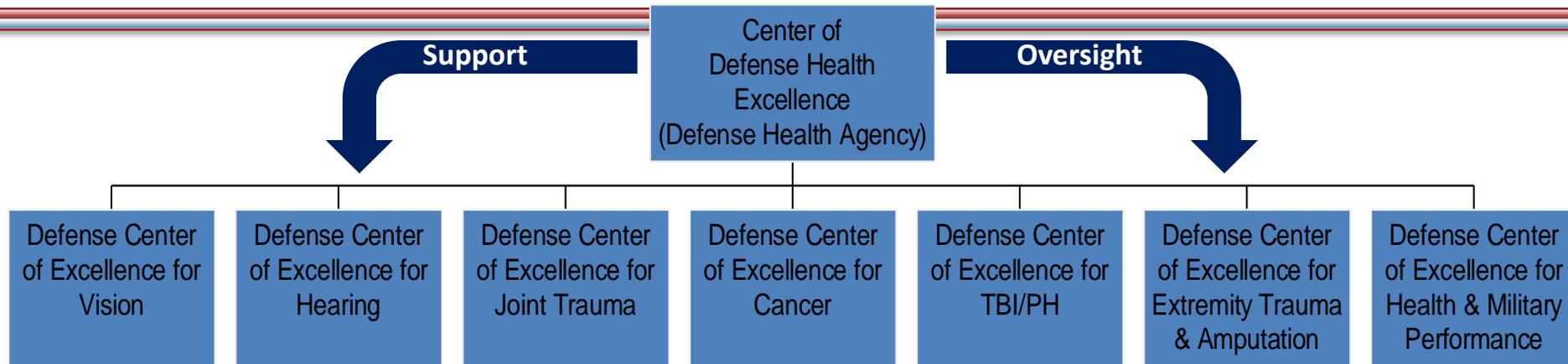
# Research, Development & Acq

## Full Operational Capability Goals



- Integrate Centers of Excellence with related databases
- Standardize Institutional Review Board and Cooperative Research Agreement processes
- Integrate program management with the Veterans Administration

# Board Discussion and Recommendations – CoE Organization



Military Health System & Affiliate Data Repositories \*



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# Health Information Technology

## 1<sup>st</sup> Year Accomplishments



- HIT Savings Review
  - BCA savings reported in FY14: \$39.19M, underspent by \$24M
- Single Email and Calendar Sharing for DHA
  - Migrated over 18K mailboxes to DEE already, DHHQ to migrate in Jan 2015
- EHR Planning
  - Development of a standard infrastructure to support new technology
  - Focusing on deployment strategy, interoperability requirements, and training
- Expenditure Approval Process
  - MDAG approved MTF IT expenditure review
- Governance
  - Began accepting submissions 9 October 2014
  - Joint Portfolio Board and HIT Working Group Charters pending endorsement

# Health Information Technology

## Full Operational Capability Goals



- Financial
  - Gain full visibility into MTFs IT spend plans and contracts
- Operational
  - Migrate entire DHA to Mail.mil
  - “Datacenter to Desktop” plan
  - Finalize HIT performance metrics with Services
  - Begin consolidation of help desks
  - Implement Active Directory / Enterprise network management service
- Support - EHR
  - Prepare EHR infrastructure in Pacific NW
  - Develop EHR sustainment organization
  - Identify required interfaces, determine data and format for EHR
- Organizational
  - Develop HIT organizational model for both NCR and non-NCR MTFs
  - Transition NAVMISSA and USAMITC commands into DHA HIT

# National Capital Region

## 1<sup>st</sup> Year Accomplishments



- Readiness
  - WRB American College of Surgeons (ACS) Level II Trauma Designation
  - Certified Ebola Response / Treatment Plan – coordinated with CDC, collaboration/partnership with NIH, and designated by State of Maryland as receiving facility
- Standardization – WRB and FBCH fully integrated into a General Fund Enterprise Business System
- Cost Savings – Optimization of MTF Staffing, reduced WRB and FBCH civilian staff by **761 FTEs (FY12-14)**

# National Capital Region

## Full Operational Capability Goals



- Enrollment Increase to 300,000 (an additional 64,000) by FY19
- Reduce Private Care Sector Costs by \$138M by FY19
- Patient Driven Culture of Quality – meet or exceed all patient safety and quality standard measures in FY15

# DHA 2<sup>nd</sup> Year Focus Areas



- Achieve DHA Full Operating Capability NLT 1 OCT 2015
  - Transition 10 Shared Services from IOC to FOC
  - Assess the “11<sup>th</sup> Shared Service” and beyond (Analytics, Centers of Excellence, Executive Agencies)
  - Sustain/Monitor efforts to achieve FY15-19 savings of \$3.482B
- Develop & Sustain an MHS Performance Management System to drive MHS system-wide continuous improvement – improving quality and safety where needed
- Enable DoD’s Electronic Health Record Modernization (Award in 2015)
- Institute the Next Generation TRICARE Health Plan (T-2017)
- Institute an integrated DHA Acquisition Structure
- Introduce a common cost accounting structure

# First Year Reflection



- Governance is working -- Governance bodies are doing their jobs – transparent, open discussions of major policy and operational decisions by OSD, DHA and Services
- Cultivating Agency alliances
- Lessons (re)-learned
  - Consensus takes time
  - Continuous communications -- need to drive home the value of DHA to the enterprise
- MHS Value – not a zero-sum game to customers
  - Disciplined execution requires shared commitment -- cannot backtrack on goals when obstacles are encountered



Defense Health Agency

# Shared Services FOC Criteria

Developed through MHS Gov (Future Shared Services Team)



	Criteria	Met
1.	The military Services agree they are receiving the services as agreed in the Coordinated Concept of Operations (CCONOPS). The Shared Service has a mechanism (working group, committee, etc.) to elicit feedback from Services and to communicate with the Services.	<input type="checkbox"/>
2.	For product line or initiative (one entry for each) as agreed to in the (CCONOPS), the Shared Service has work underway and is actively managing actions associated with this product line or initiative.	<input type="checkbox"/>
3.	The Shared Service has received the resources identified in the CCONOPS, or resources have been sufficiently programmed to carry out the operation of this Shared Service	<input type="checkbox"/>
4.	The Shared Service developed performance metrics to help manage actions, report progress, identify gaps, and identify areas for improvement	<input type="checkbox"/>
5.	There is no substantive change required to the CCONOPS of the Shared Service	<input type="checkbox"/>
6.	The Shared Service has a vision and mission statement	<input type="checkbox"/>



CJCS

USU(P&R) / ASD(HA)

Policy Development & Oversight

Policy Execution

Combat Support Agency Responsibilities

**Defense Health Agency Director**  
Deputy Director Sr. Enlisted Advisor

DHA OGC

IPO PEO DHMS

EHR Functional Champion

Chief of Staff

Special Staff

HA/DHA Liaison  
Strategic Mgt  
Prog Integration

Component Acquisition Executive  
Procurement  
Small Business

Communications  
Def Health Board  
Analytics

Innovation  
DoD/VA PCO

Admin & Mgt  
EEOO  
Manpower  
Comptroller

**Healthcare Operations Directorate (CMO)**

**Research Development Acquisition Directorate**

**Health IT Directorate (CIO)**

**Education & Training Directorate**

**Business Support Directorate**

**NCR Medical Directorate**

TRICARE Health Plan  
Pharmacy  
Clinical Support  
Public Health  
Readiness  
Warrior Care Program

Advanced Development  
Science & Technology  
Clinical Infrastructure Program  
Veterans Affairs R&D Liaison

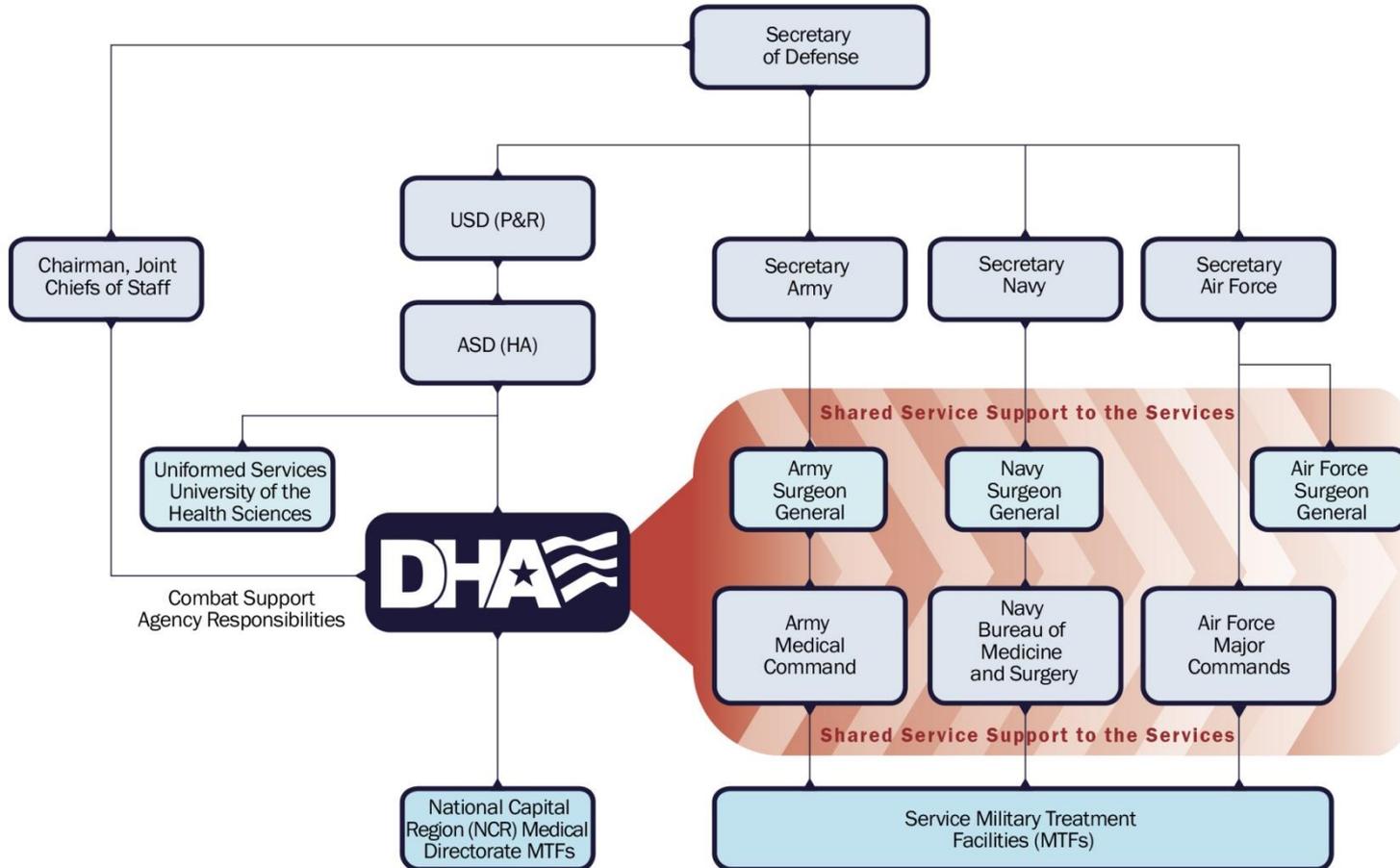
Innovation and Advance Technology Dev (CTO)  
Portfolio Mgmt and Customer Relations  
Infrastructure & Operations  
Solution Delivery  
Information Delivery  
Cyber Security  
Defense Health Service System (DHSS)  
Defense Health Clinical System (DHCS)

METC HQ  
DMRTI  
JMESI  
Academic Review & Oversight  
Prof Development, Sustainment, & Prog Mgmt

Facility Planning  
Medical Logistics  
Budget & Resource Management  
Program Integrity

Walter Reed National Military Med Center  
Ft. Belvoir Community Hospital  
Joint Pathology Center

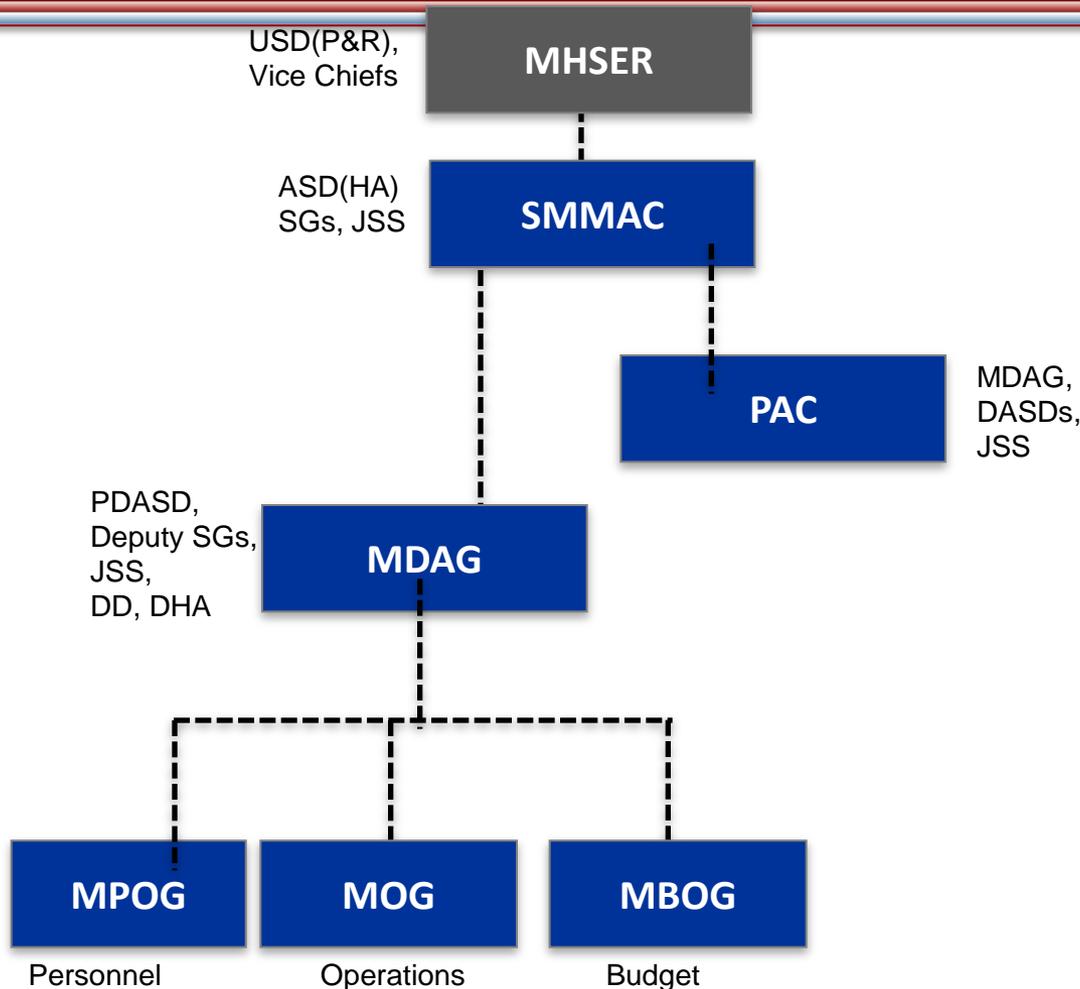
# DHA: Supporting the Military Services



*The DHA reports to the ASD(HA) and provides support to the three Military Services.*

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# MHS Governance



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# DHA Review of SecDef Directed Actions



**Task 1:** Develop an action plan to address MTFs who were outliers (lagging performance) with respect to access standards. (Services/DHA) **CLOSED 20 OCT 14**

**Task 7:** Develop a plan to provide all currently available aggregate statistical information for all MTF and, to the extent possible, all Purchased Care providers (external transparency). (DHA) **CLOSED 31 OCT 14**

**Task 8:** Develop a mechanism through which patients and stakeholders are engaged for ongoing and enduring input. **CLOSED 31 OCT 14**

**Task 3:** Develop an action plan to address MTFs who were outliers (lagging performance) with respect to quality and safety measures. (Services/DHA) **CLOSED 7 NOV 14**

# DHA Review of SecDef Directed Actions (cont'd)



**Task 4:** Develop a plan for a more comprehensive assessment of quality and safety within purchased care (PC). (DHA) **Due 30 Dec 14**

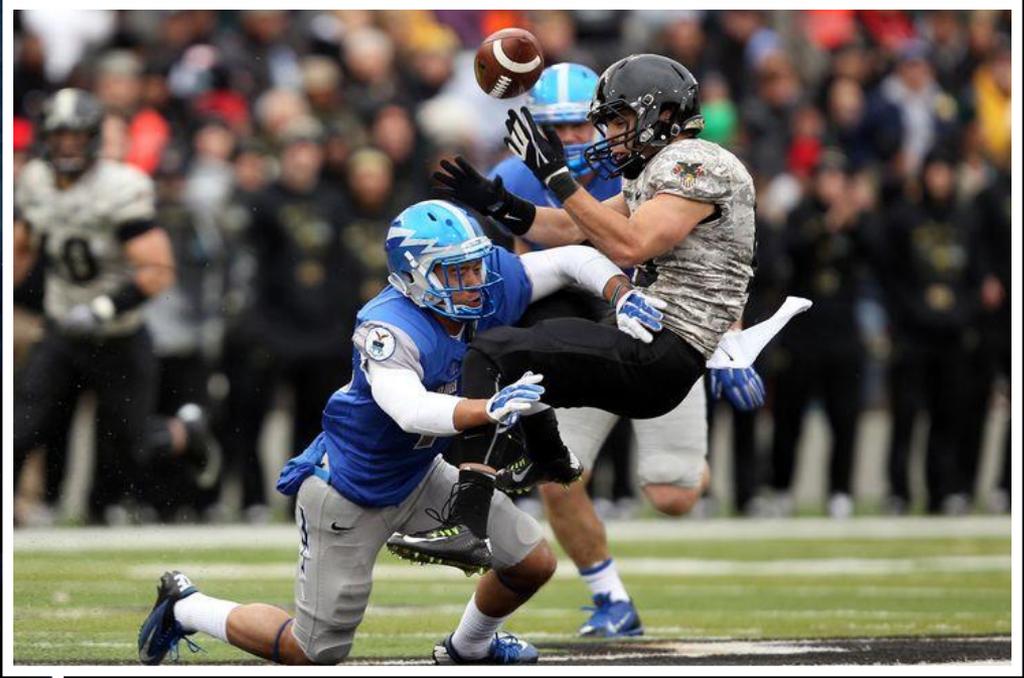
**Task 5:** Establish an MHS Performance Management System (PMS). (DHA) **Due 30 Dec 14**

**Task 9:** Develop a plan to implement necessary changes to move to a top performing health system and to address all recommendations in the MHS Review. (MHS AOG) **5 Year Plan Due 30 Dec 14**

**Task 6:** Provide a report that demonstrates the PMS capability to drive system-wide improvement. (DHA) **Due 15 Jul 15**



*The Commander-in-Chief's Trophy is back home...*



*...as it should be!*

## Specific Accomplishments

### **Operations:**

- Supported private sector care and all components in executing over \$31B in FY14; during FY15 CR, secured additional funding from OMB to keep all medical activities “on mission”
- Earned an unqualified audit opinion for purchased care and qualified opinion of the MERHCF program
- Recovered \$37M in TRICARE fraud, abuse, & ineligibility settlements
- Reduced DoD’ s long-term healthcare actuarial liability by ~\$45B
- Launched Common Cost Accounting effort across the MHS to standardize cost accounting
- Functional Management of ROB THEN REORDER

## Specific Accomplishments

### **Facilities:**

- Standardized MILCON investment decision making process, which is being used to prioritize projects for the FY 17 Medical MILCON program
- DHA onsite project management of Rhine Ordinance Barracks replacement project (Landstuhl)
- Implemented enterprise-wide coordination of initial outfitting and transition (IO&T) funding, saving \$295M
- Started eMSM “Visioning” Planning in 4 markets: Hawaii, Puget Sound, San Antonio, and Colorado Springs. This standardized market demand signals for future capital investments

## Specific Accomplishments

### **Medical Logistics:**

- Partnered with DLA and MHS clinicians that standardized medical supplies and equipment, expanded use of Ecommerce (currently at 75%), and leveraged its buying power to obtain lower product costs for more than 1400 products (e.g. bandages, syringes, needles, sponges), saving over \$10M
- Deferred pharmaceutical replacement thru the Shelf Life Extension Program, saving \$4B

## FOC – And Beyond

### **Operations:**

- Begin the FY15 DHP audit examination, enroute to FY17 full audit
- Strengthen our coding compliance to improve MHS performance
- Successfully integrate the Medical Education and Training Command (METC), Armed Forces Medical Examiners System (AFMES), & the National Military Health Museum (NMHM) under the DHA umbrella
- Implement ABACUS to increase MTF billings and collections
- Integrate business & financial planning & execute an effective POM 17
- Drive Common Cost reporting across the Services

## FOC – And Beyond

**Facilities:** Finalize enterprise-wide condition based assessment of all buildings to guide future investment decisions (total asset visibility); expand standards and processes to improve requirements planning (right facilities, right quality, right resourcing)

**Medical Logistics:** Expand the number of standardized medical products across the enterprise to include durable medical equipment and provider preference items