



# THE DEFENSE HEALTH AGENCY

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## 2016 Stakeholder Report

"Medically Ready Force...Ready Medical Force"





*"We're right there with you. My goal is to support all the Services in executing what you are directed to do from your senior leaders. The value we bring is how well we support you and your missions."*

**- VICE ADMIRAL RAQUEL BONO**



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## MISSION

The Defense Health Agency (DHA) is a joint, integrated Combat Support Agency enabling the Army, Navy, and Air Force Medical Departments to provide a medically ready force and a ready medical force to Combatant Commands in both peacetime and wartime. In support of an integrated, affordable and high-quality Military Health System, the DHA directs the execution of ten joint shared services to include the health plan (TRICARE), pharmacy, health information technology, research and acquisition, education and training, public health, medical logistics, facility management, budget resource management, and contracting. The DHA administers the TRICARE Health Plan providing worldwide medical, dental, and pharmacy programs to more than 9.4 million uniformed Service members, retirees, and their families.

## GOALS

- Fortify our relationship with the Services
- Strengthen our role as a Combat Support Agency
- Optimize DHA operations



*A joint, integrated, premier system  
of health, supporting those who  
serve in the defense of our country.*



## AN INTRODUCTION TO THE DEFENSE HEALTH AGENCY

*"By working directly with the Combatant Commands and the Joint Staff Surgeon, we've identified readiness challenges that the DHA is uniquely situated to address."*

**- VICE ADMIRAL RAQUEL BONO**



# AN INTRODUCTION TO THE DEFENSE HEALTH AGENCY

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## MESSAGE FROM THE DIRECTOR

After completing my first year as the Director of the Defense Health Agency, I am gratified by the exciting, challenging, and inspiring opportunities the Agency and I have experienced. Looking back on 2016, it is important to reflect on the goals, accomplishments, and events that shaped the DHA this year and how they will carry us through 2017.

Throughout the year, we explored and pursued how to best meet each of our goals in ways meaningful to our stakeholders. It's been extremely encouraging to see the progress we've made focusing on the areas of fortifying our relationship with the Services, strengthening our role as a Combat Support Agency (CSA), and optimizing DHA operations.

Our relationship with the Services is the foundation of what we do. In the operational arena, we've taken a deliberate approach as a CSA to identify how we can best support the Combatant Commanders. By working directly with the Combatant Commands and the Joint Staff Surgeon, we've identified readiness challenges that the DHA is uniquely situated to address. In 2017, the DHA will continue to grow and function as an agency that supports, implements, and sustains the Military Health System (MHS), affirming the value the DHA brings to the MHS.



**VICE ADMIRAL  
RAQUEL BONO**

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## MESSAGE FROM THE SENIOR ENLISTED ADVISOR

I am thankful for the opportunity to lead change and shape military medicine with our stakeholders. I found my first year as the DHA Command Sergeant Major and Senior Enlisted Advisor professionally and personally rewarding. The Director, DHA's three priorities: to fortify the DHA's relationship with the Services, strengthen the DHA's role as a CSA, and optimize DHA operations, have shaped the DHA's work and focused efforts to reconfigure the Agency, develop a strategy map, and prepare the DHA for a strategic transformation of military medicine. In addition to the three priorities, the DHA continues to embrace the core values and guiding principles of the Agency, including transparency, accountability, leading change, empowerment, nurturing future leaders, and team-orientation in all projects and initiatives.

A direct reflection of the DHA's hard work is seen in improved operations within the Defense Health Headquarters and Medical Education and Training Campus, and in better support to the Services. During the past year, the DHA gained efficiencies, built stronger relationships, improved communications, and matured many functions as a CSA. Concluding the first year's heavy lifting is just the beginning of the second year's mission and journey. As we forge through change this year and prepare to operationalize new missions, we must remain flexible, committed to the task at hand, and loyal to the well-being and professional development of each other.



**COMMAND  
SERGEANT MAJOR  
ROBERT LUCIANO**

## DHA GUIDING PRINCIPLES: TALENT IS IN OUR DNA

The DHA respects the core values DHA staff bring to the Agency while upholding an organizational culture that operates by six guiding principles:

### TRANSPARENCY

Being forthright, open and honest in all communications and actions (internally and externally).

### ACCOUNTABILITY

Justifying decision making and standing by measurable results; responsive to the mission or team; ensuring a patient-centered perspective is used in all decision-making.

### LEADING CHANGE

Proactively understanding and embracing the need for change; being a change advocate; advancing DHA priorities.

### EMPOWERMENT

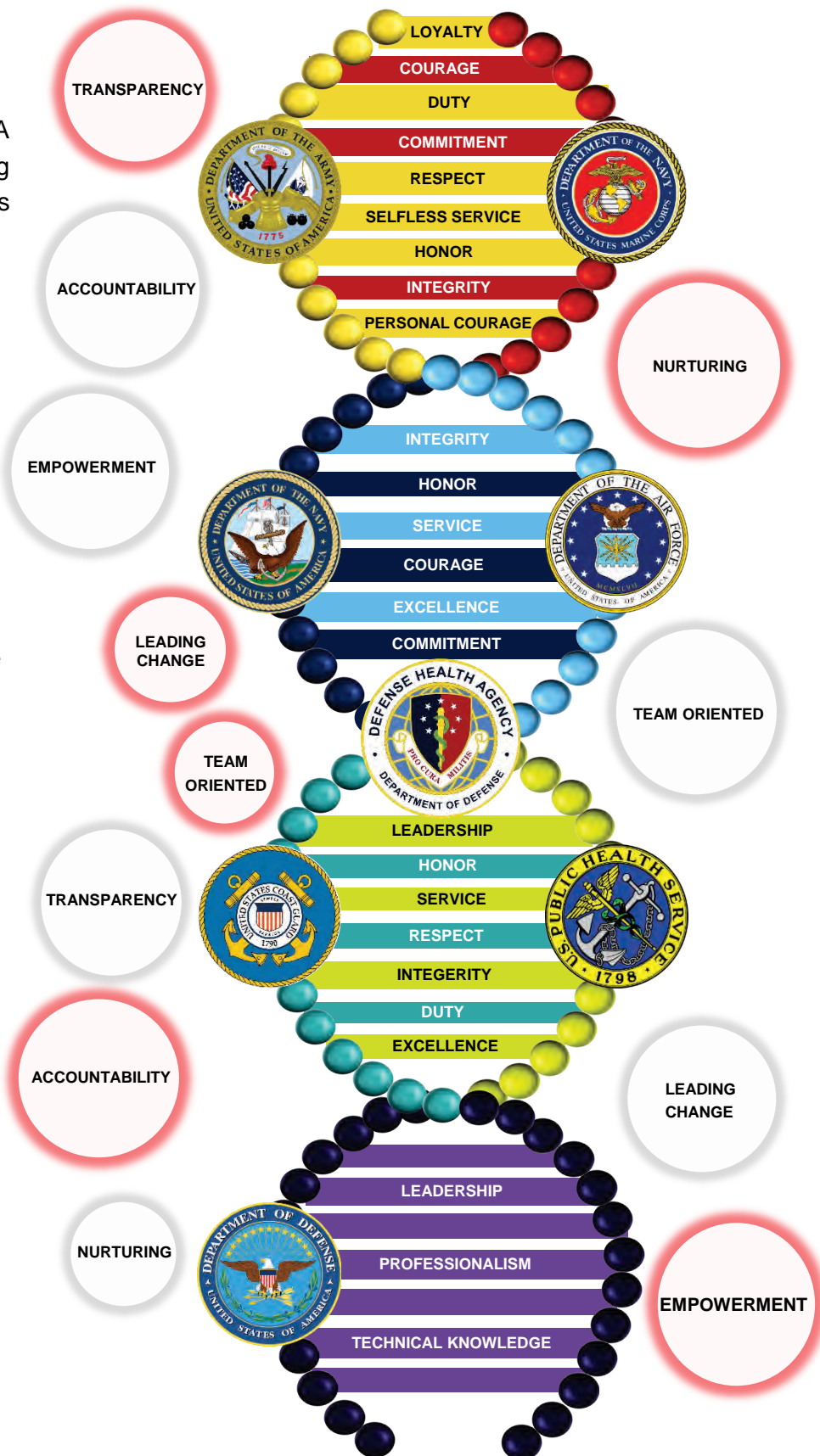
Delegate decision making to an appropriate level of execution to optimize operations.

### NURTURING

Growing and developing future civilian and military leaders; designing a career enhancing professional experience; steadfast in nurturing relationships.

### TEAM-ORIENTED

Always employing an inclusive approach and building consensus towards enterprise-wide outcomes.



## DHADNA

*We embrace our core values and guiding principles as our foundation...our diversity is our strength.*



## THE MILITARY HEALTH SYSTEM AND DEFENSE HEALTH AGENCY

*"During the past year, the DHA gained efficiencies, built stronger relationships, improved communications and matured many functions as a Combat Support Agency."*

**- COMMAND SERGEANT MAJOR ROBERT LUCIANO**

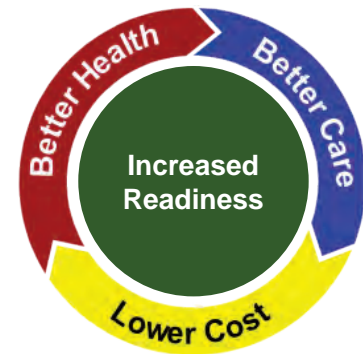


## THE MILITARY HEALTH SYSTEM

The Military Health System (MHS) is a global, comprehensive, integrated system that includes combat medical services, peacetime health care delivery, public health services, medical education and training, and medical research and development. The MHS is comprised of the Office of the Assistant Secretary of Defense for Health Affairs (ASD(HA)), the Defense Health Agency (DHA), the Military Medical Services, and the TRICARE health care program. The MHS creates and sustains a medically ready military force through the delivery of safe, high-quality medical, dental, and public health services around the world. A ready medical force provides these services worldwide, from the battlefield to military hospitals and clinics. The MHS currently includes 55 military hospitals, 373 military medical clinics and 245 dental clinics.

The MHS cares for 9.4 million beneficiaries, delivering care globally in military hospitals and clinics and providing coordinated, integrated care through civilian networks. TRICARE is the health care program for uniformed Service members, retirees, and their dependents around the world. It provides comprehensive coverage to all beneficiaries including special health programs and health care, prescriptions, and dental care plans.

### THE MHS QUADRUPLE AIM



The Quadruple Aim serves as the strategic framework of the Military Health System. The MHS Quadruple Aim is to increase readiness through better health, better care, and lower costs.

### MHS BY THE NUMBERS: FY2016

TYPE OF CARE	AVERAGE NUMBER PER WEEK	ANNUAL SUMMARY
Inpatient Admissions	Total: 19,700 Military Facilities: 4,600 Network Facilities: 15,000	Total: 1,031,000 Military Facilities: 242,000 Network Facilities: 789,000
Outpatient Visits	Total: 1,417,000 Military Facilities: 839,300 Network Facilities: 577,500	Total: 74,000,000 Military Facilities: 44,000,000 Network Facilities: 30,000,000
Births	Total: 2,000 Military Facilities: 850 Network Facilities: 1,200	Total: 108,000 Military Facilities: 45,000 Network Facilities: 63,000
Prescription Workload	Total: 2,390,000 Military Pharmacies: 884,400 Network Pharmacies: 945,200 Home Delivery: 560,700	Total: 125,000,000 Military Pharmacies: 46,000,000 Network Pharmacies: 49,000,000 Home Delivery: 29,000,000



# THE DEFENSE HEALTH AGENCY

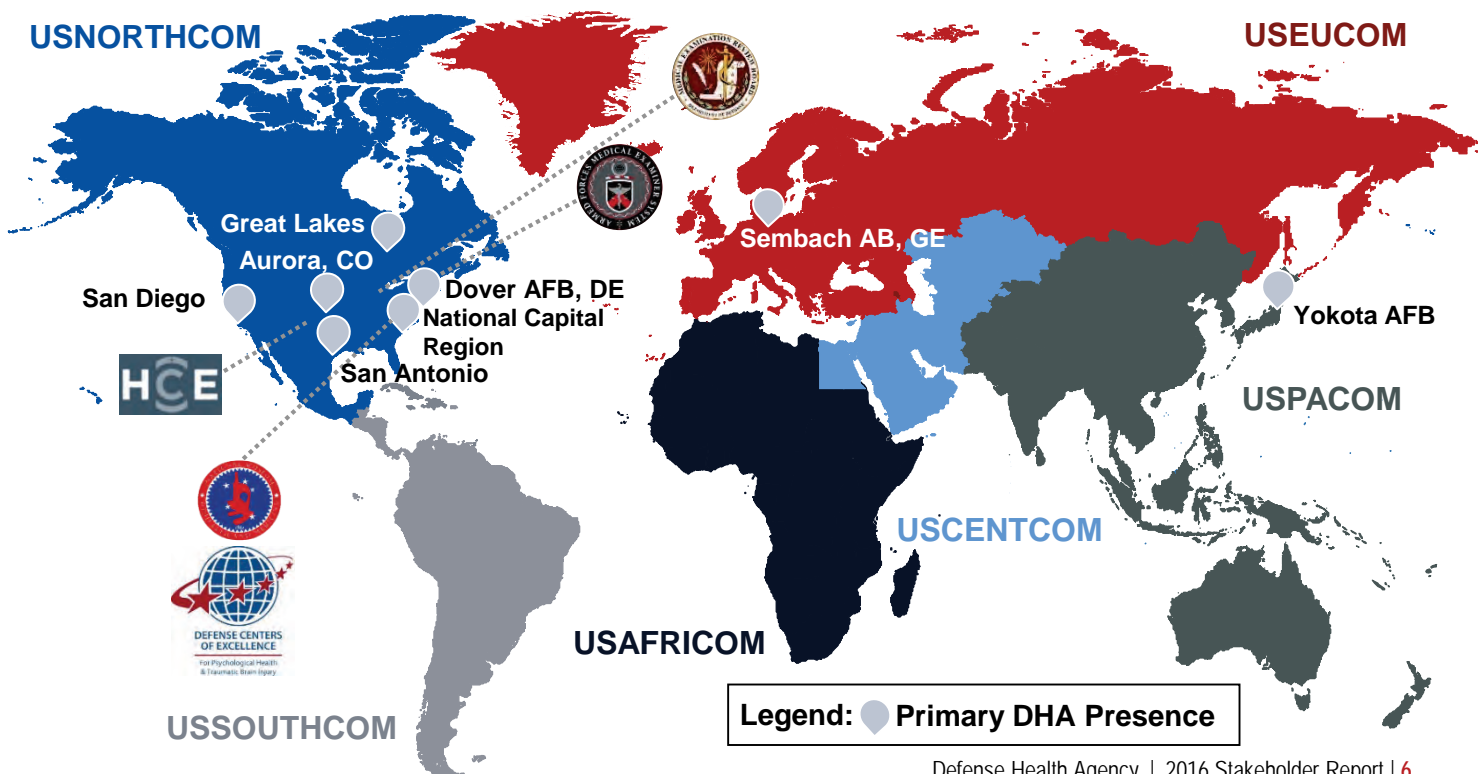
The DHA supports the Combatant Commanders and Military Services to execute the Department of Defense (DoD) medical mission in peacetime and wartime. As a Combat Support Agency (CSA), the DHA delivers joint functions and activities for the MHS that enable the rapid adoption of proven practices, reduce unwanted variation, and improve the coordination of care across time and treatment venues. The DHA also manages Enterprise Support Activities (ESA) that serve the entire MHS in the diverse and complex responsibilities of military medicine. The ESAs include pharmacy programs, TRICARE health plans, health information technology (health IT), budget and resource management, medical logistics, facilities, procurement and contracting, research, development and acquisition, public health, and education and training. The DHA also delivers and coordinates health care in the National Capital Region (NCR) and manages two hospitals: Walter Reed National Military Medical Center (WRNMMC), Fort Belvoir Community Hospital (FBCH), and their associated clinics.

In 2016, five organizations transferred to the DHA for oversight and management, including military, civilian, and contract personnel. The DHA integrated the five organizations into its portfolio, expanding responsibilities and furthering the Agency's mission to provide efficient and collaborative shared resources for the MHS.

The DHA is active around the world, with military and civilian experts supporting military health operations at military hospitals and clinics, as well as dental and veterinary clinics. In addition, health care providers offer services in the private sector through TRICARE.

## DHA PRESENCE ACROSS THE GLOBE

### USNORTHCOM



San Diego  
Great Lakes  
Aurora, CO  
San Antonio  
Dover AFB, DE  
National Capital Region

Sembach AB, GE

Yokota AFB

USPACOM

USCENTCOM

USAFRICOM

USSOUTHCOM

## ORGANIZATIONS THAT TRANSITIONED TO THE DHA IN 2016



Armed Forces Medical Examiner System



National Museum of Health and Medicine



DoD Medical Examination Review Board



Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury



DoD Hearing Center of Excellence



## 2016 IN REVIEW

*"Our readiness mission never changes. We exist to support the warfighter – and we accomplish that through a system that ensures our men and women in uniform are medically ready. The DHA is here to enable and better support the Services in this shared mission."*

**- VICE ADMIRAL RAQUEL BONO**



# PURSUED A JOINT, INTEGRATED, PREMIER SYSTEM OF HEALTH

In November 2015, Vice Admiral (VADM) Raquel Bono assumed responsibility as Director, DHA from the Agency's first Director, Lieutenant General (Lt Gen) Douglas Robb. In this role, VADM Bono worked to improve the Agency's collective performance as a joint, integrated, premier system of health that supports those who serve in the defense of the United States. She emphasized the servant-leader model of leadership to promote collaboration, accountability, and a joint perspective. This approach is the foundation of the Agency's three long-term goals.

Under VADM Bono's leadership, the DHA completed an organizational reconfiguration in 2016 modeled after the Joint Staff's structure. This effort realigned senior leadership to Directorates in order to facilitate the achievement of the Agency's three goals. The reconfiguration enhanced the DHA's communication with the Services, improved how DHA addresses challenges, and optimized the Agency to better deliver value to the Department of Defense.

## DHA LEADERSHIP TEAM - DELIVERING TO MISSION

### OUR GOALS

#### Fortify Our Relationship with the Services

Deliver results that help Service Medical Departments achieve their performance goals

#### Strengthen Our Role as a CSA

Reinforce focus on military readiness in the DHA and successfully accomplish agency mission essential tasks lists (AMETL)

#### Optimize DHA Operations

Continuously improve operations across the DHA and demonstrate measurable improvement in effectiveness and efficiency



*"Based on stakeholder feedback, the DHA developed a new strategy to better meet our stakeholders' requirements; from the Joint Staff, Combatant Commanders and the Services. After developing the strategy, we saw the need to reconfigure the DHA's organizational structure along a more traditional Joint structure, ensuring the new form followed function." - Mr. Guy Kiyokawa, SES, Deputy Director, DHA*

## GAINED INSIGHT FROM STAKEHOLDERS

The DHA is a public institution and accountable to a broad set of stakeholders. DHA stakeholders include senior military leaders, Combatant Commanders, military medicine beneficiaries, the United States Congress, and the American people.

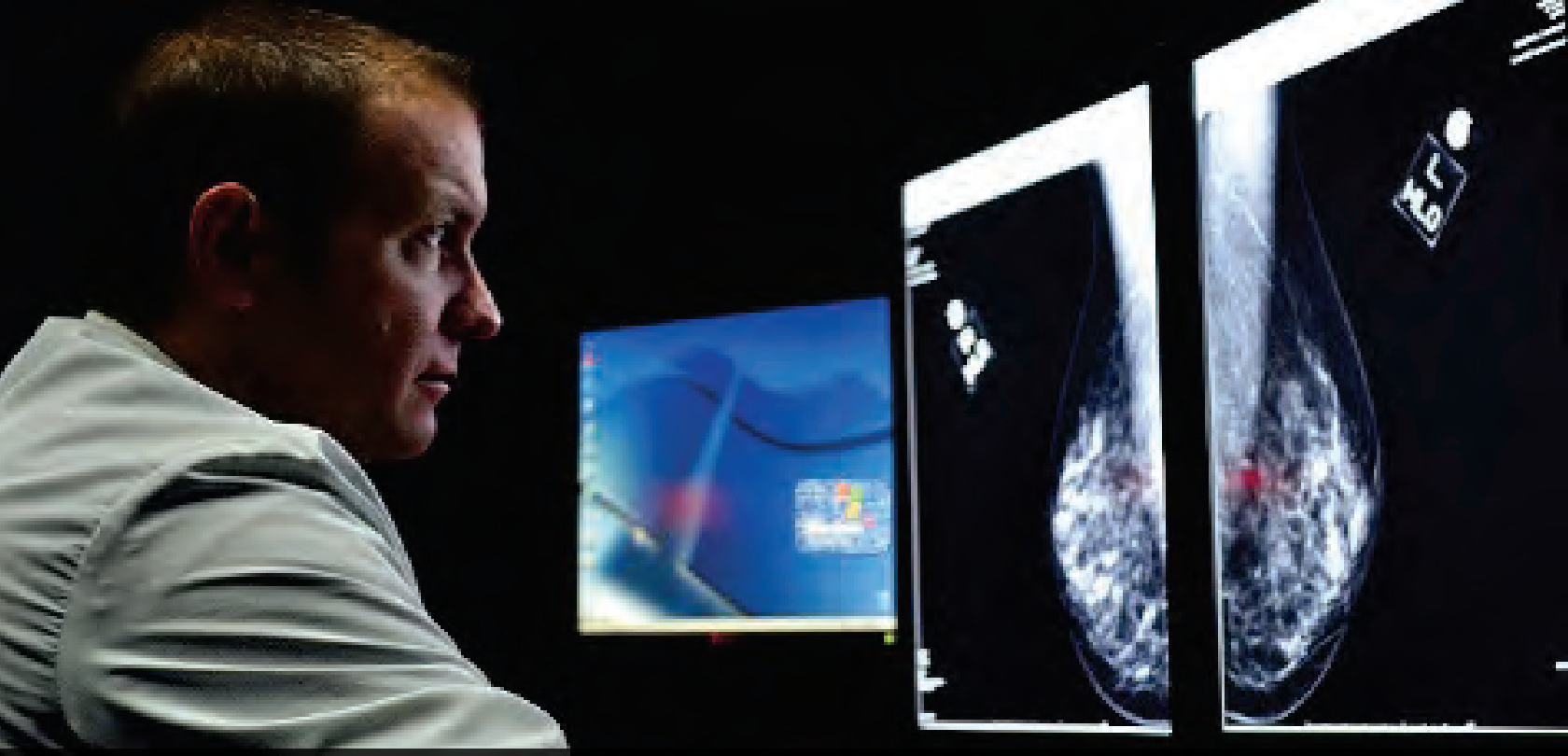
Public institutions require public trust and integrity and must be transparent to everyone they serve. Building on this concept, VADM Bono directed the completion of an environmental scan in January 2016 to identify key strengths and weaknesses across the DHA and solicit feedback to improve the organization. As part of this environmental scan, the DHA conducted external and internal stakeholder interviews and gathered detailed data. Insight from the scan reaffirmed the goals set forth by the DHA and supported targeted, accountable, and data-driven focus areas.

## IDENTIFIED FOCUS AREAS

The DHA's environmental scan identified common themes that informed the Agency's eight focus areas for 2016. The themes helped DHA Directorates prioritize and drive change in support of measurable and achievable objectives. The focus areas below have since evolved into 22 strategic objectives, aligned to the DHA's three goals, that will continue to shape the DHA in 2017 and the years to follow.

### *DHA 2016 FOCUS AREAS*





## FOCUS AREA ACCOMPLISHMENTS

*"Our job is to listen to the needs of our customers, foster collaboration, and drive a synchronized support system that supports the Services equally and efficiently."*

**- MAJOR GENERAL JEFFREY CLARK**



# 2016 ACCOMPLISHMENTS

The DHA made substantial progress toward agency goals in 2016, in large part due to stakeholder collaboration. The following accomplishments are grouped into five categories: (1) Improving Quality of Care and Access for Beneficiaries, (2) Modernizing TRICARE, (3) Advancing Enterprise Support Activities, (4) Leading as a Combat Support Agency (CSA), and (5) Supporting MHS GENESIS®.

## IMPROVED QUALITY OF CARE AND ACCESS FOR BENEFICIARIES

The DHA supports the MHS goal to ensure that beneficiaries receive access to the right level of care, at the right time, by the right provider. The DHA is dedicated to increasing access to high-quality health care services and supporting military readiness. Access to care is measured in multiple ways including surveys, examination of administrative data, and the number of successful visits to providers over time. Examples of how the DHA supported the MHS through enhancement of Service member access to care are:

**Improved National Capital Region (NCR) Patient Care:** The National Capital Region Medical Directorate (NCR-MD) (J-11) improved patient care across five key dimensions - Access, Market Alignment, Quality of Care, Decreased Costs, and Enhanced Experience. To increase access to care, the NCR-MD added 17 percent more appointments and has increased initial specialty appointments over 38,000 per year. Quality of care improved through a reduction in unnecessary consults, more timely visits to specialists, and enhanced provider satisfaction reflected through patient feedback. By matching supply and demand across the market, the DHA projects are decreasing private sector care costs by more than \$6 million per year.

### NCR-MD MARKET DIMENSIONS OF IMPACT

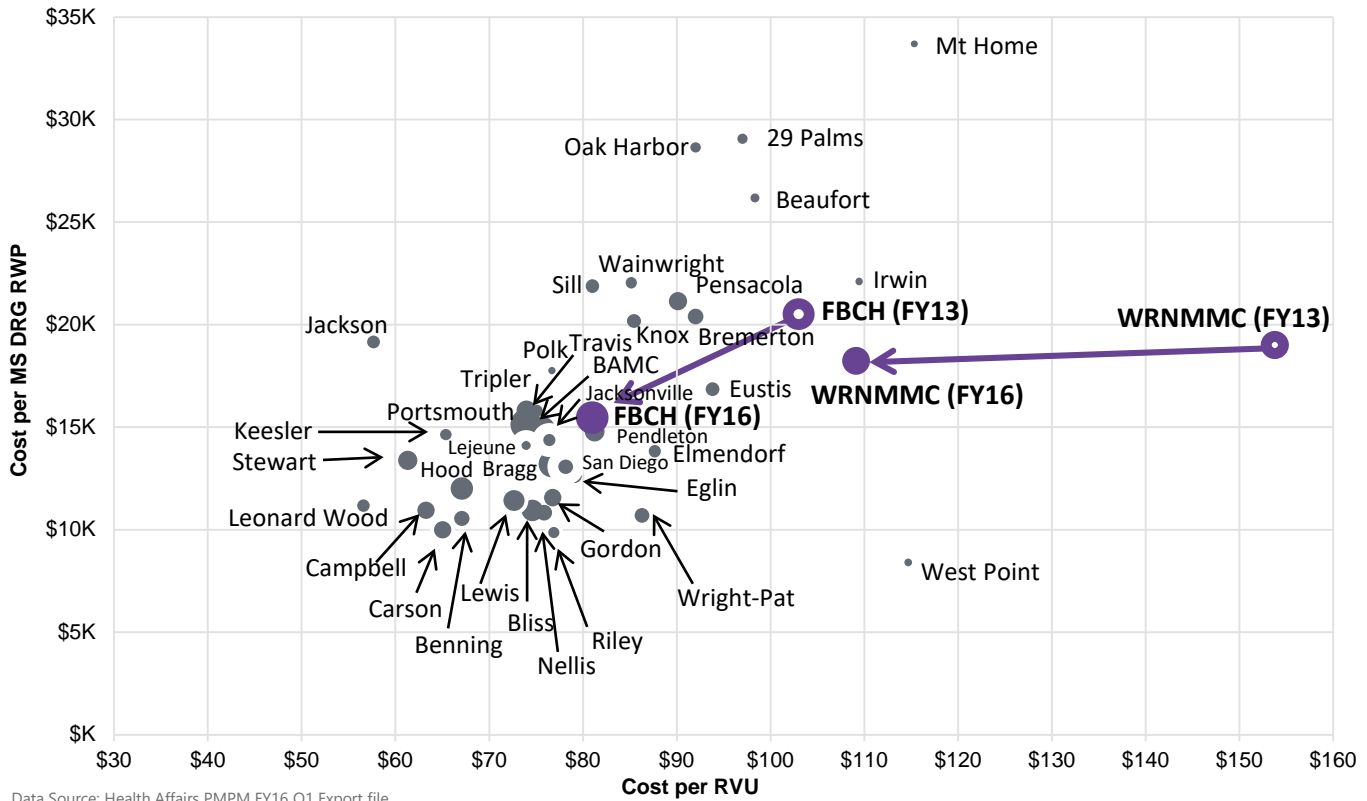


**Enhanced Beneficiary Access to Care:** The TRICARE Health Plan Directorate (J-10) completed a rigorous evaluation process resulting in 37 additional TRICARE medical benefits including access to new, proven treatments, procedures, drugs, and devices. In addition, the DHA added coverage for select preventive health services, in alignment with recommendations from the Department of Health and Human Services. Using an MHS-wide approach, the DHA, with the assistance of subject matter experts from the Military Medical Services, evaluated approximately 20 emerging treatments and technologies for provisional coverage. Three of these successfully converted to covered benefits including Prostate Saturation Sampling, Cognitive Rehabilitation Therapy, and Two-Level Total Artificial Disc Replacement. These efforts reflected a commitment to improving the TRICARE experience and access to high-quality health care for all beneficiaries.



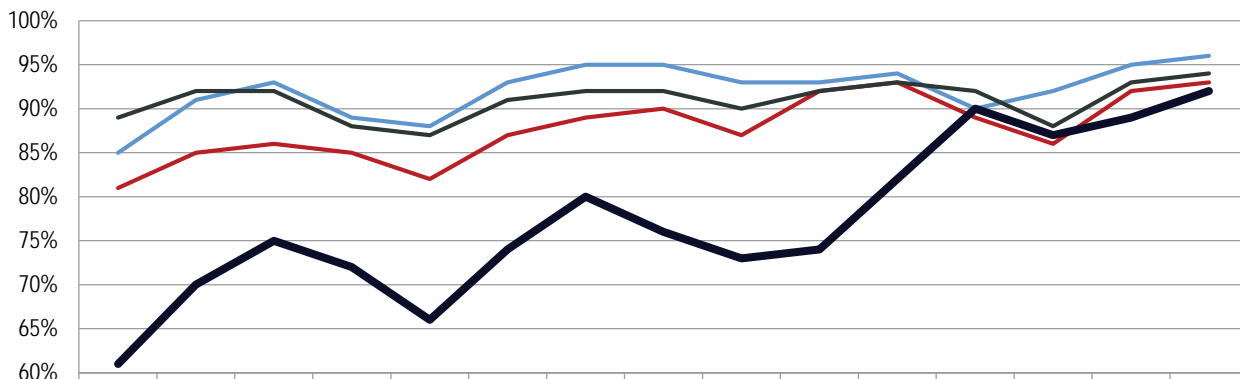
**Improved Cost Efficiency at NCR Hospitals:** From Fiscal Year 2013 (FY13) to FY16, the NCR hospitals, Walter Reed National Military Medical Center (WRNMMC) and Fort Belvoir Community Hospital (FBCH), realized significant efficiency gains through advances in clinical and business operations. These include combining two large, complex medical centers together and transforming a small community hospital. WRNMMC and FBCH were the top two growth facilities for outpatient productivity and both ranked in the top 6 percent in the MHS for inpatient productivity growth.

*NCR PROGRESSION TO COMPARATIVE EFFICIENCY*



Data Source: Health Affairs PMPM FY16 Q1 Export file

*ASSIGNED MILITARY PROVIDER (PHYSICIANS) MEETING MHS PRODUCTIVITY TARGETS*

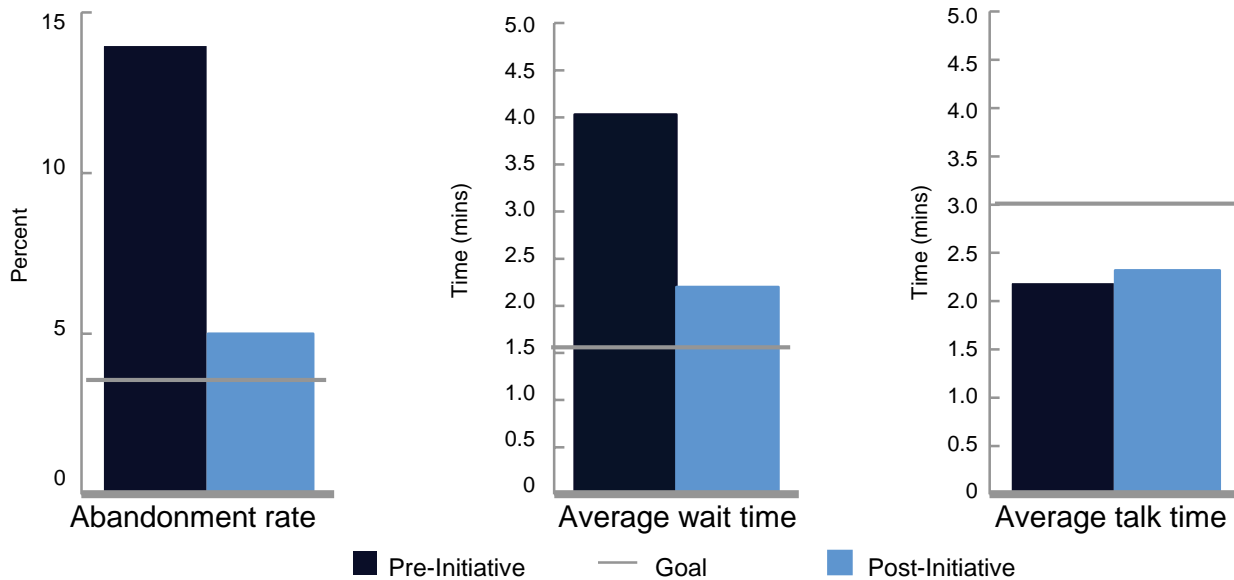


	FY 2013 Q1	FY 2013 Q2	FY 2013 Q3	FY 2013 Q4	FY 2014 Q1	FY 2014 Q2	FY 2014 Q3	FY 2014 Q4	FY 2015 Q1	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4	FY 2016 Q1	FY 2016 Q2	FY 2016 Q3
Army	85%	91%	93%	89%	88%	93%	95%	95%	93%	93%	94%	90%	92%	95%	96%
Air Force	81%	85%	86%	85%	82%	87%	89%	90%	87%	92%	93%	89%	86%	92%	93%
Navy	89%	92%	92%	88%	87%	91%	92%	92%	90%	92%	93%	92%	88%	93%	94%
NCR MD	61%	70%	75%	72%	66%	74%	80%	76%	73%	74%	82%	90%	87%	89%	92%



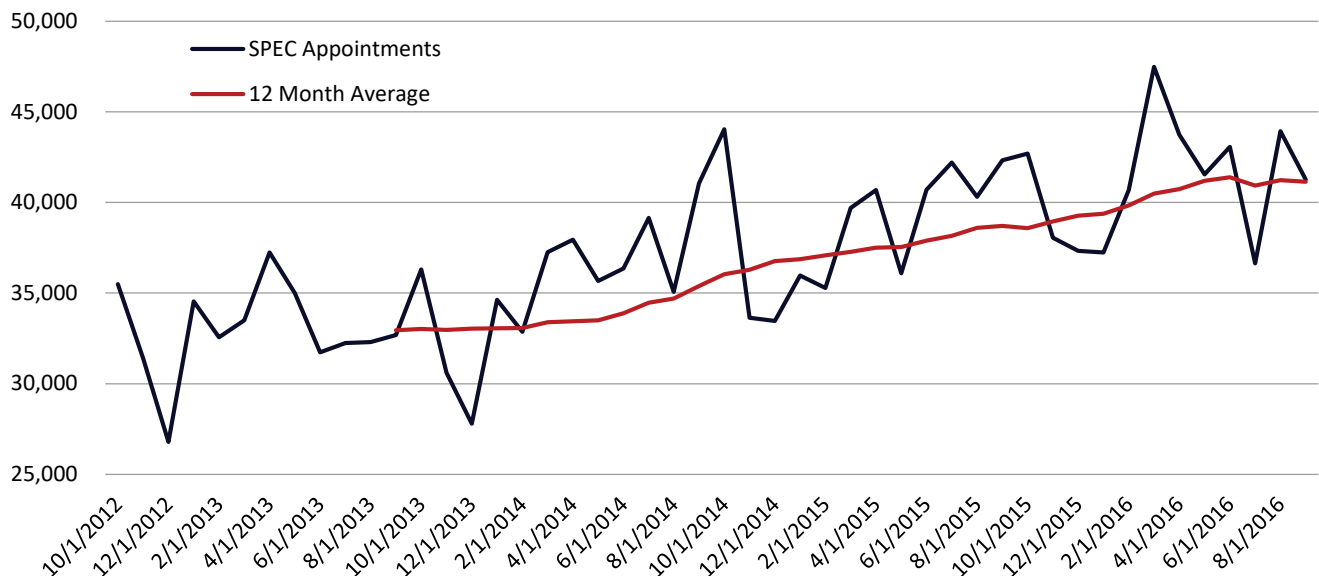
**Improved NCR Patient Customer Service:** The NCR switched to one standard patient call-in number and reduced call agent wait time by 75 percent. NCR-MD (J-11) improved call center metrics through floor management that increased proficiency and productivity and use of Work Force Management software to assign the right employees to the right jobs. Work Force Management software facilitates better customer service and matches agent numbers and skills to actual call volumes and patterns.

*NCR IMPROVEMENTS IN CALL TIME*



**Optimized NCR Specialty Care:** The NCR-MD continued to standardize, integrate and coordinate care to maximize productivity, readiness, and responsiveness to patient needs. Improvements include the publication of specialty referral guidelines that improved communication between primary care and specialty care departments. A standardized dashboard tracks productivity and metrics down to the provider level. During the past two years, NCR military providers increased productivity by approximately 100 percent. In addition, the orthopedics service line achieved a 15 percent increase in specialty care appointments through schedule optimization.

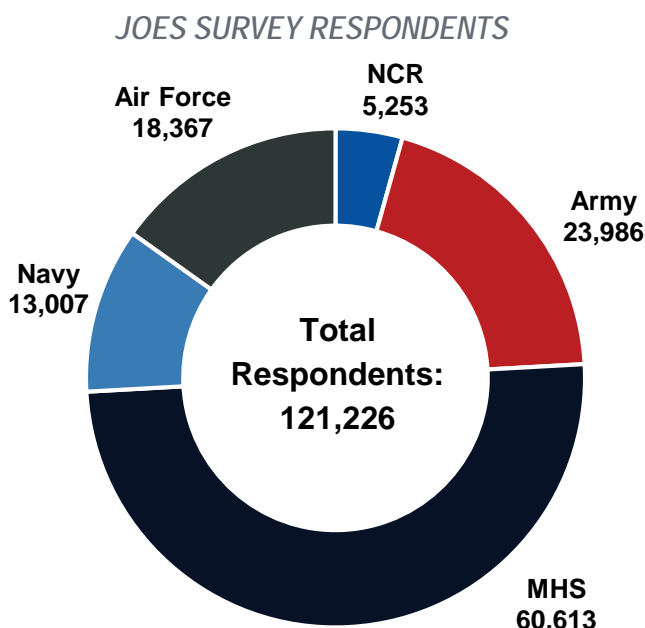
*INITIAL SPECIALTY APPOINTMENTS*







**Evaluated the Beneficiary Experience in the Joint Outpatient Experience Survey:** The DHA's Decision Support Division collaborated with the Services to transition all Service and DHA outpatient surveys to a first-ever standardized, outpatient-based survey to evaluate the beneficiary experience across all military hospitals and clinics. The Joint Outpatient Experience Survey (JOES) is a standardized survey, using consistent delivery methods and measurements allowing direct comparison across all Military Treatment Facilities (MTF), eMSM areas, and the Services as shown in the chart below, comparing beneficiary ratings of access to care across the Services. Over 6,000 MTF and command staff members now access JOES results through the web-based reporting system to understand patient ratings of our providers, clinics, and hospitals. In addition, individual beneficiary comments are available down to the provider level. This consolidated approach reduces the burden on the patient, decreases the number of MHS contracts, and enhances transparency, while reducing total costs by approximately \$1 million per year.



**Led a Communications and Marketing Pilot for the Puget Sound Enhanced Multi-Service Market:**

In April 2016, the DHA Communications Division launched a pilot program placing a professional health care marketing and community expert on the ground in Washington's Puget Sound. Through DHA's support, the Puget Sound Military Health System rebranded their market, created dozens of new products, posters, and marketing collateral, and worked with all three Services to develop and implement internal and external communications campaign plans.

**PUGET SOUND MARKETING MATERIAL**

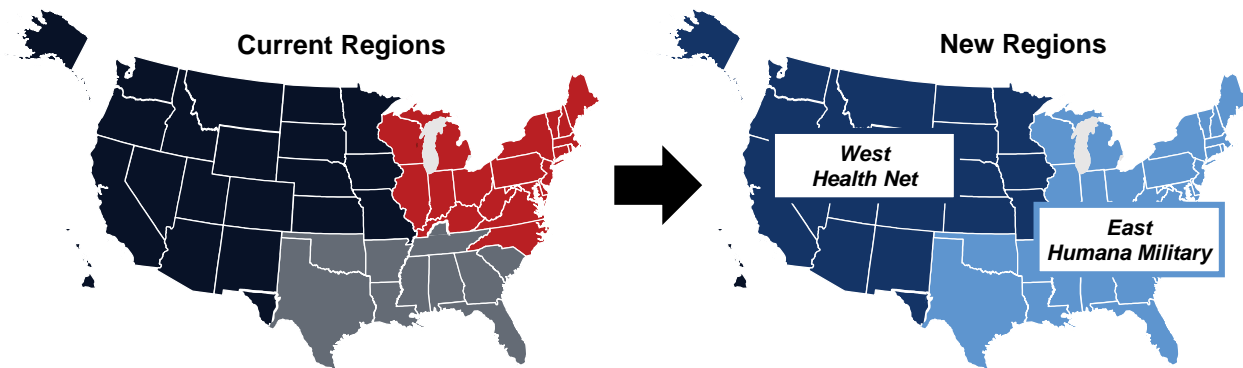


## MODERNIZED TRICARE

The DHA is responsible for the management of TRICARE, a health care benefit that integrates resources of civilian health care networks with military hospitals and clinics. The managed care benefit supplements care for Service members, retirees, and their families. In 2016, the DHA fostered improvements in the delivery, quality, and cost of health care for the MHS through the following TRICARE modernization efforts:

**Awarded and Consolidated the TRICARE 2017 Contracts:** The TRICARE Health Plan Directorate (J-10) and the Services collaborated to finalize and award the TRICARE 2017 (T-2017) contracts including the transition from three TRICARE Regions to two, which will take effect in late 2017. The consolidation is intended to reduce or eliminate health care disruptions associated with permanent reassignment or temporary duty, streamline administrative tasks, and create consistent delivery of the TRICARE benefit to improve the quality of care provided to patients. Awarding the collective \$58 billion T-2017 contracts and implementing the two-region concept supports excellence in health care delivery to patients by reducing variation across regions, reducing cost, and providing seamless support to a mobile TRICARE beneficiary population. Manpower savings alone are estimated to reach \$11.9 million by Fiscal Year 2021.

### *FUTURE TRICARE REGIONAL STRUCTURE*



**Improved TRICARE Overseas Program to Better Support Beneficiaries:** The TRICARE Health Plan Directorate (J-10) awarded the third-generation TRICARE Overseas Program contract with enhancements to better support Active Duty Service Members (ADSM) and Active Duty Family Members (ADFM) deployed or assigned outside of the United States. Enhancements include medical documentation translation services and inpatient medical management when ADSMs/ADFM are admitted to host-nation facilities, ensuring Service members and their families are provided quality health care and all medical documentation becomes part of their medical record. The contract further provides support for aeromedical evacuations to the closest, safest location that provides the required care and treatment for ADSMs/ADFM assigned or traveling overseas when military assets are unavailable.

**Modernized Beneficiary Education Products:** The DHA Communications Division updated beneficiary education materials to align with TRICARE modernization. This involved the redesign of over 100 products to make them easier to read and understand. This was the first effort of this scale to occur in 10 years. The DHA redesigned materials, including a new comprehensive online benefits guide and TRICARE Stateside Guide, and shared them with 120 MHS stakeholders, who also shared the products with their audiences. The redesign initiated 1.8 million social media impressions and attracted 15,502 visitors to the [www.tricare.mil/publications](http://www.tricare.mil/publications) page in the first month alone.

# ADVANCED ENTERPRISE SUPPORT ACTIVITIES

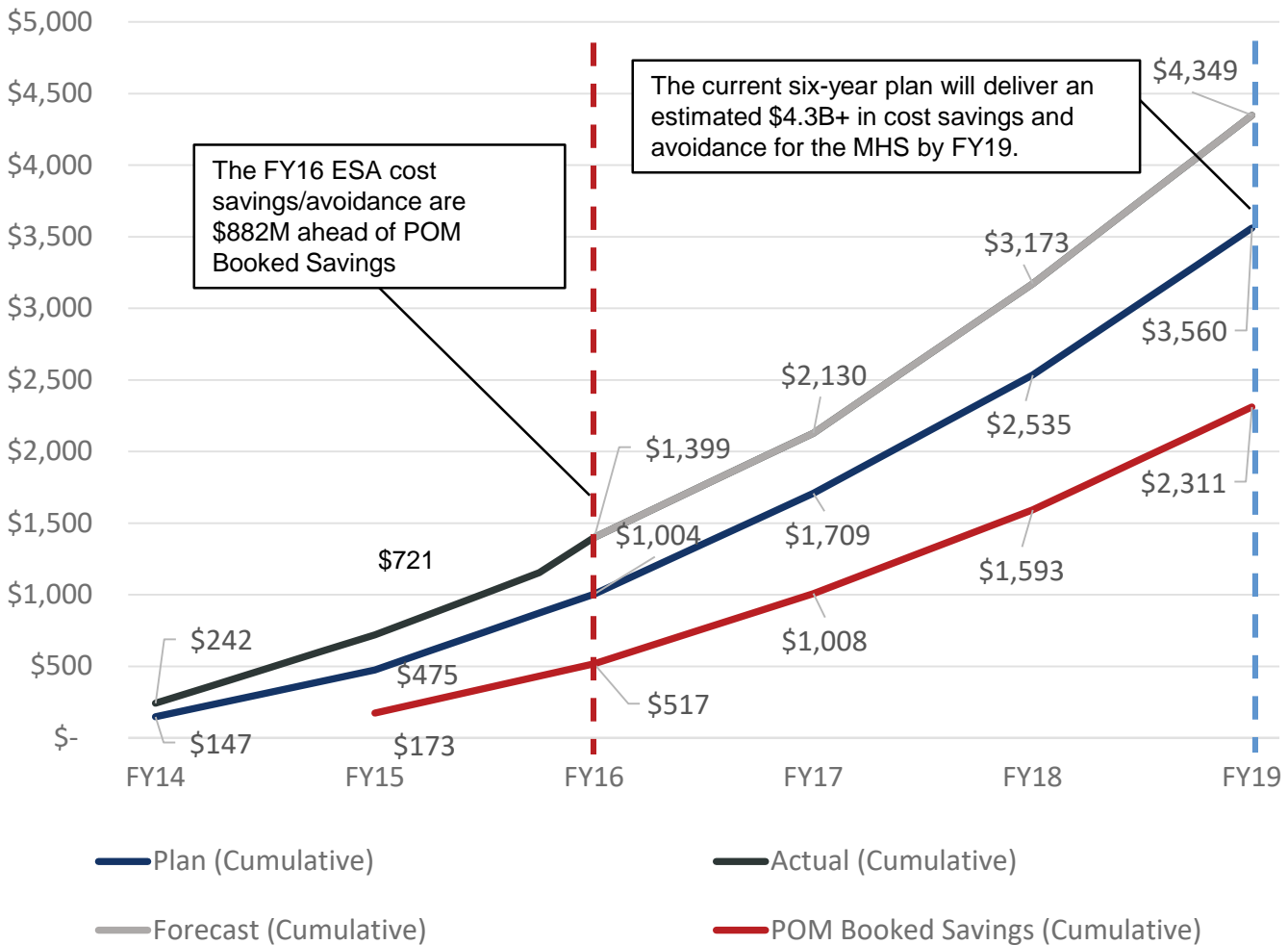
The DHA is responsible for the management of 10 Enterprise Support Activities (ESAs) - a set of support functions that serve the entire MHS. These services highlight the diverse and complex responsibilities of military medicine:

- Pharmacy Programs
- Facilities
- TRICARE Health Plan
- Procurement and Contracting
- Health Information Technology
- Research, Development, and Acquisition
- Budget Resource Management
- Public Health
- Medical Logistics
- Education and Training

The ESAs began as shared services in Calendar Years 2013 and 2014 with the goal of realizing savings and efficiencies across the MHS through adoption of common clinical and business processes. In Fiscal Year 2016, the 10 DHA ESAs saved or avoided \$679 million in costs, bringing total cost savings/avoidance between FY14 and FY16 to \$1.4 billion.



FY14 to FY19 ESA NET SAVINGS (\$ MILLION)





**Optimized Health Information Technology Contract Vehicles:** The Component Acquisition Executive Directorate (J-4) facilitated the ratification of a Memorandum of Agreement between the DHA and the General Services Administration (GSA) to optimize DHA and Service Health Information Technology contracts by sourcing exclusively through GSA contract vehicles. A DHA and Service Medical Integrated Product Team (IPT) made the decision to move toward GSA contracts. The IPT established buying thresholds with GSA, increased purchasing from government-wide acquisition contracts to reduce fees, and helped establish a new GSA Special Item Number for the purchase of innovative health information technology requirements on behalf of the Federal government. As a result, the DHA reduced health information technology contract access fees from 0.75 percent to 0.5 percent. In addition, the DHA received GSA expert staffing support in its health information technology contracting office, acquisition training, contracting officer training, and a web portal for external acquisition communication valued at \$1.1 million.



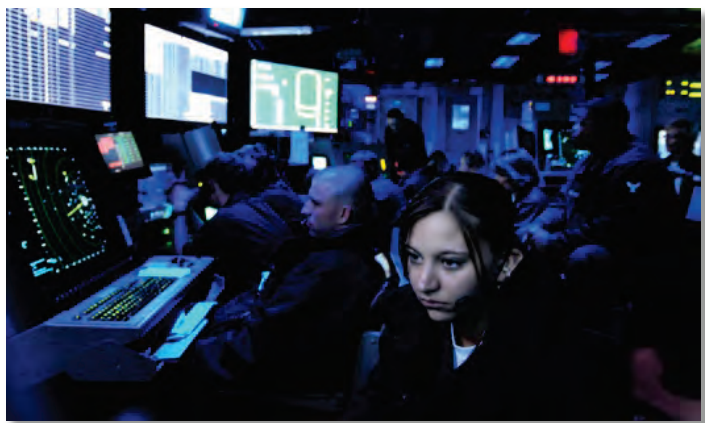
**Purchased Medical Services via Consolidated Q-Coded Medical Services Contracts:** The Component Acquisition Executive Directorate (J-4) worked closely with the Services to consolidate and standardize all requirements for purchasing Q-coded medical services (e.g., physicians, nurses, technicians) for all Contiguous United States MTFs and facilities in Alaska, Hawaii, Puerto Rico and Guam. This consolidated approach allows the Services to share resources among co-located hospitals, reducing medical service costs and competition. The consolidated Q-coded contracts address the 2017 National Defense Authorization Act (NDAA), Section 727, and the 2004 Report on Direct Care Medical Services Contract (Report No. D-2004-094) by encouraging the Services to share resources, standardize data from DHA contracts, and collaborate across the enterprise for the purchase of medical services.



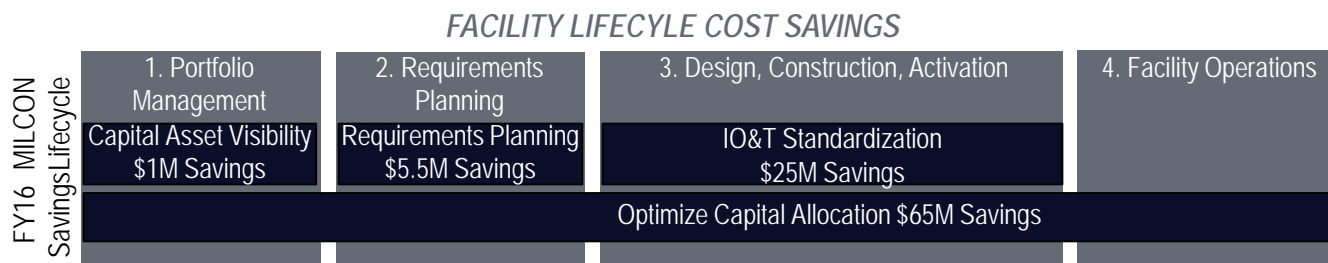
**Enhanced the Culture of Cyber Discipline:** To defend our information network, secure our data, and ensure DHA compliance with DoD cybersecurity requirements, the Health Information Technology Directorate (J-6) continues to support the implementation of the DoD Cybersecurity Discipline Implementation Plan which prioritizes the security of DoD IT investments and holds agency leadership and their personnel accountable for protecting critical systems. Each month, HIT (J-6) reports key cybersecurity compliance metrics to the DoD Chief Information Officer (CIO) which become part of the Cybersecurity Scorecard used by the Secretary of Defense to assess cybersecurity compliance at a strategic level. In addition, HIT (J-6) made significant strides in implementing a new, highly effective

Risk Management Framework (RMF) Process designed to manage risk resulting from the incorporation of information systems, including medical devices and other health IT, into the mission and business processes of our organization. The HIT (J-6) provides the DHA IT workforce with access to RMF process training and support resources through the RMF Portal within DHA's collaborative LaunchPad platform.

#### *ENFORCING CYBER DISCIPLINE ACROSS THE DHA*



**Reduced Military Health System Facility Lifecycle Costs:** In FY16, the Resources and Management Directorate (J-1/8) Facilities Shared Service generated a total of \$96.5 million in savings. The majority of savings, \$65 million, resulted from optimization of the Military Construction (MILCON) program and avoiding the construction of unnecessary facilities through use of an updated health care requirements analysis process. Initial outfitting and transition saved a total of \$25 million by improving forecasting and the budgeting execution processes. Savings of \$5.5 million stemmed from the new MILCON demand signal and high level planning processes, and Capital Asset Visibility realized \$1 million in savings. The Facilities Division efficiently processed requests for MILCON funding to verify that demand signals were economically and strategically aligned to enterprise goals.



**Standardized Common Cost Accounting:** The DHA's new Common Cost Accounting Structure (CCAS) standardized the tracking of all supplies and other expenses across the Services. CCAS normalized the elements, data formats, and fields of every expense across the board, which allowed the Services to consistently compare information when examining expenses. CCAS assisted with the day-to-day accounting of expenses and last-minute responses related to global health priorities, such as the Ebola and Zika viruses. CCAS allowed for the consolidation of expenses which streamlined and improved the tracking of all expenditures at hospitals and clinics throughout the MHS.

**Enhanced DHA Communications:** The DHA improved internal and external communications to keep stakeholders informed and to synchronize strategies with the DoD and the Services. The DHA conducted numerous Military and Veteran Service Organization engagements in 2016 including farewell addresses from Dr. Jonathan Woodson and Dr. Karen Guice. Monthly meetings covered a range of subjects and included the Service Surgeons General. Internal communications initiatives - weekly Director's message, monthly leader town halls, and newsletters - kept the workforce informed and the "Glad You Asked" platform enabled employees to ask questions of leadership and garner responses. The DHA emphasized digital media and real-time, impactful communications as events occur. VADM Bono's Twitter account, @DHADirector, produced 230 tweets, reached 413,338 individuals, and grew by 878 followers in 2016.

*DHA COMMUNICATIONS METRICS*

<p style="text-align: center;"><b>2016 Health.mil Usage Data</b></p> <p>Users <b>3.3M</b> - 151% increase in average monthly users Views <b>10.3M</b> - 64% increase in average monthly pages viewed Sessions <b>6.4M</b> - 86% increase in average monthly sessions</p>	<p style="text-align: center;"><b>2016 TRICARE.mil Usage Data</b></p> <p>Users <b>8.5M</b> - 3.7% increase in average monthly users Views <b>47.9M</b> - 9.5% increase in average monthly pages viewed Sessions <b>14.7M</b> - 4.3% increase in average monthly sessions</p>
<p style="text-align: center;"><b>2016 Social Media Presence – MHS Accounts</b></p> <p>Received <b>34.2%</b> increase in Facebook likes Received <b>3,010,270</b> impressions on Twitter Published a daily average of <b>7</b> Social Media posts Reached over <b>300,000</b> people during live events</p>	<p style="text-align: center;"><b>2016 Social Media Presence – TRICARE Accounts</b></p> <p>Received <b>12%</b> increase in Facebook likes Received <b>2,029,150</b> Twitter impressions (16% increase over 2015) Published a daily average of <b>12</b> Social Media posts Reached a new high of <b>70,000</b> likes</p>





**Optimized DHA Research and Development Products:** The J-9 Research, Development, Test, and Evaluation (RDT&E) program bridges the historical gap between scientific inquiry and the delivery of health and readiness support products. In 2016, Research and Development Directorate (J-9), in collaboration with the Military Services and the Component Acquisition Executive Directorate (J-4), conducted DHA's first full review of all research and development products. This comprehensive review of more than 200 products identified 17 new biomedical products that qualified for inclusion in the Defense Acquisition process. Products (including blood resuscitation, hemorrhage control, and advanced traumatic brain injury diagnostic products) are now moving out of the science base and into stages of development that will lead to the fielding of these new capabilities. Prior to this product review, there were no DHA RDT&E funded products included in the acquisition process. This review reflects a major milestone in DHA's ongoing efforts to increase the quality and pace of product and practice research for the Services and Combatant Commands.

**Research and Development Directorate Product Review**

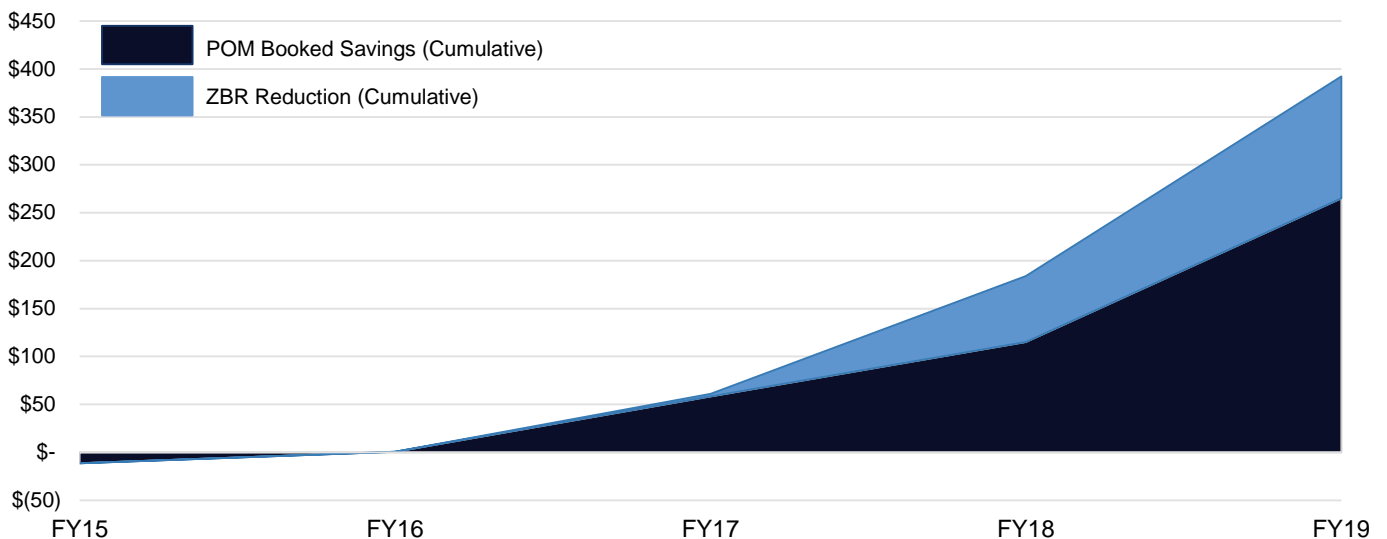
**200** products reviewed

**17** new biomedical products identified for inclusion in the Defense Acquisition process



**Consolidated the Health IT Portfolio:** The HIT Directorate (J-6) conducted a Zero-Based Budget Review (ZBR) with the DoD CIO to reduce and control costs of health IT investments, improve mission capabilities, and facilitate migration to MHS GENESIS®. The ZBR requires justification of all budgeted expenditures, rather than only requiring justification for incremental changes to the budget. Through the ZBR, HIT (J-6) identified information systems that overlap, resulting in duplicate expenses for like-capabilities. As a result, HIT (J-6) generated functional, technical, and financial recommendations and standardized solutions to replace duplicate capabilities in the MHS and Service portfolios.

*FY15 to FY19 HIT (J-6) BUDGET REDUCTIONS (\$ MILLION)*



**Eliminated Redundancy and Built Cost Efficiencies in Learning Management:** The Education and Training Directorate (J-7), in collaboration with the Services, retired 3 separate learning management systems supporting Service medical training requirements. Following a comprehensive review of learning content, systems were consolidated where appropriate, transferring all content to a single system: Joint Knowledge Online. The consolidation facilitates the consistent and efficient delivery of MHS education and training programs, and resulted in \$4.4 million in cost savings in FY16.

**Enhanced Professionalism of the Medical Force:** In 2016, the Education and Training Directorate (J-7) identified 80 training programs and 250 online courses that could offer degree completion and certification opportunities for Soldiers, Sailors, and Airmen to expand their professional portfolio and credentials. The Medical Education and Training Campus enjoyed a 91 percent graduation rate, providing over 16,000 entry-level combat medics, corpsmen, and technicians for the force. They also established bridge programs with more than 50 schools that now provide 900 degree completion pathways for enlisted Service members. To enhance the executive leadership and clinical readiness skills of our personnel, the Joint Medical Executive Skills and Defense Medical Readiness Training institutes awarded over 108,000 continuing education credits, saving over \$1 million in training costs, while returning valuable patient time to the field.

### *375<sup>TH</sup> AEROMEDICAL EVACUATION SQUADRON TRAINING IN A SIMULATOR*



**Supported Readiness through Modeling and Simulation (M&S):** The Education and Training Directorate (J-7) established the Defense Medical Modeling and Simulation Office (DMMSO) based on input from the Services and direction from the Assistant Secretary of Defense for Health Affairs. The DMMSO is a major milestone in replacing outdated and cost-prohibitive live tissue medical training. DMMSO focuses MHS M&S on collaboration with the Services and the Joint Staff to offer cost-effective access to standardized, innovative, and medically-focused, M&S technologies. Collaboration on M&S contracts achieved cost savings of \$3.1 million in FY2016.

## LED AS A COMBAT SUPPORT AGENCY

The DHA's role in combat operations support is vital to the health and readiness of the Armed Forces. Serving as an integrator, the DHA works across all Military Services to understand and meet the needs of the Combatant Commands and the Services.

**Ensured Overseas Medical Support:** Providing medical support to units deployed in locations that do not have fixed medical facilities or infrastructure is a complicated process that requires precise coordination between the DoD, Military Services, and local facilities. Based on input from Combatant Commanders, the Operations Directorate (J-3), in coordination with the TRICARE Health Plan Directorate (J-10) implemented updates to the TRICARE Overseas contract in 2016. These changes better support Africa and European Command medical readiness by enabling use of the existing civilian medical facilities of allied nations to provide timely access to quality care.

### *AIRCRAFT EVACUATION SUPPORT: TRICARE OVERSEAS*





**Implemented a Single Periodic Health Assessment:** Prior to 2016, each Military Service held separate standards for their Periodic Health Assessment (PHA), a screening tool used to evaluate individual medical readiness of Service members. To meet the needs of the Combatant Commands, the Operations Directorate (J-3) served as a primary integrator in the implementation of a standardized, web-based PHA program across the Services. This program, which includes implementation of the 2015 NDAA annual Mental Health Assessment requirement, allows for a more transparent view of Service members' health and ensures a fit and ready force. The integration of the annual Mental Health Assessment is expected to eliminate 2.1 million new patient encounters per year, reduce appointment duration by 3.4 million hours, and return 416,000 duty days to line units.



**Leveraged eCommerce for Medical Products and Equipment:** The Operations Directorate (J-3) and the Services collaborated with the Defense Logistics Agency on a five-year eCommerce engagement plan to focus on a single solution for medical product and equipment orders. This plan yielded significant savings, including \$1.66 million from equipment planning, procurement, and sustainment, \$4.26 million for the VA Remote Order Entry System (ROES), and \$7.92 million from standardized incentive agreements for medical-surgical items. Additional savings include \$9.08 million from Voluntary Incentive Pricing Agreements, \$11.85 million from the transition from manual Government Purchase Card purchases to eCommerce, and \$16.14 million from the Electronic Catalog of medical equipment and medical supplies. In total, the shift to eCommerce and streamlining the purchase of medical products and equipment achieved aggregate cost savings of \$50.91 million in FY16.

*eCOMMERCE COST SAVINGS*



**Defined Agency Mission-Essential Task Lists:** DHA Operations led efforts to strengthen the DHA's role as a Combat Support Agency (CSA), extensively refining the Agency Mission-Essential Tasks List (AMETL). The Operations Directorate (J-3) incorporated methodology to measure performance against AMETL standards, ensuring that the needs of Combatant Commands are met. The AMETL includes projects from across the Agency that are measured and reported monthly in the Defense Readiness Reporting System. The consistent review of agency performance and analysis of the needs of the Combatant Command strengthened the DHA's CSA role with a focus on continuous improvement.



COLLABORATING TO DRIVE DOWN MHS  
PHARMACY COSTS

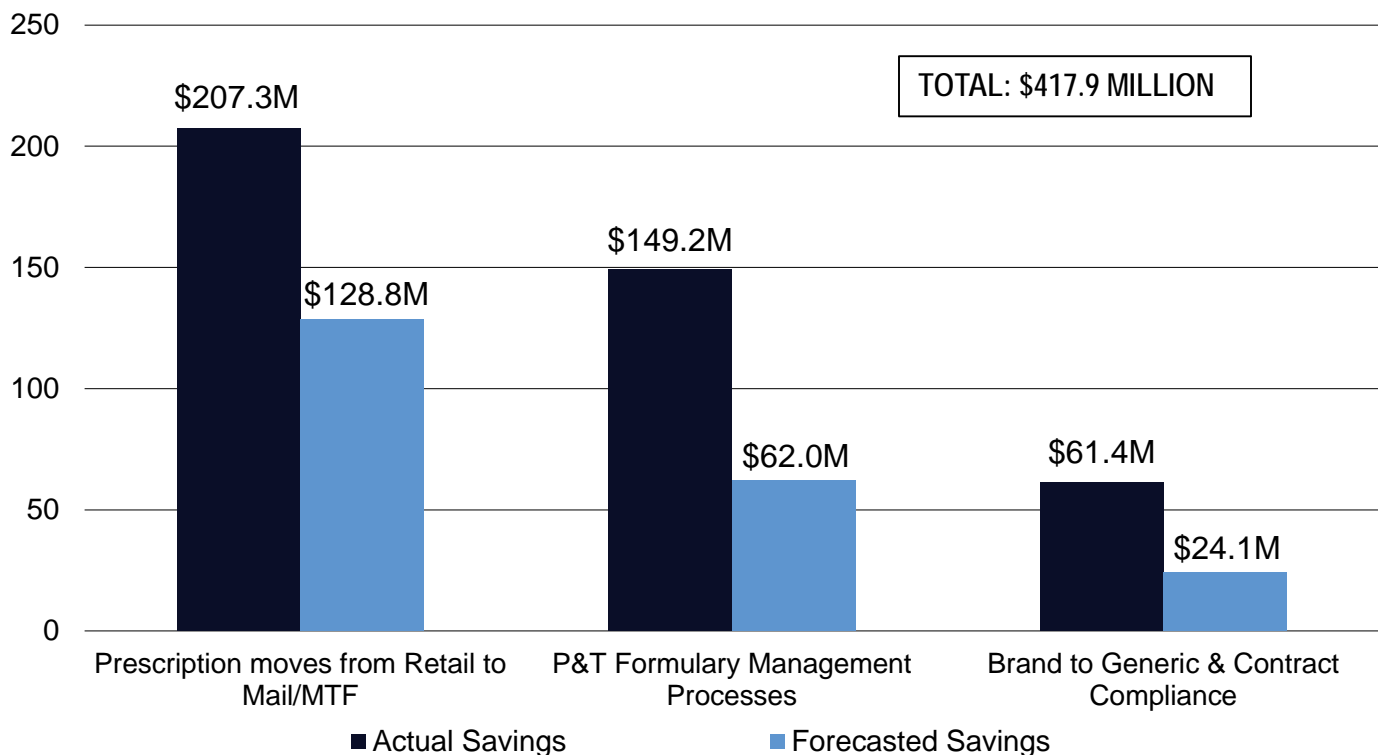


**Reduced Pharmacy Costs through Collaboration:**

A collaborative effort between DHA Operations, the Services Pharmacy Working Group, and external partner TRICARE Pharmacy significantly reduced the DoD's cost of pharmacy services. The expansion of beneficiary access to MTF or mail delivery pharmacy solutions, rather than more costly retail service, resulted in \$207.3 million in savings. Through authority provided in Section 703 of the FY08 National Defense Authorization Act and the final implementing regulation, the DoD obtains similar federal pricing discounts in the TRICARE retail network pharmacies. In 2016, total collections were approximately \$982 million; including \$519 million for Defense Health Program and \$440 million

for Medicare-Eligible Retiree Healthcare Fund. The DoD Pharmacy and Therapeutics Committee achieved savings of \$149.2 million and increased compliance with centralized drug purchasing rules. Brand to generic conversions saved an additional \$61.4 million. As a result, the DoD's cost for pharmacy services achieved a total savings of \$417.9 million. In addition, the Pharmacy Operations Division continued to monitor spending on compound drugs and enacted a policy to address the rapid increase in the cost of many ingredients used in compounds. In April 2015, compound drugs made up only 0.5 percent of all TRICARE prescription volume, but accounted for 20 percent of costs. Since implementation of the policy, Pharmacy reduced the MHS outpatient pharmacy compound drug costs from \$1.6 billion in FY15, to \$49 million in FY2016 – a reduction of 96.9 percent.

FY 2016 PHARMACY SAVINGS



## SUPPORTED MHS GENESIS®

MHS GENESIS® is a single integrated inpatient and outpatient Electronic Health Record (EHR) that replaces decades old technology with a modern commercial EHR. MHS GENESIS® transforms health care delivery for the DoD and the MHS with the application of standardized workflows, integrated health care, and data standards for improved and secure electronic exchange of medical and patient data. MHS GENESIS® provides a patient portal allowing the patient to more easily access health information and securely communicate with health care providers.



**Collaborated on a Consolidated, Standardized Information Technology Infrastructure and Single Reliable Medical Network:** The HIT Directorate (J-6) is collaborating with Defense Information Systems Agency and DoD CIO to plan and implement a modernized, joint medical information technology infrastructure that provides a secure and reliable infrastructure capable of supporting MHS GENESIS®. The Medical Community of Interest (Med-COI) is a secure, interoperable network for DoD medical community information technology communications and operations. HIT (J-6) is implementing the Desktop to Datacenter (D2D) plan to provide MHS organizations with standard network, service desk, performance management, identity management, and data hosting services. In FY16, HIT (J-6) established its Med-COI infrastructure requirements, collaborated with the Services to define standardized D2D desktop requirements, and prepared for the initial deployment of MHS GENESIS®.

*DISCUSSING MHS GENESIS® AT THE DEFENSE HEALTH INFORMATION TECHNOLOGY SYMPOSIUM (DHITS)*



*From left to right: Ms. Stacy Cummings, Dr. Bill Roberts, and Col Richard Terry*



# IMPLEMENTING AN INTEGRATED HEALTH SYSTEM IS NO SMALL TASK...



**1230+**

Locations including 55 inpatient hospitals and medical centers, 373 ambulatory care clinics, 245 dental clinics, and 300+ expeditionary units



**205K+**

Healthcare professionals and support staff



**1**

DoD integrated electronic health record

## Informed MHS GENESIS® Configuration with

One Tri-Service Voice: The DHA Office of the Functional Champion and more than 800 Tri-Service experts representing clinical, business and operational areas, developed 680 standard workflows, 450 standard order sets, 300 content sets, and made 2,500 design decisions. These efforts drove standard configuration of MHS GENESIS® to directly address end-user needs while promoting the quality and safety of patient care. To further prepare for MHS GENESIS® deployment and sustainment, more than 70 MHS stakeholders developed an end-to-end enterprise issue resolution process. The process will facilitate efficient issue resolution across many areas, including patient safety. Standardization of Service clinical and business processes and a defined structure for ongoing Tri-Service consensus reflect the MHS' commitment to EHR modernization.

### EHR GUIDING PRINCIPLES

- 1 Standardize clinical and business processes across the Services and the MHS

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- 2 Design a patient-centric system focusing on quality, safety and patient outcomes that meet readiness objectives

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- 3 Flexible and open, single enterprise solution that addresses both garrison and operational health care

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- 4 Clinical business process reengineering, adoption, and implementation over technology

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- 5 Configure not customize

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- 6 Decisions shall be based on doing what is best for the MHS as a whole – not a single individual area

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- 7 Decision-making and design will be driven by frontline care delivery professionals

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- 8 Drive toward rapid decision making to keep the program on time and on budget

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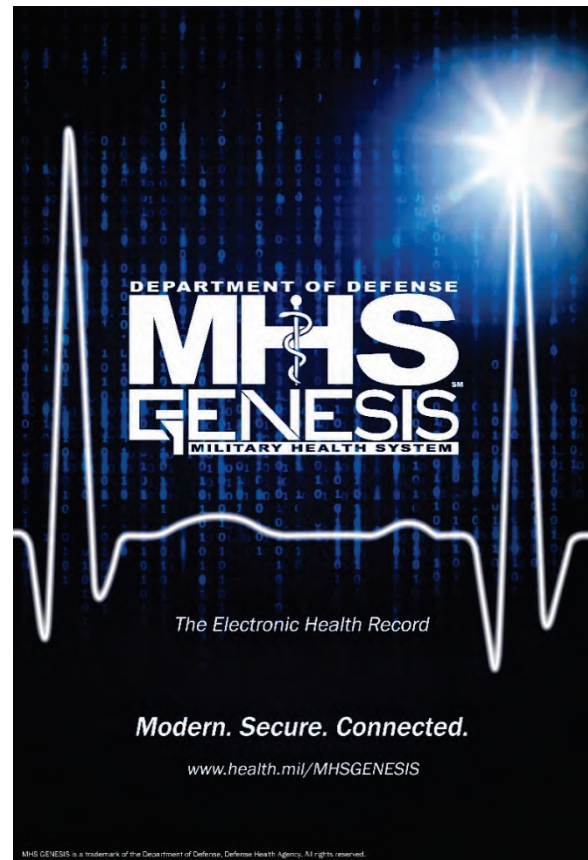
- 9 Provide timely and complete communication, training, and tools to ensure a successful deployment

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- 10 Build collaborative partnerships outside the MHS to advance national interoperability

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- 11 Enable full patient engagement in their health

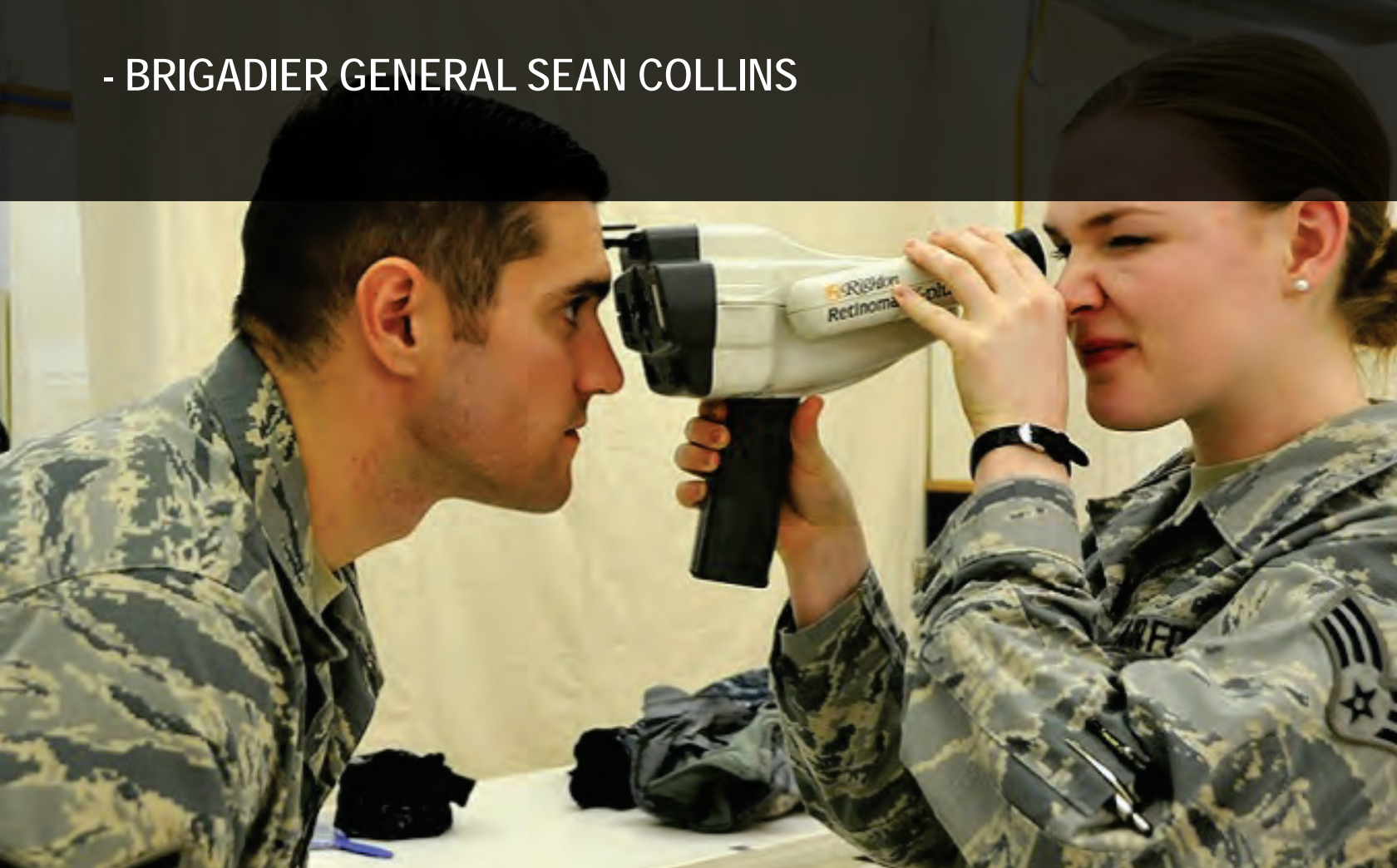




## LOOKING TO 2017

*"Our job at the DHA is to deliver to Combatant Commanders a medically ready force and a ready medical force."*

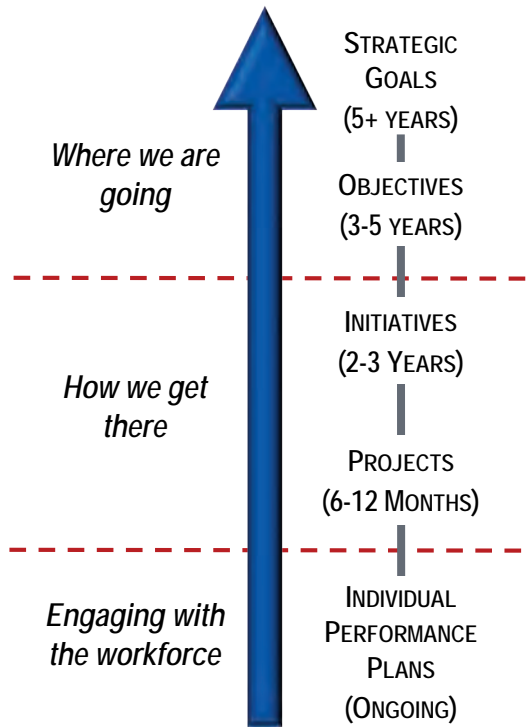
- BRIGADIER GENERAL SEAN COLLINS



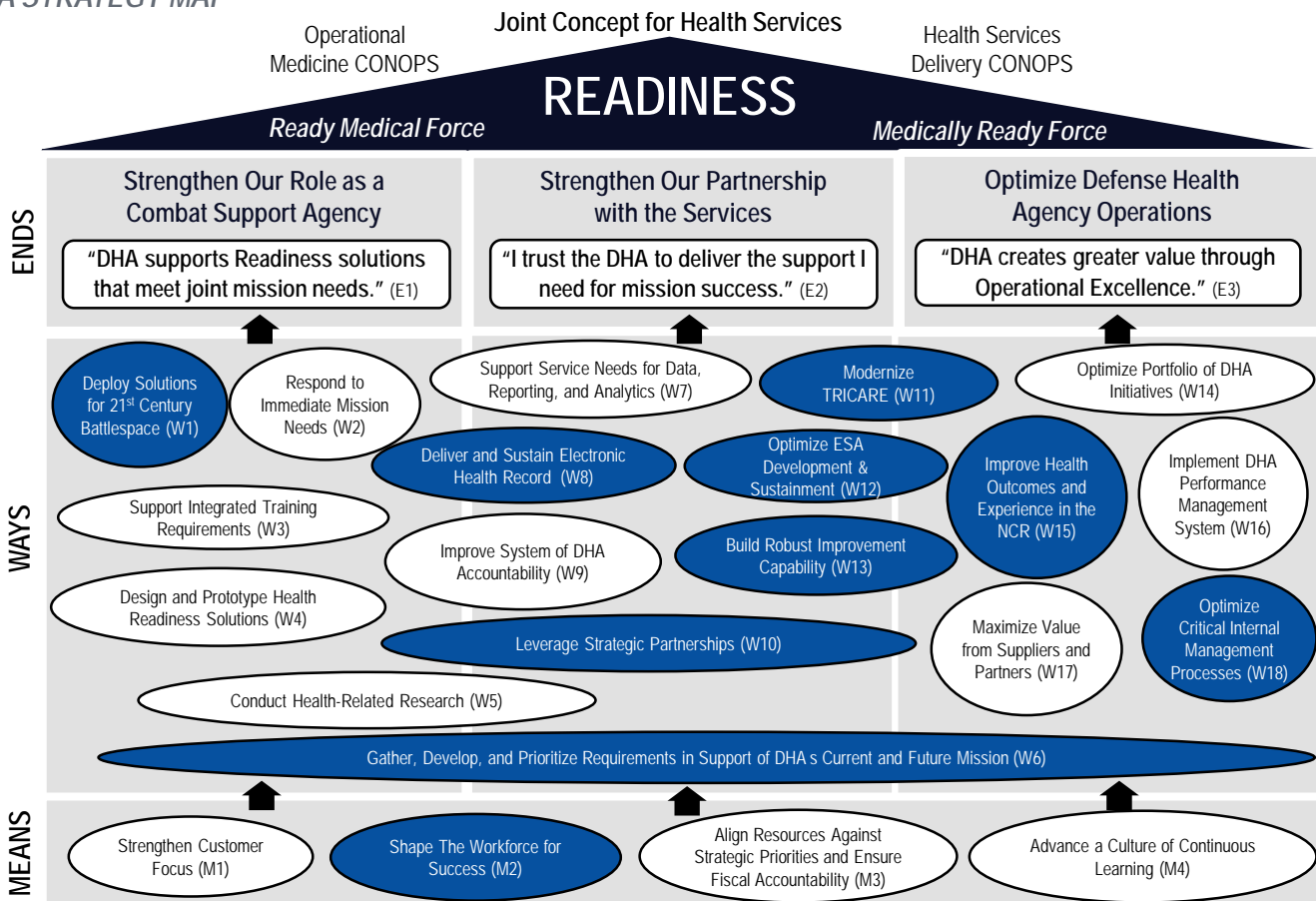
# TRANSLATING STRATEGY TO ACTION

Through 2016, DHA's eight focus areas evolved into 22 strategic objectives aligned to three goals, which will continue to shape the Agency in 2017 and the years to follow. The DHA's comprehensive strategy map communicates the Agency's shared vision and goals and depicts how the Agency will turn strategy into action. The Strategy Map reinforces the DHA's commitment to its customers, identifying and aligning strategic objectives in support of the three high-level goals: fortifying the DHA's relationship with the Services, strengthening the DHA's role as a Combat Support Agency, and optimizing DHA operations. The strategy map follows an "ends, ways, and means" structure where "ends" are defined as the desired strategic outcomes, "ways" are the methods or tactics to achieve these ends, and "means" are enablers such as manpower, resources or time. The 22 Strategic Objectives encompass what DHA must do well to achieve its mission and are the anchors against which the DHA - from an organizational to individual level - will prioritize and focus work in the next three to five years. Each individual supporting the DHA plays a key role in translating strategy into action by tying performance plan critical elements to strategic objectives.

## BUILDING TO STRATEGIC SUCCESS



### DHA STRATEGY MAP



 The objectives highlighted in blue represent the 2017 Priority Strategic Objectives

## WORKING TOWARD PRIORITY STRATEGIC OBJECTIVES

Strategic objectives provide consistency across the Agency to ensure progress towards the fulfillment of the DHA's goals. Through a collaborative effort, DHA leadership prioritized 10 of the 22 strategic objectives as a focus for 2017 organization-wide efforts. The alignment of initiatives and projects to these priority objectives drives advancement of the DHA's strategic goals. Each strategic objective has a champion who will manage cross-Agency execution of initiatives and projects to ensure that the strategic objective is achieved on time and with the desired results.

### 2017 DHA STRATEGIC OBJECTIVES



**M2**

### SHAPE THE WORKFORCE FOR SUCCESS

*Objective Champion - Dr. Barclay Butler, SES*

DEFINITION

The DHA will define human capital requirements for mission success and ensure job specific knowledge and skills align with mission requirements. The Agency will attract and retain a high-quality diverse workforce with the required knowledge, skills, and attitudes; prioritize resourcing of the workforce to accomplish strategic goals; improve succession planning; and optimize the use of the full OPM toolbox.

VISION

*"People are the foundation of the DHA. We must continue to attract, retain, and train a high-quality workforce with the required knowledge, skills, and attitude to meet an evolving health care landscape and MHS mission needs. This process hinges on our understanding of what drives and motivates our workforce as individuals, while building on our diversity of backgrounds. Achieving our mission is only possible through our people, and it is this notion that will shape our workforce for success both today and for years to come."*

**W18**

### OPTIMIZE CRITICAL INTERNAL MANAGEMENT PROCESSES

*Objective Champion - Ms. Mary Kaye Justis, SES*

DEFINITION

The DHA will enhance the effectiveness and efficiency of internal operations and stakeholder engagement, reliability of reporting, and compliance with laws and regulations by ensuring access to accurate financial, resource and personnel information to support decision making and accountability and by designing then supporting implementation of effective and efficient Human Resource and Personnel processes, internal controls, and decision making and communication systems.

VISION

*"Through our W18 Strategic Objective 'Optimize Critical Internal Management Processes' we will work to create an efficient foundation from which the agency can deliver mission critical support services. We will design and implement internal processes and controls that ensure easy access to accurate financial, resource and personnel information needed to support effective decision making and improve financial and resource oversight and accountability."*

## W15

### IMPROVE HEALTH OUTCOMES AND EXPERIENCES IN THE NCR

*Strategic Objective Champion - RDML David Lane*

#### DEFINITION

The DHA will create an Integrated Academic Health System across the NCR that brings services to the patient and delivers highly reliable quality health outcomes. The DHA will fully utilize capability and capacity in both primary and specialty care within the NCR; create a culture of proactive prevention to engage patients anywhere, anytime, and reduce the need for health care; sustain and improve currency of the total Medical Force (including Uniformed Military, Civilians, and Contractors); and continuously improve care processes to be responsive and respectful of our beneficiaries needs and choices.

#### VISION

“Objective W15, today, is where the DHA delivers on its promise to take care of more than 240,000 beneficiaries. In achieving W15, the NCR becomes the health care system of choice for beneficiaries in the National Capital Region and the employer of choice for our total workforce (active duty, civil service and contractors) while leading the Military Health System in delivering the quadruple aim – the best experience of care at the best value resulting in the best health and maximized readiness.”

## W13

### BUILD ROBUST IMPROVEMENT CAPABILITY

*Objective Champion - Col Daniel Lee*

#### DEFINITION

The DHA will focus on building a robust improvement capability by enhancing agile problem solving capacity for all members of the DHA, as well as making the coaching and teaching of process improvement standards for all leaders within the organization. The Agency will also implement common language, tools, and training for robust process improvement; track success and quantify value of improvement projects; and develop an improvement science community of practice.

#### VISION

*“Through our W13 Strategic Objective 'Build Robust Improvement Capability' DHA staff members will learn the science of process improvement (PI) and how to apply a broad set of PI methodologies in their own work setting. Planning and development efforts are now underway to evaluate existing courses and develop a comprehensive and best practice-based PI curriculum for DHA staff. This education-based approach will be piloted within a single DHA Directorate during 2017 to assess its effectiveness in developing a robust culture of improvement and achieving substantial efficiencies. Simultaneously, throughout the year the DHA will disseminate common language and requirements for all PI projects; develop toolkits, templates and other resources; and establish procedures to prioritize, validate and track improvement work throughout the agency.”*

## W11

### MODERNIZE TRICARE

*Objective Champion - Ms. Patricia Lewis, Acting*

#### DEFINITION

The DHA will ensure easy access for all to high-quality, high-value care and will organize the DHA to continually evolve the TRICARE benefit and delivery system to be responsive to rapid change in the national security and health care environments. Additionally, the DHA will design and then support implementation of a truly integrated learning health system that spans direct and purchased care, extends beyond the traditional boundaries of health care and aligns incentives in support of readiness and health.

#### VISION

*“Design and then support implementation of a truly integrated learning health system that spans direct and purchased care, extends beyond the traditional boundaries of health care, and aligns incentives in support of readiness and health. Ensure easy access for all TRICARE beneficiaries to high-quality, high-value care. Continually evolve the TRICARE benefit and delivery system to be responsive to rapid change in the national security and health care environments.”*

## W8

### DELIVER AND SUSTAIN ELECTRONIC HEALTH RECORD

*Objective Champion - Col Richard Terry*

**DEFINITION** The DHA is focused on portfolio rationalization, effective and efficient data exchange development, optimization of infrastructure to support MHS GENESIS®, and support of acquisition and installation of MHS GENESIS® through the Program Executive Office, Defense Healthcare Management Systems. The Agency will implement enterprise standards for the Electronic Health Record (EHR) workflows, content, and system configuration and develop DHA sustainment structure for MHS GENESIS. The DHA will maximize end-user adoption through effective change management and training and focus on institutionalizing repeatable processes and enterprise standards to support agile decision-making.

**VISION** *“DHA has forged a strong, collaborative partnership with the Program Executive Office, Defense Healthcare Management Systems and the Office of the Functional Champion for the MHS to ensure the necessary technical, business, and clinical processes are in place to support MHS GENESIS® implementation, adoption, and management at the initial operating capability sites in the Pacific Northwest in FY17. Through this partnership, we are laying the foundation required to deploy and sustain MHS GENESIS® efficiently and effectively throughout the MHS and to achieve increased quality and standardization across the MHS enterprise. To ensure our success over time, our approach to deploying and sustaining MHS GENESIS® will continually be refined as we leverage lessons learned during the rollout of our initial operating capability in the Pacific Northwest and from each phase of deployment.”*

## W12

### OPTIMIZE ESA DEVELOPMENT AND SUSTAINMENT

*Objective Champion - Brig Gen James Dienst*

**DEFINITION** To optimize existing ESAs, the DHA is focused on helping the MHS enterprise deliver on commitments in business cases and business process reengineering plans (5-year business plans). The Agency will also implement an annual refresh cycle to update ESA business plans based on customer feedback to include customer relationship management processes with the Services (e.g., Service Level Agreements (SLA), Memoranda of Agreement (MOA), etc.).

**VISION** *“As the DHA W12 Objective (Optimize Existing ESAs) goal champion I see an opportunity to improve the ESA’s overall processes, specifically sustainment and developmental processes. Creating the right ESAs includes developing clearly defined objectives and measurable outcomes with a rigorously analyzed annual refresh cycle. Improved goals and processes to include customer feedback and service level agreements and Memorandum of Agreement will facilitate the delivery of business case and business process reengineering plans (five-year business plans).”*

## W6

### GATHER, DEVELOP, AND PRIORITIZE REQUIREMENTS IN SUPPORT OF DHA’S CURRENT AND FUTURE MISSION

*Objective Champion - Dr. Paul Cordts, SES*

**DEFINITION** The DHA will improve understanding of stakeholder needs; standardize and improve requirements processes (e.g., JCIDS, BCA/BPR, etc.); develop, consolidate and validate requirements in support of an integrated readiness and health system; and prioritize requirements before resourcing.

**VISION** *“Gather and Prioritize Requirements aims to synchronize requirements in support of both the DHA and MHS Strategies. By interfacing across multiple J-Directorates, recommendations and plans are informed within the wider context of DoD, MHS, the Services, Combatant Commands, interagency, and civilian health care. Ultimately, this will facilitate the establishment of transparent, collaborative, and networked teams of creative health care professionals to support the variety of functions of a large integrated health care delivery system.”*



## W10

### LEVERAGE STRATEGIC PARTNERSHIPS

*Objective Champion - RADM Colin Chinn*

#### DEFINITION

The DHA will operationally define strategic partnerships and alliances within current and future contexts. In addition, the Agency will coordinate with stakeholders to prioritize, update, and maintain the portfolio of MHS' strategic partnerships required for mission effectiveness, such as academic affiliations, training augmentation for readiness, extramural research, or best practice identification.

#### VISION

*"The DHA will leverage strategic partnerships by focusing on coordination with stakeholders to prioritize, update, and maintain the portfolio of MHS' strategic partnerships required for mission effectiveness, such as academic affiliations, training augmentation for readiness, extramural research, or best practice identification."*

## W1

### DEPLOY SOLUTIONS FOR 21<sup>ST</sup> CENTURY BATTLESPACE

*Objective Champion - MG Jeffrey Clark*

#### DEFINITION

The Agency will, in coordination with OJSS, continuously refine our "supporting to supported" relationship with CCMDs. In coordination with OJSS, guided by the Joint Concept for Health Services, and vetted through JCIDS the DHA will: support MHS enterprise, standardized IT, medical equipment, logistics, clinical processes, patient management, and patient movement; support MHS enterprise, standardized deployment of future JOMIS solutions (e.g., EHR, virtual Health, etc.); and build MHS enterprise, standardized infrastructure and conduct continuous and predictive surveillance of global health threats. The Agency will use CSART as framework for CSA performance review and improvement.

#### VISION

*"In coordination with the Joint Staff Surgeons, we will continuously refine our "supporting to support" relationship with the Combatant Commands. We will establish and ensure a single standardized MHS health surveillance capability/system to predict and mitigate health threats to the Joint Force. We will support the MHS enterprise through standardized IT, medical equipment, logistics, clinical processes, patient management, patient movement, and the deployment of future Joint Operational Medicine (JOM) Information Systems solutions. We will build the MHS enterprise through standardized infrastructure and conduct continuous and predictive surveillance of global health threats."*

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

Brig Gen Sean Collins is the Assistant for Mobilization and Reserve Affairs providing advice and assistance to the Director, DHA on Reserve Component and National Guard health care matters while developing and promoting Reserve Component medical policies and programs. He is the primary Agency liaison to the Reserve Component Surgeons and the Deputy Assistant Secretary of Defense for Health Readiness Policy and Oversight, Military Department Surgeons General Reserve Component representatives, and the National Guard Joint Surgeon. Additionally, he serves as the Agency representative to the Medical Integrator's Council which advocates for Reserve Component health care equities and concerns, and represents Reserve Component matters on the Defense Health Board, serving on the Interagency Care Coordination Committee. As the Assistant for Mobilization and Reserve Affairs, Brig Gen Collins is responsible for evaluating how the Reserve Component can further integrate into the MHS and contribute to medical readiness and training through innovative programs and partnerships with civilian institutions and resources.

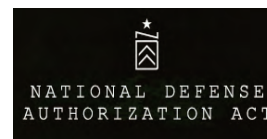
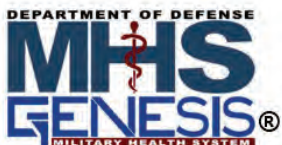


**Assistant for  
Mobilization and  
Reserve Affairs**  
*Brig Gen  
Sean Collins*

*"The big thing the military complex is focusing on now is readiness. The concern is that people will lose skills perfected during times of war as Iraq and Afghanistan wind down. Our job at the DHA is to deliver to Combatant Commanders a medically ready force and a ready medical force. This training is critical and we have made major progress in making sure we sustain these skills." – Brig Gen Collins*

## LOOKING TO THE FUTURE

The ten strategic objectives support the DHA's 2017 priorities and focus largely on MHS GENESIS®, T-2017 Contracts, the 2017 NDAA, and FY17 Appropriations bills.



*“As we transition into 2017, I see three important enterprise efforts. First, as we deploy **MHS GENESIS®** at our initial site in the Pacific Northwest, we will keenly look at the opportunities to compress the deployment schedule across the Military Health System. Our preparation for initial operating capability and the lessons learned upon deployment and implementation will inform our subsequent waves of deployment. In February 2017, Fairchild Air Force Base in Spokane, WA transitioned from existing Electronic Health Record (EHR) systems, based on decades old technology, to a modern commercial EHR - MHS GENESIS®. Fairchild is the first to transition to MHS GENESIS®, which, when fully deployed across the MHS, will support the availability of EHRs for DoD beneficiaries worldwide.*

*Another focus area is the implementation of **TRICARE 2017 contracts**. We recently received a positive ruling from the U.S. Government Accountability Office allowing our transition work to continue. We'll ensure our new vendors come on board smoothly next year after their transition periods. Our early success with the awards to our contract partners and our mitigation of previous transition challenges has been very encouraging.*

*Lastly, a great deal of interest will focus on **the National Defense Authorization Act of 2017**. While challenges exist with implementing the aggressively-paced schedule, our recent organizational reconfiguration and 2017 strategic planning session favorably positions DHA to address many of the efforts quickly. As we coordinate efforts among the Services, the Joint Staff and DHA, it is important to recognize how the NDAA provides turning mechanisms to create an integrated system of health and readiness for all of our beneficiaries.”*

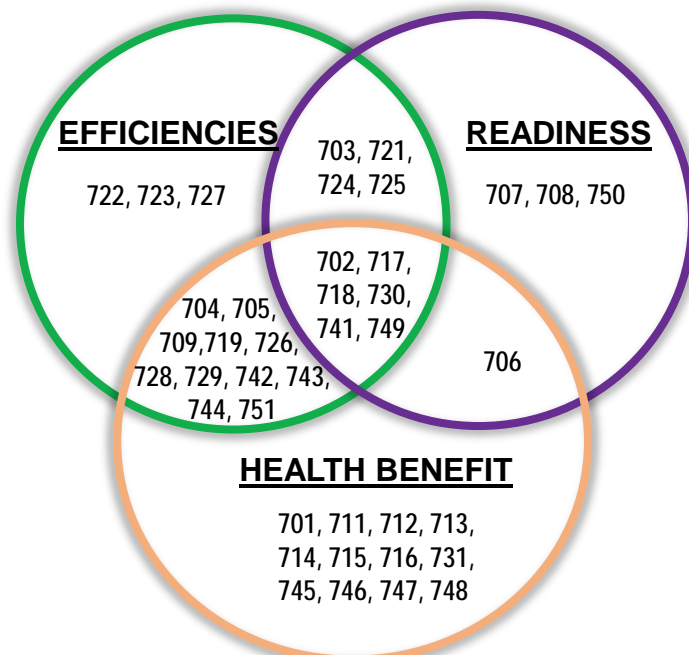
- VICE ADMIRAL RAQUEL BONO

## NDAA 2017

The provisions in the NDAA work together to (1) ensure a trained and ready health team to support the Joint Force, (2) deliver an improved experience to TRICARE beneficiaries, and (3) enable the MHS to act as one enterprise. The NDAA 2017 improves access to quality care for Service members, retirees, and their families, while enhancing medical readiness by:

- Creating health value
- Enhancing access to high quality health care
- Improving and maintaining operational medical force readiness
- Improving beneficiaries' health outcomes
- Modernizing TRICARE support contracts
- Driving efficiencies and eliminating waste
- Demanding performance accountability

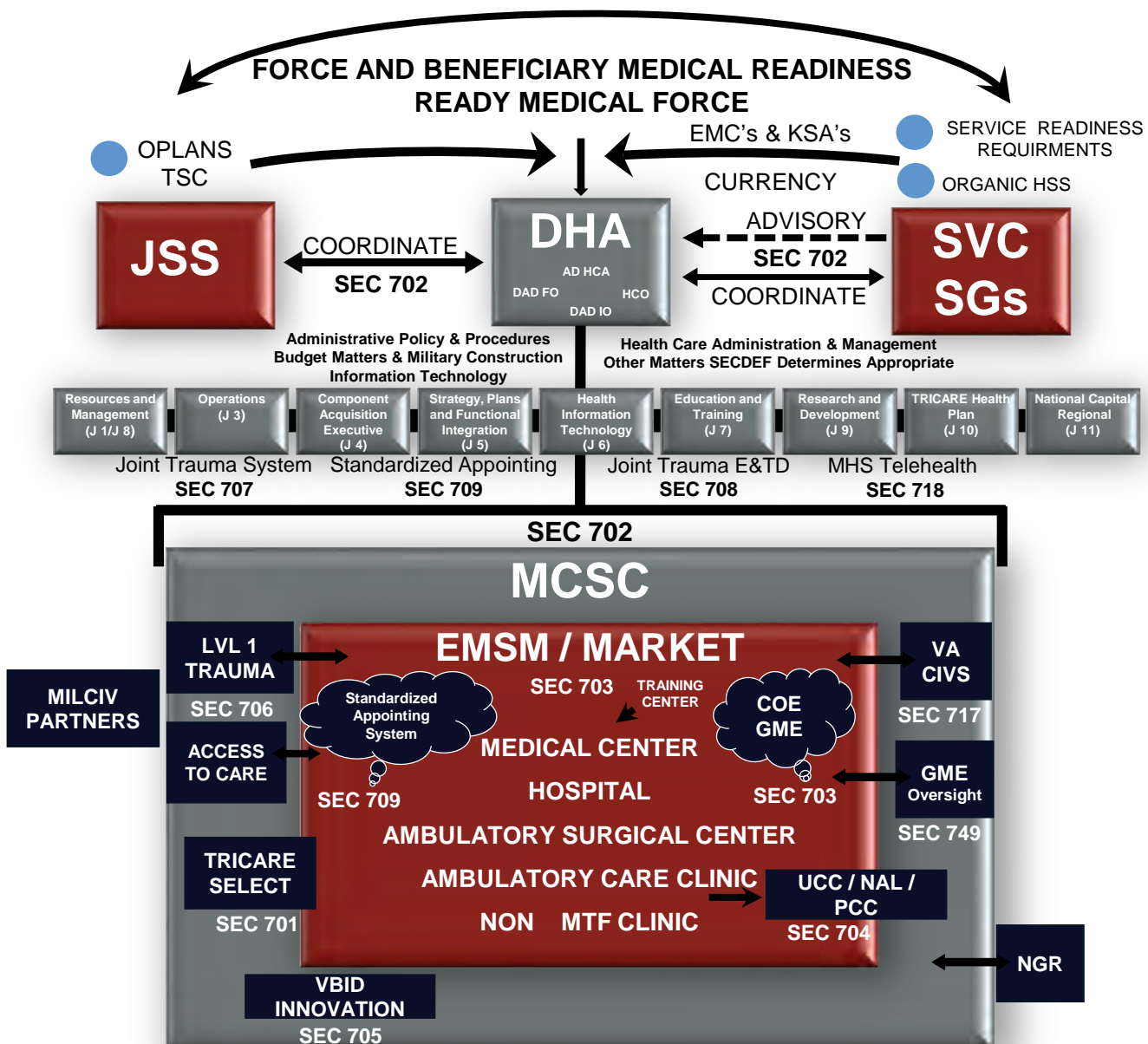
### SECTIONS OF THE NDAA THAT ADDRESS EFFICIENCIES, READINESS, AND HEALTH BENEFIT



# THE DHA AND NATIONAL DEFENSE AUTHORIZATION ACT

The NDAA for FY17 directed significant reforms to TRICARE and the Military Health System aimed at increasing access, improving safety and quality, lowering costs, and strengthening readiness. In the NDAA Joint Explanatory Statement for Section 702, the United States Congress stated it aimed to create “a streamlined Military Health System management structure that would eliminate redundancy and generate greater efficiency, yielding monetary savings to the Department while leading to true reform of the Military Health System and improving the experience of care for beneficiaries.” The DHA will work toward implementing the law and collaborating with stakeholders in support of Congressional intent.

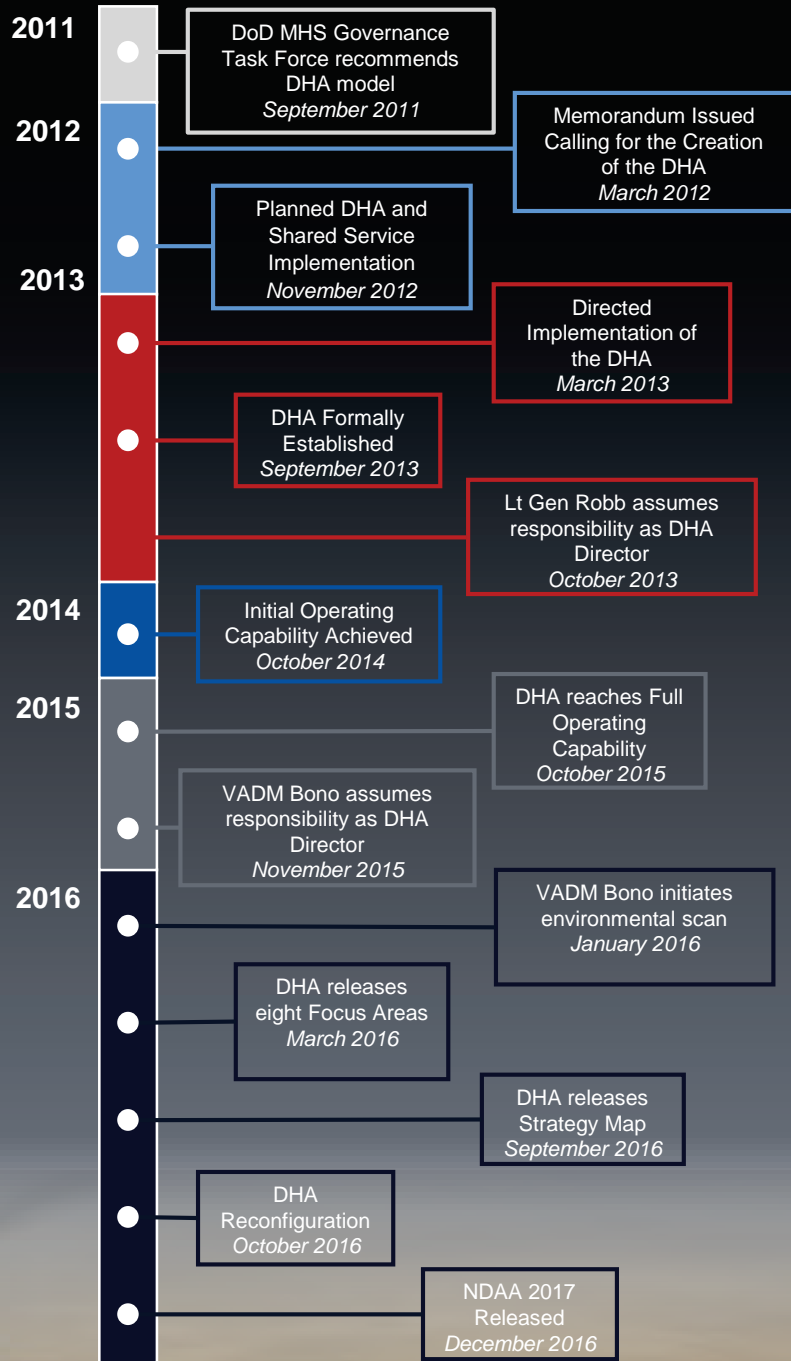
The graphic below shows an early functional representation of the law. As directed in the 2017 NDAA, the DHA will serve as the single Agency responsible for overseeing and administering an integrated system of readiness and health. The direct management of empowered regional markets and Military Treatment Facilities, centralized and integrated budgeting, utilizing standardized processes, and streamlined management controls to achieve the MHS Quadruple Aim, promote transparency, and be accountable to patients, the Department, Combatant Commands, the Services, and tax payers.



## DHA: A BRIEF HISTORY

In 2011, the Deputy Secretary of Defense convened a task force to look at options for the long-term governance of the Military Health System. The lessons from 10 years of war combined with the fiscal realities of American healthcare established the value of a more integrated approach in support of operational forces. On March 2, 2012, the Deputy Secretary of Defense issued a memorandum calling for the creation of the Defense Health Agency, a Combat Support Agency that would effectively assume responsibility for shared services, functions and activities of the MHS. On September 30, 2013, the Department of Defense issued a directive in accordance with the Deputy Secretary of Defense memorandum, formally establishing the Agency. The Defense Health Agency's overarching mission is to support a medically ready force and ready medical force at all times, supporting a better, stronger and more agile Military Health System.

In late 2015, two years after establishment, the Defense Health Agency achieved full operating capability. This was a milestone in the delivery of high-quality, accessible healthcare, which serves as the foundation of a ready force and a lifesaving combat ability in a deployed environment.



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