



## THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

DEC 12 2013

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (MANPOWER AND  
RESERVE AFFAIRS)  
ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND  
RESERVE AFFAIRS)  
ASSISTANT SECRETARY OF THE AIR FORCE (MANPOWER  
AND RESERVE AFFAIRS)  
COMMANDER, JOINT TASK FORCE NATIONAL CAPITAL  
REGION-MEDICAL

SUBJECT: Department of Defense Medical Materiel Standardization and Acquisition Guidance

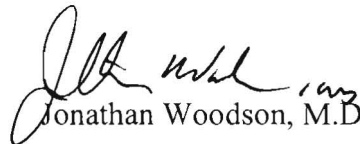
The Military Health System (MHS) must aggressively pursue medical supply chain efficiencies and cost savings. Standardization of medical materiel and use of optimum purchasing strategies represent best practices of successfully integrated health systems. Medical supplies and equipment account for more than \$4.5 billion in annual expenditures by the MHS. A disciplined, clinically-driven effort to reduce variation in medical materiel presents a significant opportunity to reduce MHS costs and enable the highest quality of health care delivered through both institutional and operational medical capabilities.

Accordingly, the Military Services must support the Defense Medical Materiel Standardization Program through participation in standardization actions managed by Medical Materiel Enterprise Standardization Offices and comply with purchasing standardized medical materiel products. Furthermore, the Military Services shall use the enterprise medical materiel acquisition programs established by the Defense Logistics Agency, limiting to the extent possible purchases using government credit cards and other local purchase methods.

The Defense Health Agency (DHA) and the Military Services will incorporate materiel standardization and optimal sourcing as key elements of clinical resource utilization and health planning. To that end, the DHA will provide MHS-wide management and compliance oversight for business process initiatives, improving materiel standardization and product sourcing practices across the MHS that comply with the Competition in Contracting Act and implementing Federal Acquisition Regulations. The DHA will, in coordination with the Services and the Defense Logistics Agency (DoD's executive agent for medical materiel), establish metrics and standards, monitor execution performance, and report compliance to the MHS leadership for awareness and appropriate action. Intended outcomes include overall reduction in materiel costs, increased use of clinically-appropriate standardized products, increased availability and accuracy of materiel data, and improved interoperability of MHS capabilities.

This begins a shift from local Medical Treatment Facility (MTF) and Service-centric management of key medical materiel acquisition processes to an enterprise management model consistent with modern integrated health delivery networks. It will entail less discretion in supply and equipment purchases at the MTF-level where health care is delivered. I need your support to ensure that our standardization and acquisition programs select the right materiel and that materiel compliance with standardized products is the norm.

The points of contact for this action are COL Randy Story, Program Director, Medical Logistics Policy, for all policy queries and CAPT Bernie Poindexter, Acting Director, Medical Logistics Division DHA, for all questions related to execution of the medical logistics mission across the MHS. COL Story may be reached at (703) 681- 8463 and CAPT Poindexter may be reached at (301) 619-6002.

  
Jonathan Woodson, M.D.