Defense Health Agency Transformation

Director, Defense Health Agency
May 20, 2019
The National Defense Strategy

• The Department’s management structure and processes are not written in stone, they are a means to an end....Department leaders will adapt their organizational structures to best support the Joint Force.

• We will reduce or eliminate duplicative organizations and systems for managing human resources, finance, health services, travel, and supplies.
Vision for DoD Healthcare Reform

Why Change is Needed

• Four disjointed healthcare systems with 24 overlapping headquarters/regional/intermediate commands
• Duplicative overhead and staff functions across and within each system
• Prolonged and uncoordinated decision making
• Unnecessary variation in processes, policies, and procedures across and within each system
• Duplicative and disjointed healthcare IT systems

What We Are Doing

• Consolidating healthcare management functions under one system (NDAA §702)
• Defining overall medical force size requirements and structure (NDAA §721)
• Optimizing military medical treatment facility footprint (NDAA §703)
• Deploying a more modern, secure, and connected electronic health system (MHS GENESIS)
• Implementing 11 enterprise-wide initiatives projected to save $2.6B/year at full implementation (RMG)

Higher costs and suboptimal outcomes for readiness, health, access to care, quality, and safety

An effectively organized medical system that strategically supports readiness and health
## Enterprise Activities (EAs) Supporting Readiness

<table>
<thead>
<tr>
<th>Pharmacy Programs</th>
<th>Facilities</th>
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<tr>
<td>TRICARE Health Plan</td>
<td>Procurement/Contracting</td>
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<td>Research, Development &amp; Acquisition</td>
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<td>Public Health</td>
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<td>Medical Logistics</td>
<td>Education and Training</td>
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DHA as a Combat Support Agency
Combatant Command and Readiness Support

• Enhance Theater Patient Movement Support

• Synchronize bio-surveillance activities

• Better coordinate Medical R&D efforts

• Integrate - DHA liaisons in each Combatant Command

• Holistic approach for health services education and training
ACS NSQIP
DOD Collaborative January 2019 Summary
Surgery Dates July 1, 2017 to June 30, 2018

The following table displays risk-adjusted collaborative performance for the current SAR period using the risk-adjusted smoothed rates methodology.

<table>
<thead>
<tr>
<th>Model Name</th>
<th>Total Cases</th>
<th>Observed Events</th>
<th>Observed Rate</th>
<th>Adjusted Rate *</th>
<th>95% Lower CL</th>
<th>95% Upper CL</th>
<th>Outlier **</th>
<th>Estimated OR</th>
<th>NSQIP Population Rate</th>
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</thead>
<tbody>
<tr>
<td>ALLCASES Mortality</td>
<td>40,683</td>
<td>56</td>
<td>0.14%</td>
<td>0.61%</td>
<td>0.44%</td>
<td>0.80%</td>
<td>Low</td>
<td>0.61</td>
<td>0.99%</td>
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<tr>
<td>ALLCASES Morbidity</td>
<td>40,683</td>
<td>932</td>
<td>2.29%</td>
<td>5.30%</td>
<td>4.96%</td>
<td>5.65%</td>
<td>Low</td>
<td>0.87</td>
<td>6.03%</td>
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<tr>
<td>ALLCASES Cardiac</td>
<td>40,679</td>
<td>36</td>
<td>0.09%</td>
<td>0.33%</td>
<td>0.21%</td>
<td>0.48%</td>
<td>Low</td>
<td>0.52</td>
<td>0.63%</td>
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<tr>
<td>ALLCASES Pneumonia</td>
<td>40,679</td>
<td>81</td>
<td>0.20%</td>
<td>0.64%</td>
<td>0.48%</td>
<td>0.81%</td>
<td>Low</td>
<td>0.66</td>
<td>0.96%</td>
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<tr>
<td>ALLCASES Unplanned Intubation</td>
<td>40,683</td>
<td>45</td>
<td>0.11%</td>
<td>0.43%</td>
<td>0.30%</td>
<td>0.58%</td>
<td>Low</td>
<td>0.60</td>
<td>0.70%</td>
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<tr>
<td>ALLCASES Ventilator &gt; 48 Hours</td>
<td>40,677</td>
<td>45</td>
<td>0.11%</td>
<td>0.47%</td>
<td>0.33%</td>
<td>0.63%</td>
<td>Low</td>
<td>0.64</td>
<td>0.73%</td>
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<td>ALLCASES VTE</td>
<td>40,683</td>
<td>133</td>
<td>0.33%</td>
<td>0.69%</td>
<td>0.57%</td>
<td>0.81%</td>
<td>Low</td>
<td>0.85</td>
<td>0.81%</td>
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<td>ALLCASES Renal Failure</td>
<td>40,675</td>
<td>37</td>
<td>0.09%</td>
<td>0.32%</td>
<td>0.21%</td>
<td>0.44%</td>
<td>Low</td>
<td>0.68</td>
<td>0.46%</td>
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<td>ALLCASES UTI</td>
<td>40,631</td>
<td>257</td>
<td>0.63%</td>
<td>1.13%</td>
<td>1.00%</td>
<td>1.26%</td>
<td>1.07</td>
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<tr>
<td>ALLCASES SSI</td>
<td>40,545</td>
<td>431</td>
<td>1.06%</td>
<td>2.17%</td>
<td>1.96%</td>
<td>2.39%</td>
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<td>0.86</td>
<td>2.50%</td>
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<tr>
<td>ALLCASES Sepsis</td>
<td>40,630</td>
<td>92</td>
<td>0.23%</td>
<td>0.68%</td>
<td>0.53%</td>
<td>0.85%</td>
<td>Low</td>
<td>0.70</td>
<td>0.97%</td>
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<td>ALLCASES C.diff Colitis</td>
<td>40,683</td>
<td>31</td>
<td>0.08%</td>
<td>0.23%</td>
<td>0.14%</td>
<td>0.34%</td>
<td>Low</td>
<td>0.60</td>
<td>0.39%</td>
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<tr>
<td>ALLCASES ROR</td>
<td>40,683</td>
<td>586</td>
<td>1.44%</td>
<td>2.65%</td>
<td>2.45%</td>
<td>2.85%</td>
<td>High</td>
<td>1.13</td>
<td>2.35%</td>
</tr>
<tr>
<td>ALLCASES Readmission</td>
<td>40,683</td>
<td>1,049</td>
<td>2.58%</td>
<td>5.25%</td>
<td>4.96%</td>
<td>5.56%</td>
<td>1.05</td>
<td>5.04%</td>
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See the following item.
Taking a realistic look at “readiness” platforms

Military Treatment Facility Average Daily Census
October 2018

- US Military Treatment Facility
- International Military Treatment Facility
- MHS Average: 38.0 ADPL, 54% Occupancy Rate
Naval Medical Center Camp Lejeune’s Level III Trauma Center is officially “opened” with a ceremonial ribbon cutting. 🇺🇸 🚗 🎆 🪓
#weareNMCCCLtrauma #navymedicine
Hospital Ratings

You searched for: Washington, DC 20016, USA within 10 miles. Start a new search or look up a hospital's Leapfrog Hospital Safety Grade. Learn how to use this information.

To provide the safest, highest-quality care, hospitals must staff their units with appropriate expertise and have effective policies in place to manage and reduce errors. The biggest impact on patient outcomes comes from a deliberate and hospital-wide commitment to these practices.

Select up to 3 hospitals to compare:

- George Washington University Hospital
  Washington, District of Columbia
  MORE DETAILS

- Sibley Memorial Hospital
  Washington, District of Columbia
  MORE DETAILS

- Walter Reed National Military Medical Center
  Bethesda, Maryland
  MORE DETAILS

Legend

Steps to Avoid Harm

Never Events Management

Appropriate Use of Antibiotics in Hospitals

Specially Trained Doctors Care for ICU Patients

MORE DETAILS

DECLINED TO RESPOND
231 U.S. Surgical Residency Programs Evaluated

#1 – Madigan Army Medical Center

#3 – San Antonio Military Medical Medical Center

#23 – National Capital Region (Walter Reed / Ft Belvoir)

#24 – Naval Medical Center San Diego
### Military Health System Consolidation

#### Objective 1
- **1 OCT 2019 – 1 FEB 2020**
- **Stand-Up Markets**
  - **54% Facilities**
  - **71% MIL/CIV FTEs**
  - **61% Enrollees**
  - **81% Dispositions**

#### Objective 2
- **1 OCT 2019 – 1 MAY 2020**
- **Form SSO**
  - **83% Facilities**
  - **93% MIL/CIV FTEs**
  - **88% Enrollees**
  - **88% Dispositions**

#### Objective 3
- **1 APR 2020 – 1 OCT 2020**
- **Form DHRs**
  - **100% MHS Enterprise**

### tMTFs & Direct Support
- Transition ADC of MTFs to DHA (1 OCT 2019)
- ADC of MTFs executed through DS relationship with Service IMOs
- tIMO certifies 4 markets from 5+3
- Expansion of DHA HQ functions and issuance of critical DHA-Ps and DHA-IPMs
- Service IMOs continue OCONUS support

### Present - 30 SEP 2019
- **Objective 1**
- **1 OCT 2019 – 1 FEB 2020**
- **Objective 2**
- **Objective 3**
- **Objective 4**

### Key Graphs
- **Facilities**
- **MIL/CIV FTEs**
- **Enrollees**
- **Dispositions**

**Graph Key**
- Previously Transferred
- Transferring in Phase

**7% Facilities**
**13% MIL/CIV FTEs**
**12% Enrollees**
**17% Dispositions**

**54% Facilities**
**71% MIL/CIV FTEs**
**61% Enrollees**
**81% Dispositions**

**83% Facilities**
**93% MIL/CIV FTEs**
**88% Enrollees**
**88% Dispositions**

**100% MHS Enterprise**
Market Orientation

Resources closest to healthcare delivery

Local medical leaders with real authority to effectively move money and people to responsibly coordinate patient-centered care

Data-driven
Market Construct

- Direct Reporting Markets
- Defense Health Region Indo-Pacific
- Defense Health Region Europe
- Small Market / Clinic Market Development Office
  - Small Markets
  - Stand-alone MTFs
## Selected Transition Measures

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<th>Performance Thresholds</th>
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<th>Total MHS</th>
<th>All DHA MTFs</th>
<th>Seymour Johnson</th>
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<th>Ft Bragg</th>
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- Under-performing: TBD
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- Meets Goal: TBD
- Exceeds Goal: TBD

### Ready Medical Force: % Providers Meeting KSAs*
- Under-performing: TBD
- Below Goal: TBD
- Meets Goal: TBD
- Exceeds Goal: TBD

### Health: Obligations in Adults*
- 95% conf int. > 1
- 95% conf int. = 1
- 95% conf int. < 1

### Clinical Outcomes: Risk Adjusted Mortality
- 6/2018: 1.02
- 12/2018: 1.02

### Patient Satisfaction: Provider Communication
- 12/2017: 86%
- 6/2018: 84%

### Patient Safety: Wrong Site Surgery
- Access: Availability of 24 Hour Appointments
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Enterprise Activity Net Savings

FY14-19 Net Benefit ($M)

Actual Benefit through FY18Q4: $3,155.87M
Projected Benefit through FY18Q4: $2,534.80M

FY18 Net Benefit by Enterprise Activity ($M)

Annual forecasted benefit for FY19 is $1,032.60M

- 3rd Report to Congress
- Forecast
- POM Booked Savings

Initial Cumulative Net Benefit Projection (3rd RTC)
ESA Reported Actuals (Cumulative)
ESA Reported Forecast (Cumulative)
POM Booked Benefit (Cumulative)
Questions