The Defense Health Agency in 2018:  
*The integral role of Health IT*

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DHA Presence Across the Globe
Supporting COCOMs and Services
55 Hospitals  
360 Outpatient Clinics
9.4M Beneficiaries

1.5M In Uniform
9.4M Beneficiaries

5.4M Retirees/Families
Joint Concept for Health Services

Chairman, Service Chief Endorsed Doctrine

• “Concept encompasses the global employment of joint operational health services and the idea of interoperable Service capabilities guided by common standards and procedures...The need for integrated medical support that keeps pace...to support Globally Integrated Operations is clear.”
  - Chairman, Joint Chiefs of Staff
Today’s DHA: How We Got Here

DoD Task Force on MHS Governance

DEPSECDEF Planning Memo

DHA Planning WG Report

DEPSECDEF “Nine Commandments” Memo

DODD 5136.13

NDAA 2017

September 2011

March 2012

November 2012

March 2013

September 2013

Dec 2016

Recommended DHA model for MHS Governance

Directed planning for DHA implementation

Provided DHA and Shared Services implementation plan for DEPSECDEF approval

Directed implementation of DHA

Establishes the DHA

Directed implementation of Broader Responsibilities
The conferees believe that

- *the current organizational structure* of the military health system
  - essentially three separate health systems each managed by one of the three Services –
  - *paralyzes rapid decision-making* and *stifles innovation* in producing a modern health care delivery system …
- …that would better serve all beneficiaries.”
FY 17 National Defense Authorization Act

The “Why”

“...a single agency responsible for the administration of all MTFs would

• *best improve and sustain operational medical force readiness* and the *medical readiness of the Armed Forces*,
• *improve beneficiaries’ access to care* and the experience of care,
• *improve health outcomes*,
• and *lower the total management cost* of the military health system.”
“The Director of the Defense Health Agency, beginning October 1, 2018, to take responsibility for the administration of each MTF, including all matters with respect to:

1)  **budget**;
2)  **information technology**;
3)  health care administration and **management**;
4)  administrative policy and procedure;
5)  military medical **construction** and
6)  **any other matters the Secretary determines appropriate**

...[and] would require the establishment of a professional staff within the Defense Health Agency to provide policy, oversight, and **direction of all matters related to the administration of MTFs.”
It is my expressed intent to field a larger, more capable, and more lethal Joint force. It is incumbent on each of us to accomplish this task in the most cost-effective, efficient manner possible. If we are to ask the American taxpayers to provide more resources to our Nation’s challenges. However, we have sometimes allowed our focus on service uniqueness to extend into business operations, leading to duplication of effort and costs we can no longer afford. To achieve greater Departmental efficiency and savings, we must now pursue cross-enterprise consolidation of business activities.

DoD Deputy Chief Management Officer

Core Business Processes for Revolutionary Change,” I direct you to further this work by exploring efficiencies across the following core business functions: human resource management; financial management (to include improvements in cost accounting); real property management; acquisition and contract management; logistics and supply chain management; health care management; base services (including retail operations, base lodging, and Morale, Welfare, and Recreation (MWR) services); and cyber and information technology management.
MEMORANDUM FOR ALL DEPARTMENT OF DEFENSE PERSONNEL

SUBJECT: Guidance from Secretary Jim Mattis

The start of a new fiscal year serves as an opportunity for greater alignment as we reconfirm our commitment to the American people. As a member of the U.S. Department of Defense, you play a vital role in supporting the three million men and women – uniformed and civilian – who fight for our Nation’s interests abroad. We protect and defend the Constitution, our people, and our values, and America’s military reinforces traditional tools of diplomacy, ensuring President Trump and our diplomats negotiate from a position of strength.

We are a Department of war. We must be prepared to deal with an increasingly complex global security situation, characterized by an accelerating decline in the management of the rules-based international order. North Korea’s provocative actions and reckless rhetoric continue despite United Nation’s censure and sanctions. Russia has violated the borders of nearby nations and seeks veto power over the economic, diplomatic, and security decisions of its neighbors. China is a long-term strategic competitor that seeks to intimidate its neighbors while escalating tensions in the South China Sea. Iran continues to sow violence and remains the largest long-term challenge to Middle East stability. Despite recent gains against ISIS, terrorist groups continue to murder the innocent and threaten peace.

Pursuit of global security and stability requires our armed forces to remain the world’s preeminent fighting force, and our Department has three lines of effort to enable us to remain the world’s preeminent fighting force:

First, restore military readiness as we build a more lethal force. We will execute a multi-year plan to rapidly rebuild the warfighting readiness of the Joint Force, filling holes in capacity and lethality while preparing for sustained future investment. This line of effort prioritizes a safe and secure nuclear determent, the fielding of a decisive conventional force, and retains irregular warfare as a core competency.

Second, strengthen alliances and attract new partners. Alliances and multinational partnerships provide avenues for peace, fostering conditions for economic growth with countries sharing the same vision. Strong alliances also temper the plans of those who would attack other nations or try to impose their will over the less powerful. History is compelling on this point: nations with strong allies thrive, while those without stagnate and wither. We will continue to work with our allies, partners, and coalitions – the North Atlantic Treaty Organization.

“…budget discipline and effective resource management, develop a culture of rapid and meaningful innovation, streamline requirements and acquisition processes…”

• Restore Military Readiness as We Build a More Lethal Force

• Strengthen Alliances and Attract New Partners

• Bring Business Reforms to the Department of Defense
Medical as Percent of DoD Budget

MHS Cost Growth Has Slowed, But We Are Not Complacent

Includes Normal Cost contributions to the Medicare Eligible Retiree Health Care Fund (MERHCF)
Enterprise Support Activities (ESA)

- Pharmacy Programs
- TRICARE Health Plan
- Health Information Technology
- Budget & Resource Management
- Medical Logistics

Facilities
Procurement/Contracting
Research, Development & Acquisition
Public Health
Education & Training Directorate
Enterprise Support Activities

Beat FY15 Expectations, Beat FY16 Expectations

FY14-19 Net Savings ($M)
Health IT

Fewer Systems, Streamlined Management

Health IT (J-6) Shared Service Net Savings and Reductions ($M)

- Actual Savings FY14-17Q3 (Cumulative)
- Initial Projections FY14-19 3rd Report to Congress (Cumulative)
- POM Booked Savings FY15-19 (Cumulative)
- Forecast (Cumulative)
WASHINGTON, July 29, 2015 — The award of the new modernization contract for electronic health records is a great opportunity to “save money, save time, and most importantly, save lives,” Christopher A. Miller, the Defense Healthcare Management Systems program executive officer said today.

In a culmination of a more than two-year effort, the Defense Department today awarded a $4.3 billion contract to Leidos, Inc. Now begins the hard part: Putting the contract in place, Miller said.

The new contract will cover more than 9.5 million Defense Department beneficiaries and the more than 205,000 care providers that support them.
MHS GENESIS
Complex Change Effort

Worldwide Deployment

Many Stakeholders

First Major Upgrade in > a Decade

50+ legacy systems to 1
Zero Based Budget Review (ZBR) Overview

• In April/May 2015 DoD leadership directed a ZBR to evaluate the existing and planned MHS IT investments in FY16, FY17, and out years of the Future Year Defense Plan.

• Comprehensive examination of all IT investments used to support MHS functions, irrespective of funding source or implementation organization

• Definition: Zero-based budgeting starts from a “zero base”, every function within an organization is analyzed for its needs and costs
MHS IT Management Reform
Additional Opportunities

• Further rationalization of the IT portfolio (applications) across the Services and DHA

• Continued implementation of the Medical Community of Interest (MED-COI)

• Continued implementation of NDAA 2017 further consolidation of MHS IT in support of managing the MTFs

• Support of MHS Genesis deployment and sustainment

• Cybersecurity implementation based on the DoD plan
Key Takeaways

- **Organizational Big Rocks:**
  - TRICARE – January 1, 2018
  - MHS GENESIS Deployment
  - NDAA Implementation

- **The Future Picture:**
  - Unwavering focus on improved Readiness
  - Increased Quality and Safety
  - Greater Efficiency...without sacrificing effectiveness!