



DHA

Defense Health Agency



2018 Stakeholder Report



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

MESSAGE FROM THE **DIRECTOR**

On behalf of the people of the Defense Health Agency (DHA) – our uniformed Service members, civilian civil servants and contract personnel – I am proud to offer our 2018 Stakeholder Report, which offers our perspectives on a year of change and opportunity for the DHA and the Military Health System (MHS).

As the DHA's role within the MHS grows, so do the expectations for our Agency, and I am proud to say that our people are rising to that challenge. From administering the TRICARE health plan to the assumption of management for our Military Treatment Facilities (MTFs), to our growing portfolio of combat support activities to bolster the Combatant Commands, to the support of a new electronic health record, the DHA supported multiple initiatives on behalf of those who depend on us: our nation's warfighters, our 9.5 million beneficiaries, and the American people.

This year of change has been challenging, but it also allowed for new opportunities to deliver innovative and enhanced capabilities to the MHS and our Service members. We continue to work closely with the Services, the Office of the Secretary of Defense, Joint Staff, the Military Departments, and commercial partners to put in place the structures and personnel to assume responsibility of the MTFs. The end result of this effort will be a more streamlined, agile MHS that encourages business reform and a more integrated health system that supports the readiness of military personnel and the needs of our beneficiaries.

Among the highlights from the DHA's accomplishments this past year include an exploration of the DHA's growing combat support responsibilities. As a Combat Support Agency, the DHA is tasked to provide and augment medical capabilities to the warfighting Combatant Commands, and create robust capabilities in information technology, medical logistics, public health, and more.

In support of the deployment of MHS GENESIS, our modernized electronic health record (EHR), the DHA is leveraging expertise across the enterprise to create an EHR that provides support across the full continuum of military health care, from battlefield to home station, and soon, in partnership with the Department of Veterans Affairs (VA), from the time a Service member is sworn in, their time in uniform, and their life as a veteran.

These initiatives are broad and complex, but they are vital. They support the drive for increased lethality, stronger partnerships and business reforms, and they will yield a more integrated system of readiness and health for warfighters, retirees, and their families. We are proud of our progress, but it is only the beginning. We look forward to new advancements in the year to come. As we navigate change within the MHS, our mission remains clear: providing the best possible health care for our Service members and their families. It is our duty to deliver on this promise to the courageous men and women who defend our nation.



**VICE ADMIRAL
RAQUEL BONO**

“ As we navigate change within the MHS, our mission remains clear: providing the best possible health care for our Service members and their families. ”

MESSAGE FROM THE **SENIOR ENLISTED ADVISOR**

The DHA is an organization of immense capability, remarkable technology, and admirable flexibility. These strengths are the product of many factors, but one stands above all: our incredible people.

The mission of the MHS is like no other health care system in the world. The work we do in the DHA at locations around the world, is in service to a noble calling. As you read about the accomplishments of 2018, and the efforts underway in 2019, I hope you think about the people behind the achievements.

People are the ultimate measure of the strength of any military organization, and that is never more true than during times of change. As the Senior Enlisted Advisor to VADM Bono and the DHA leadership, one of my greatest responsibilities is the welfare and advancement of the people who are the foundation of the DHA's success.

Regardless of whether it's our Service members, civilian employees, or contractors, we believe in recognizing and rewarding our team's many accomplishments, providing

the professional development and advancement opportunities that reward performance and enable personal growth, and keeping both our team and our broader enlisted force informed of the changes unfolding in military medicine.

It is our highest priority to provide the best possible health care to the courageous women and men who defend our nation, as well as for their families. That is our motivating force and it drives us everyday to relentlessly pursue excellence in everything we do.

This unified team represents years of training, professional education, and certification. I am proud to serve with them. On behalf of the DHA team, thank you to the stakeholders who have done so much to provide us with the means to succeed and encouraged our continued development at a time of great change in the MHS.



**CMDM
CHARLES COLLINS**

“ The Defense Health Agency is an organization of immense capability, remarkable technology, and admirable flexibility. ”



WHO WE ARE

MILITARY HEALTH SYSTEM AND THE DEFENSE HEALTH AGENCY

The Military Health System (MHS) is one of the largest, most complex, multi-disciplinary health care systems, and the world's preeminent military medical enterprise.

The Defense Health Agency (DHA) is a joint, globally integrated Combat Support Agency that enables the Army, Navy, and Air Force medical services to provide a medically ready force and ready medical force to the Combatant Commands. It supports the delivery of a health plan, coordinating care and service administration across a complex network of public and private providers. It serves as a health care educational institution, and trains clinicians to provide advanced care to ensure the readiness of our forces. It is also a health care innovator, investing in research and development to analyze, develop, and deploy the latest cutting-edge solutions that contribute to advances in the commercial medical community at large.

To further the Quadruple Aim (Improved Readiness, Better Health, Better Care, and Lower Cost), across the enterprise, the MHS is ushering in unprecedented reform to military medicine. This transformation marks a new way of doing business— from assuming direct responsibility for MTF management, to electronic health record deployment, TRICARE benefit enhancements, and establishing the Combatant Command Liaison Program, etc. The DHA is working with the Services every step of the way to provide medical readiness and health care delivery that is more integrated,

efficient, and effective than ever before. The DHA is spearheading new and transformative enterprise-based approaches responsible for driving greater global integration of clinical and business processes, enabling care for up to 9.5 million beneficiaries through TRICARE, one of the nation's largest health benefit plans.

The DHA has taken strides to improve the quality, safety, and access to care across the MHS enterprise by adopting high reliability practices, models, and techniques that advance the goal of becoming a high reliability organization. In 2018, the DHA addressed the 2017 and 2018 National Defense Authorization Act (NDAA) MHS organizational changes to better support the DoD's medical readiness requirements, provide a more consistent and higher quality experience for our patients and providers, and deliver a more integrated, efficient, and unified military health care enterprise. Across the MHS, there are a number of actions already in motion to help achieve high reliability and ensure that we partner with patients every step of the way to provide the care they deserve.

By strengthening global partnerships, devising and implementing plans that support mission readiness, standardizing enterprise-wide health care service delivery processes, and increasing communication and data analysis, the DHA is ensuring our Service members and their families are receiving high quality care.



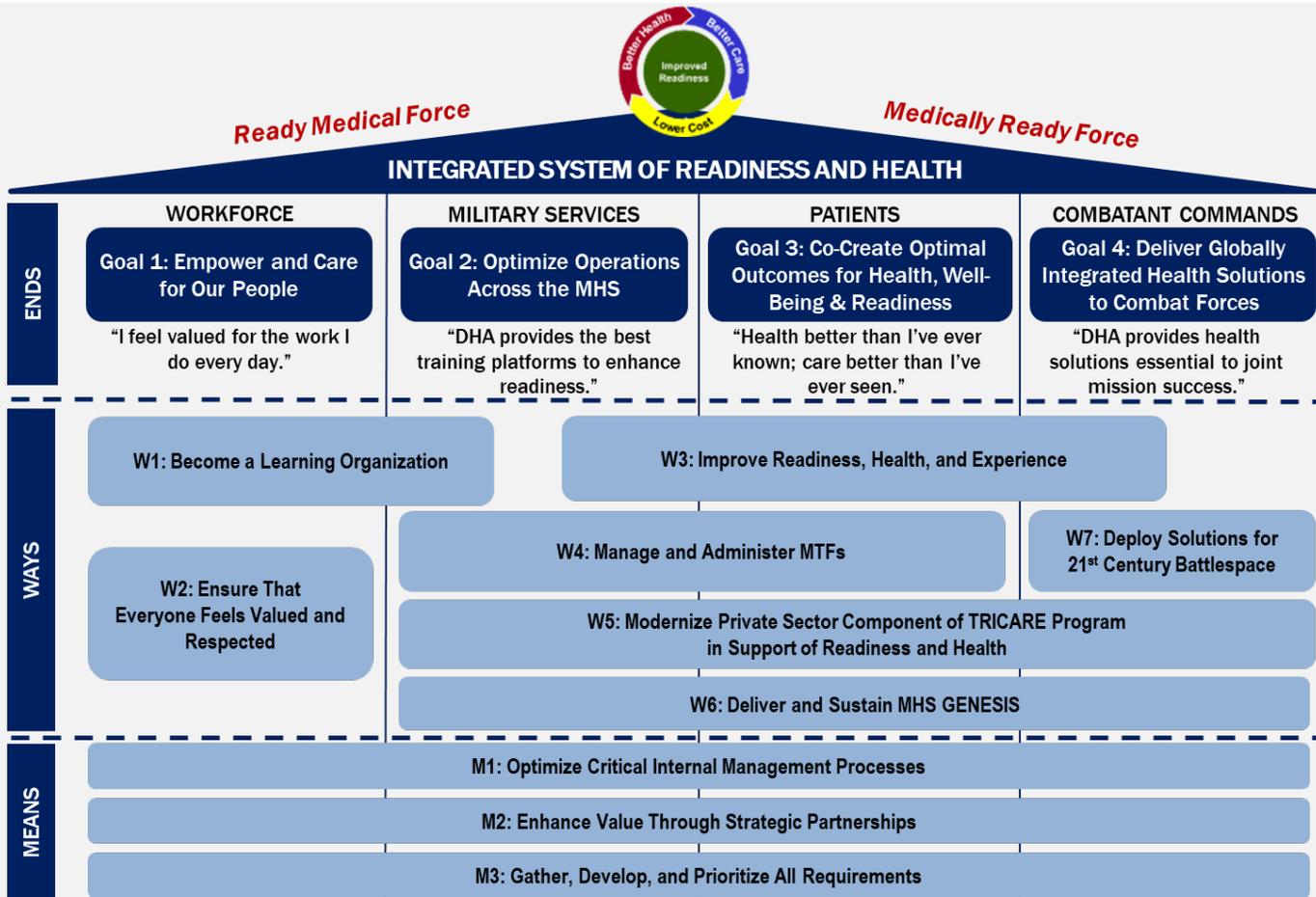
STRATEGY

NDAA & THE QUADRUPLE AIM

The 2017 National Defense Authorization Act (NDAA) enacted significant reforms within the MHS, placing a strong emphasis on reducing costs, eliminating redundancies, improving the delivery of health care services at MTFs, enhancing readiness, and enabling the DHA to act on behalf of the enterprise by centralizing administration of the MTFs to the DHA. Going into Calendar Year 2018, the DHA focused on successfully transitioning the management and administration of the MTFs from the Services to the DHA. The below Strategy Map reflects this focus and the DHA's plan to implement the reforms outlined in the NDAA 2017 with the explicit goal of furthering the Quadruple Aim as the strategic "North Star" for the entire MHS.



THE MHS QUADRUPLE AIM



DHA STRATEGY MAP | VISION: Unified and Ready... | **MISSION:** As a Combat Support Agency, the DHA leads the MHS integration of readiness and health to deliver the Quadruple Aim: Improved Readiness, Better Health, Better Care, and Lower Cost.

As a joint, globally integrated Combat Support Agency, the DHA aims to deliver the Quadruple Aim by enabling the Army, Navy, and Air Force to provide a medically ready force and a ready medical force to the Combatant Commands. To ensure the Quadruple Aim is achieved, the DHA developed strategic goals that allow the DHA to prioritize its portfolio of work and ensure the proper alignment to resources.

The DHA will partner with the Joint Staff and the Services to utilize the Quadruple Aim Performance Process (QPP), the enterprise performance planning process, to become a "Unified and Ready" learning organization skilled at creating, acquiring, and transferring new knowledge to achieve breakthrough performance. The QPP will guide the DHA towards its goal of becoming a high reliability organization. By integrating capabilities in strategic planning, performance planning, financial operations, performance improvement, and decision making, the DHA will use over 64 performance measures to ensure every dollar is spent on the best opportunity to improve value as an integrated system of readiness and health. This one enterprise approach, created to achieve health system optimization, ensures our MHS is ready for tomorrow's battlefield. Through the QPP, the DHA is dedicated to delivering the Quadruple Aim and holding ourselves accountable in enacting the significant reforms mandated by Congress.

RECOGNITION AND RATINGS

HIGH QUALITY AND HIGH RELIABILITY



Each of the DHA strategic objectives contributes to achieving one or more of the strategic goals. While there is more to be done, the DHA has taken great strides in improving the care and value provided to our Service members and their families. The following are just a few examples of our accomplishments further demonstrating our dedication and commitment to service and quality.

Military health programs, hospitals, and medical centers have been recognized on a national scale:



The American Journal of Surgery evaluated 231 residency programs and found that the #1 surgical residency program in the U.S. is Madigan Army Medical Center.



Madigan Army Medical Center



Over 700 hospitals participate in ACS National Surgical Quality Improvement Program (NSQIP). Of the 83 hospitals recognized for “meritorious” performance, 4 of those were military hospitals.

Recognized By:



- David Grant Medical Center
- Darnall Army Medical Center
- Naval Hospital Jacksonville
- Naval Medical Center Portsmouth

Temkin Group, an independent customer experience evaluation firm, measured 3 criteria (success, effort, emotion) and TRICARE was ranked first among commercial leaders for the health plans industry.

2018 Temkin Experience Ratings, Industry Leaders

Industry	Top of Industry
Airlines	Southwest Airlines (76%)
Auto Dealers	Toyota (73%)
Computers & Tablets	Amazon (71%)
Fast Food Chains	Subway (83%)
Health Plans	TRICARE (67%)
Insurance Carriers	USAA (75%)

2018 Temkin Experience Ratings, Most Above Industry Average

Company	Industry	Above Industry
Southwest Airlines	Airlines	+10.1
Florida Power & Light	Utilities	+9.6
A Credit Union	Banks	+9.5
TRICARE	Health Plans	+9.3
USAA	Banks	+9.2

Below are some of the accreditations and certifications our military hospitals and medical centers have received:



The DHA Communications Division has consistently been recognized for plain language communications and facilitating the DoD’s most visited websites.



- Rated as Top Organization in all Federal Agencies for plain language communications on TRICARE.MIL website
- TRICARE.MIL #2 DoD most visited website
- HEALTH.MIL #5 DoD most visited website

EMBRACING CHANGE

MTF TRANSITION & MARKET CONSTRUCT



The largest organizational change in decades for military health care began 1 October 2018. The DHA worked directly with the Services as they began the process of transferring the administration and management of their MTFs to the DHA through the transitional DHA Intermediate Management Organization.

The DHA is taking on the responsibility of MTF budgetary matters, information technology, health care administration and management, administrative policies and procedures, and military medical construction.

This transition will:

- **Maximize efficiency by eliminating unwarranted redundancies in headquarters, intermediate commands, clinical functions, and business processes**

- **Enable the MHS to better support the DoD's medical readiness requirements**
- **Provide a more consistent high quality experience**
- **Deliver a more integrated MHS that reduces enterprise operational costs**, freeing up resources to invest in additional priorities, such as building and sustaining a world-class health care system geared at ensuring a medically ready force to the Combatant Commands

The initial transition of the 8 (5+3) MTFs and their integrated outpatient clinics provided continuity of care to patients during the transition and lessons learned to better prepare for future transitions. Through this transition, the DHA will be able to provide an integrated system of readiness and health to further optimize delivery of the Quadruple Aim.

In order to complete the transition by 2020 as seamlessly as possible and to most effectively support its beneficiaries, the DHA:

- Designed a Market Construct, a group of MTFs in a geographic radius that operates as an integrated delivery system working together to coordinate care with patients, providers, functions, budget, etc.
- Used the Market Construct to drive process standardization, reduce variability, and generate efficiencies
- Identified, wrote, and published critical procedural instructions and interim procedural manuals for the Markets and MTFs, standardizing processes to be more efficient and enabling the MTFs to improve decision-making and execution

Market Construct



The DHA will manage MTFs utilizing a **Market Construct**, leveraging and expanding on the existing Enhanced Multi-Service Market (eMSM) concept to create **optimization** and **efficiencies** across the MHS

Market Goals



Provide health care services based on population health care demands and medical force currency and proficiency readiness demands



Align enterprise outcomes to Market-based Quadruple Aim Performance Process (QPP)



Execution of centralized functions



Optimize collective Market resources to best meet and support the demand signal for healthcare in the Market

THE NCR



The DHA's National Capital Region (NCR) Medical Directorate is composed of the Walter Reed National Military Medical Center, Fort Belvoir Community Hospital, and their integrated outpatient clinics. The NCR successfully navigated complex challenges as it transitioned from 4 MTF-centric surgical centers to a networked surgical system by:

- Assigning a Market Lead to manage the Surgery Scheduling System (S3) to review all Market cases, leading to the discovery of a large number of surgical backlogs in almost every clinic. These MTFs now have a process in place to schedule, defer, or administratively close those cases
- Optimizing patient access to care
- Increasing cross-decking of MTF Operating Room staff to ensure the right providers are available to deliver the right care at the right time
- Credentialing and privileging surgeons to practice at any of the NCR MTFs to further effect enterprise culture, enhancing both operations and delivery of care

The NCR's Integrated Referral Management & Appointing Center (IRMAC) was created in 2011 and has since expanded in complexity from single source appointing to both primary and specialty care referrals. Centralizing referrals and appointments into one system decreased delays in care and optimized resources in the system. The DHA was able to connect patients to the right provider to get the care they needed in the right area faster than ever before, improving both the patient and provider experience.

Administrative efficiencies at the NCR led directly to faster access to the right provider for better care. These enterprise-based business decisions brought more complex cases to the NCR making clinicians better prepared for combat scenarios, directly improving readiness.

READINESS AND HEALTH

AN INEXTRICABLE LINK



It is our duty to keep our nation's Service members healthy on and off the battlefield and around the world. As a Combat Support Agency, the DHA is committed to equipping our combat medical professionals with every tool necessary to provide quality health care in any environment. From the Joint Trauma System, the Combatant Command Liaison Program, to Public Health and Biosurveillance initiatives, the DHA is working around the world to provide medical readiness and health care delivery that is far more effective than ever before, so our Service members and their families have the most advanced health care solutions whenever and wherever it is required.

The need to support a ready medical force is critical to the combat support mission of the DHA. Readiness and health are an indivisible helix that drives the DHA's mission to meet the evolving needs of today's warfighter.

The DHA Joint Operations Center (JOC) collects, evaluates, synchronizes, and disseminates information (CCMD RFIs/RFFs, Joint Staff Action Process (JSAPs), DHA Directors Critical Information Requirements (DCIRs), Service personnel taskers) across the DHA. The JOC provides a critical command decision-making structure for senior DHA leaders to provide targeted solutions to address capability gaps for the CCMDs and the Services.

The JOC has the ability to function as the location for the DHA Crisis Action Team during critical events, ensuring DHA senior leaders have the operational pulse of ongoing medical operations. In 2018, the JOC worked in tandem with TRICARE to mitigate the effects of Hurricane Florence & Hurricane Michael for MHS beneficiaries requiring access to care during evacuations. The JOC's monitoring of the natural disasters coordinated and confirmed TRICARE and Pharmacy's quick and efficient issuing of pharmacy & Primary Care Manager waivers, including 40,152 Pharmacy Refill Waivers, and **allowed 3,794,806 potentially effected beneficiaries across 8 states to retrieve their prescriptions early and receive care out of network when necessary**, while keeping leadership and stakeholders informed of events as they unfolded.

- 39% of all Operations Division Recurring Actions were in support of the CCMDs (231 total actions in FY18). The expectation is that the total number of actions will increase 2000% by October 1, 2019

The DHA Combat Support Requirement Branch supporting the Joint Capabilities Integration and Development System (JCIDS) centralized the DHA actions in coordination with the Office of the Joint Staff Surgeon, addressing the CCMDs and Joint Service capability gaps to impact the delivery of care at the MTFs and develop tailored solutions such as next generation systems for Patient Movement Tracking, Global Medical Common Operating Picture, Joint Medical Readiness System, Theater Blood application, and the Joint Medical Logistics System through the Joint Requirements Oversight Committee Memorandum (JROCM).

JROCM Action Assignment By Year

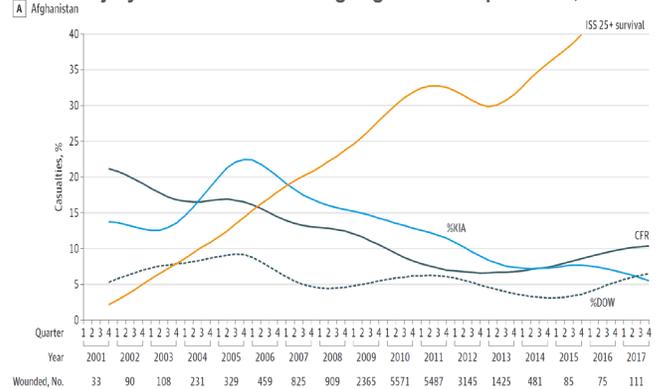


The Joint Trauma System (JTS) improves trauma readiness and outcomes through evidence-driven performance improvements with the vision that all trauma patients across the MHS will be afforded the best chance of survival with maximum potential for functional recovery. By learning from preventable deaths and potentially survivable injuries on the battlefield, the DHA is working across the MHS to drive research efforts and develop improvements to achieve "zero preventable deaths."

Utilizing the Department of Defense Trauma Registry (DoDTR), the Defense Casualty Analysis System, and the expertise from the Armed Forces Medical Examiner System (AFMES), the DHA developed the capability to track trauma system advancements and combat casualty care data across the MHS to analyze outcomes and treatment effectiveness.

- Utilizing data from the DoDTR to support evidence-based recommendations, **the JTS published 10 new clinical practice guidelines (CPGs) in 2018**. The JTS also added CPG metrics to efficiently and effectively identify gaps in care using real-time data visualization software
- The DoD administrative and registry data showed that **an estimated 1,622 lives were saved through improvements** in prehospital trauma care to include limb tourniquets, early blood product transfusion, and reduced prehospital transport time

Injury Survival Rates During Afghanistan Operations, 2001-2017



The DHA Combatant Command Liaison Program coordinates medical support activities across the DHA, utilizing Liaison Officers (LNOs), in tandem with the Office of the Joint Staff Surgeon, to meet the needs of the Combatant Commands (CCMDs). LNOs:

- Improved lines of communication between the CCMDs and the DHA
- Facilitated the linkage of the CCMDs with DHA subject matter experts in response to specific requests from the CCMDs
- Provided the CCMDs with a comprehensive understanding of DHA capabilities

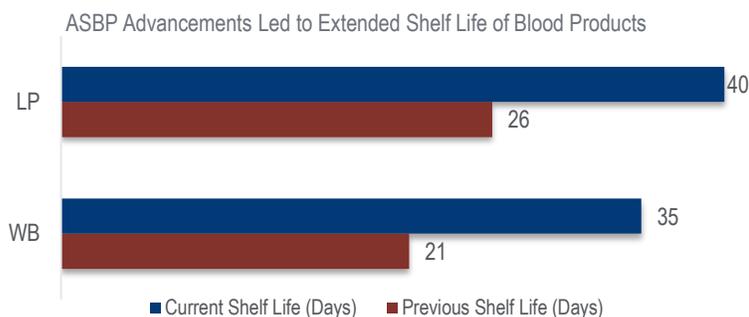
Through these partnerships, the DHA is working to deliver enhanced globally integrated health care capabilities to the CCMDs and our forces.

"Using an approach referred to as focused empiricism, the JTS works to support continuous real-time performance improvement through the capture and ongoing evaluation of patient care and outcome data." - 2016 National Academy of Sciences, Engineering, and Medicine Report

The **DHA's Armed Services Blood Program (ASBP)** is the Department of Defense's only provider of safe, effective, and quality blood products to the U.S. armed forces. The DHA ASBP is responsible for the entire realm of manufacturing and distribution of blood products worldwide as well as facilitating new initiatives through research and development in order to improve survival rates; all in support of service members and their families. Among the products the DHA provides to support the warfighter are the necessities of Whole Blood (WB) and Freeze Dried Plasma (FDP).

WB is the preferred blood product for combat trauma patients due to improved survival rates and feasibility of delivering in austere and operational environments. The DHA is enhancing WB battlefield emergency collection support through pre-deployment donor screening, as well as Low Titer Group O Whole Blood (LTOWB) collection in our Blood Donor Centers, for shipment in support of contingency operations in theater.

The U.S. Food and Drug Administration approved the DHA's request (2018) to supplement an existing biologics license application for the collection of WB and manufacture of Liquid Plasma (LP) in a different anticoagulant.



- From 2016 to 2019, **DHA increased LTOWB capability for CCMDs starting at 10 units per week, to approximately 170 units per week.** As a result of this accomplishment, 77% of all WB transfusions in USCENTCOM have consisted of LTOWB in 2018

The U.S. Military has a need for FDP on the battlefield and several development efforts are underway between the Department of Defense and private industry.

- FDP is a dehydrated version of plasma that is ideal for austere environments because of its logistical and storage advantages as it can easily be re-hydrated and administered quickly to warfighters in need
- As a more versatile product than traditional plasma, it combats the coagulopathy of trauma, restores circulatory volume and provides tremendous advantage in battlefield damage control resuscitation beginning at the point of injury

Bringing this product to the front lines continues to be the result of ASBP collaborations with other government agencies, industry, military and civilian medics, and the U.S. Special Operations Command. End-user insight has proven vital to inform civilian partners on product packaging to ensure the product provides the operational flexibility necessary to meet the needs of Service members in operational environments.



Aeromedical evacuation technicians prepare blood products at a Blood Transshipment Center that facilitates the flow of products to 72 forward operating locations and 8 mobile field surgical teams

The DHA is committed to bringing the most adaptable tailored health care solutions that deploy solutions for the 21st century battlespace.

The **Public Health Division (PHD)** delivers dynamic and efficient capabilities in partnership with the Services and CCMDs to counter ongoing and emerging global health threats while inspiring a lifetime of wellness. In a collaborative effort, the DHA supported the WHO, CDC, and FDA's 2018-19 influenza strain selection by providing worldwide geographic/region-specific influenza biosurveillance, in addition to genetic sequencing information, on over 400 influenza strains. By utilizing its cutting-edge global biosurveillance and sequencing technology capabilities, the DHA identified a required change in the composition of the 2018-19 influenza vaccine for use in the Northern Hemisphere.

In 2018, the DHA Immunization Health Care Branch (DHA-IHB)

- Provided 24-hour clinical health care support to deployed and in-garrison providers, including over 8,000 consultation calls to IHB physicians, and over 2,000 calls through the contact center
- Delivered education and training across DoD for safe and effective vaccine administration by providing onsite education to over 7,000 attendees
- Mobilized and supported a United States European Command (USEUCOM) request for clinical research to combat a tick-borne viral encephalitis infection that was affecting Service members in its area of responsibility

Our Commitment To Bringing Our Service Members Home



AFMES DNA Analyst assists in the identification of missing Service members

The **DHA's Armed Forces Medical Examiner System (AFMES)** is committed to being the DoD's leader in providing medical-legal services and emerging technologies essential for the readiness, sustainability and survivability of our Service members.

In 2018, the AFMES conducted 35+ medicolegal death investigations in support of the readiness priority by measuring outcomes and creating a culture of proactive prevention and continuous process improvement.

The **AFMES provides next generation DNA sequencing, bone identification and rapid identification and repatriation.** AFMES' DNA Operations continued ongoing efforts to bring home remains of unaccounted for Service members to support the Defense POW/MIA Accounting Agency, identifying more than 200 missing Service members by utilizing next generation DNA sequencing not available at any other forensic lab in the U.S. This advanced technology has allowed for a dramatic increase in the successful identification of Service members from 6% to 50%. "No one left behind" is a sacred military vow, and this effort emphasizes the DHA's commitment to our fallen Service members and their families.

The DHA's 2019 Public Health initiatives further highlight efforts to increase coordination of core public health functions and strengthen partnerships across the globe to counter ongoing and emerging global health threats. The DHA's Armed Forces Health Surveillance Branch (AFHSB) within the PHD has continued to integrate and support biosurveillance synchronization across the DoD, including:

- Development of a Geographic Information System (GIS) tool for mapping influenza-like illness by military treatment facility
- Implementing of predictive modeling and forecasting capabilities for influenza
- Further expansion of the Health Surveillance Explorer (HSE) will include: adding DoD reportable medical event map layers such as influenza & heat illness, outbreak event mapping of the current Ebola Virus Disease outbreak, and country-specific links to approved food/water sources and medical threat briefs

The DHA's global disease and outbreak surveillance mapping capability, HSE, provides CCMDs and the Services with near-real time situational awareness of global health threats enabling decision-making at the "speed of relevance." Since the release of the HSE in July to December 2018, a total of 1,794 military-relevant health events were reported.

In order to enable more efficient and effective interaction and communication with the CCMDs, the AFHSB is further developing this HSE capability for use in a Secret Internet Protocol Router Network (SIPRNET) classified environment.

The DoD Periodic Health Assessments (PHA) is a whole-person health and wellness screening tool used by the Armed Forces to evaluate the Service members' medical readiness. Over 1.6 million assessments were completed in the first year of the new assessment's implementation. **This new enterprise wide process resulted in a cost avoidance of \$178.2 million** from FY18Q3 to FY19Q2 compared to the previous Service-specific assessment processes due to:

- Increased standardization of processes
- Enhanced capabilities to streamline health assessment continuums
- Overall reduction of patient encounters

This new integrated approach reduces the amount of time and money spent on driving expenses, clinic wait periods, and the overall duration and frequency of visits. **These assessments have resulted in more than 120,000 referrals for follow-on medical care.**

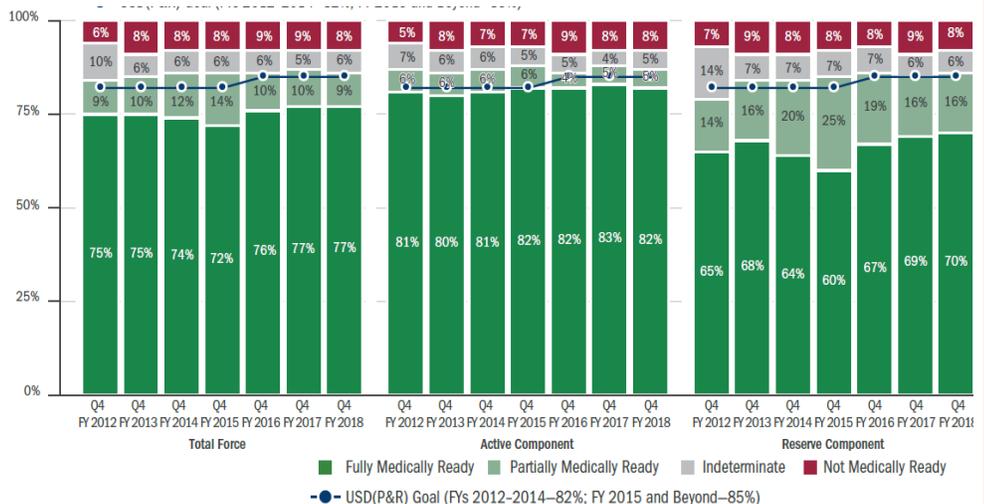
In its management of the Reserve Health Readiness Program, the DHA supplements the Reserve Components' (RC) readiness mission and assists with satisfying key deployment requirements. During FY18, more than **3.8 million medical readiness services were provided to more than half of the RC forces**. Customers include all RCs, geographically remote Active Component (AC) Army and Department of the Army civilians, and the Coast Guard.

The DoD Individual Medical Readiness (IMR) program assesses the medical readiness of individual Service members and unit readiness against established readiness requirements and metrics to determine if they are medically ready to deploy when required. The IMR chart below shows that

by the end of FY18, the Total Force medical readiness, at 86%, surpassed the Office of the Under Secretary of Defense for Personnel and Readiness goal of 85%, with the AC at 87%, and the RC at 86% (these %s are shown as the sum of the %s in the dark and light green sections). The overall medical readiness of the Total Force since FY 2011 has increased by eight percentage points (from 78% in FY 2011 to 86% in FY 2018), the AC has increased by three percentage points (from 84% to 87%), and the RC by 18 percentage points (from 68% to 86%).

The enterprise will continue to improve on readiness and the lethality of the warfighter.

Overall IMR Status (All Components Not Deployed), FY 2012 Q4 to FY 2018 Q4



IMPROVING THE PATIENT & PROVIDER EXPERIENCE



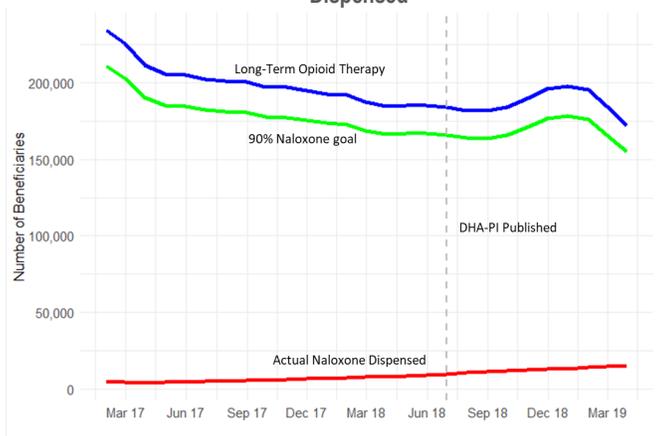
The DHA is implementing various clinical performance improvements focusing on standardized pain management and safety, as well as opioid safety reform measures and behavioral health care to better engage and empower patients in their health management.

In 2018, the DHA issued **Procedural Instructions (PIs)** entitled Pain Management and Opioid Safety, and Naloxone Prescribing and Dispensing by Pharmacists in MTFs, that benefit the entire MHS. The Pain Management and Opioid Safety DHA-PI guides implementation of the MHS Stepped Care Model, a strategy for pain management that optimizes opioid safety and pain care by promoting non-pharmacologic pain treatments as well as reducing the risks of opioids when opioid use is necessary. The DHA continues to manage the opioid epidemic by educating patients and clinicians regarding effective pain management and optimal opioid safety.

- Internal Behavioral Health Consultants are being trained to provide cognitive behavioral treatment for pain management
- When patients have pain treatment needs that exceed primary care, they are referred to a pain management clinic for additional evaluation
- The MHS Stepped Care Model was established as the standardized model for pain management across the enterprise

The graph below shows an increase in dispensing of Naloxone to patients on Long-Term Opioid Therapy (LTOT). Patients on LTOT live with managing chronic pain conditions, and because of the high doses of opioids they require, many are at risk of accidental overdose. Naloxone is a life-saving antidote for opioid overdose. The Naloxone Prescribing and Dispensing Guidelines in MTFs DHA-PI established procedures for MTF pharmacists to prescribe/dispense Naloxone and includes pharmacist training and patient education around opioid safety, risk factors, overdose symptoms, and treatment instructions with the goal that >90% patients at risk for opioid overdose will carry Naloxone.

TRICARE Beneficiaries on Long-Term Opioid Therapy and Naloxone Dispensed

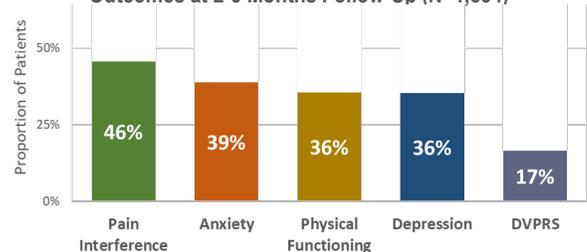


The MHS uses the **Defense and Veterans Pain Rating Scale (DVPRS)**, which measures the impact of pain on overall functioning, physical activity, sleep, mood, and stress and the **Pain Assessment Screening Tool and Outcome Registry (PASTOR)**, which evaluates patients using NIH Patient-Reported Outcomes Measurement Information System (PROMIS) computer adaptive testing scales to provide additional information on a patient's physical, social, and psychological status. DVPRS and PASTOR:

- Provide clinically useful, actionable information to inform a patient visit while providing a pain data repository for clinical system surveillance

- Allow staff to view patient self-entered data (i.e., dashboard, trends Collect patient-reported outcomes, which are an accepted standard for assessing quality and impact of healthcare interventions reports, and summaries) to support decision-making by providers
 - Produce comprehensive clinician reports of a patient's chronic pain
 - Provide robust means of evaluating effectiveness of alternative pain therapies, minimizing use of and risks associated with opioids
- The following graph shows 1,834 patients who completed an initial PASTOR survey and a follow-up survey 2-5 months later. **46% of patients reported improvements in how much pain interfered with their lives and 39% reported less anxiety**, as compared to the initial survey.

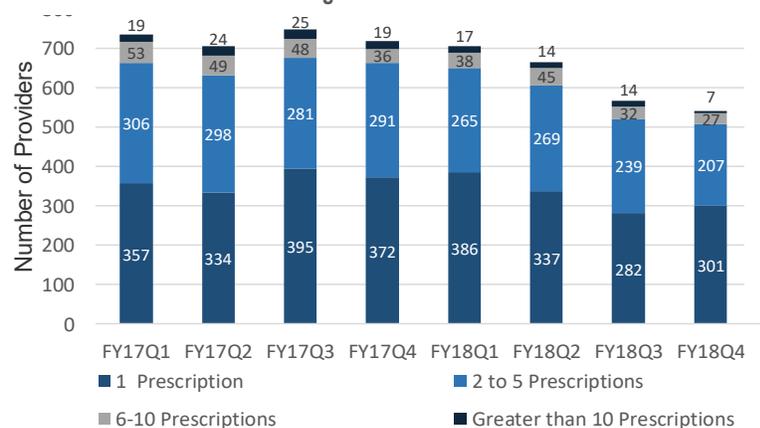
Proportion of Patients Achieving Minimally Important Difference in Outcomes at 2-5 Months Follow-Up (N=1,834)



The **Post Traumatic Stress Disorder (PTSD) Prescriber Tool** was developed by the DHA in response to NDAA FY 2017, section 745 which required the DoD to implement a process to monitor MTF prescribing practices of certain discouraged pharmaceutical agents. The PTSD Prescriber tool identifies providers who write a high number of benzodiazepine prescriptions to patients with PTSD. Due to these accountability measures:

- There was a **40% decrease in benzodiazepines prescribed to patients with PTSD** between FY17 Q1 and FY18 Q2
- As seen in the graph below, **there was a 23% decrease in providers who prescribed a benzodiazepine to a PTSD patient** between FY17 Q1 and FY18 Q2

Number of Providers Prescribing Benzodiazepines to Beneficiaries Diagnosed with PTSD



The DHA continues to combat the opioid epidemic by educating patients and clinicians regarding effective pain management, as well as ensure the appropriate use of benzodiazepines for patients with PTSD. These clinical reforms will empower clinicians to drive enterprise-wide performance improvements in readiness and health care.

The DHA also continues to improve upon the patient experience through developing initiatives in tandem with the Services that collect various patient reported outcomes in pain and behavioral health.

The Leapfrog Group, a nonprofit organization, collects, analyzes and publicly reports hospital data to develop individual Hospital Safety Grades and inform Hospital Survey results. Patients can review safety grades and survey results for all participating hospitals, providing patients more information about where they receive their care, incentivizing hospitals to strive for “A” safety grades and encouraging facilities to meet hospital survey standards.

In support of transparency, quality, and safety, 1 Military Treatment Facility (MTF) completed the Leapfrog Hospital Survey in 2018. 4 additional facilities are scheduled to participate in the Hospital Survey in 2019 and other MTFs will participate in the near future.

The DHA began Pharmaceutical Reform and the process of standardizing outpatient pharmacy robotics systems to improve the coordination of pharmaceutical services which currently operate on 4 different outpatient robotics systems. The initiative will:

- Standardize those 4 outpatient systems into a single software interface to ensure interoperability across the DHA with the use of a single vendor
- Reduce prescription costs for beneficiaries and **save the MHS \$18-\$23M over a 3 year period**
- Provide patients with increased access to their medications and enhance the efficiency of health care delivery

The NDAA FY 2017 section 704 directed MTFs to improve access to urgent care. **The Nurse Advice Line (NAL)** is a 24/7 convenient nurse triage and care coordination service the DHA provides to beneficiaries that directs callers to appropriate avenues of care to enhance the patient and provider experience. This direct care system improved access, particularly in primary care, by implementing standard appointing and capacity processes. The NAL:

- Receives 1,600-2,200 calls per day and potentially saves lives by activating emergency procedures and assisting callers in crisis
- Is fully integrated within MTF primary care clinics to support enhanced access to clinical resources for beneficiaries, providing convenient access to care, whenever and wherever patients need it

In 2018, **The DHA’s Suicide Prevention Efforts** focused on assisting with transitions, improving individual wellness and readiness, and minimizing suicidal behavior among Service members, Veterans, National Guard, Reserves, and their families.

The inTransition program offers 24/7 assistance for Service members transitioning out of service and between periods of active duty. In 2018, it **performed 126,488 outreach calls, opened 7,916 coaching cases, and conducted 30,999 intake assessments for Service members, along with maintaining a satisfaction rating of 95% for Service members and 98% for health care providers.**

Data from the **DoD Suicide Event Report** was used to alert the VA to more than 200 separating Service members who were at higher risk for suicide during their transition period. The DHA also formed a work group of Service representatives and stakeholders to develop a Procedural Instruction centered on evidence-based suicide interventions that will be distributed to all MTFs within the next year.

The DHA works diligently to reduce the number of suicides and offers support to our Service members and Veterans through the 24/7 confidential Military Crisis Line, text-messaging service, and online chat—staffed by caring, qualified responders dedicated to serving those who serve and served our country.

**Military
Crisis Line**

1-800-273-8255



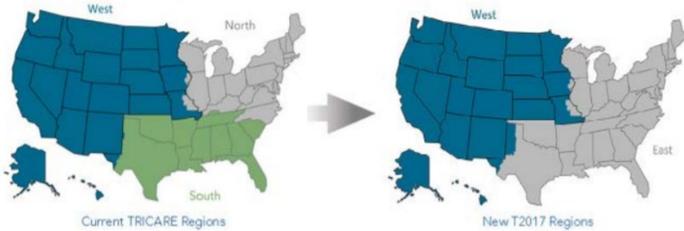


TRICARE is the worldwide Department of Defense health care program serving 9.5 million beneficiaries, including active duty Service members, National Guard, the Reserves, retirees, and all their families, surviving family members, and certain former spouses. TRICARE brings together the military hospitals and clinics worldwide with network and non-network TRICARE-authorized civilian health care professionals, institutions, pharmacies, and suppliers to provide access to the full array of high-quality health care services while maintaining the capability to support military operations.

The DHA oversaw the successful implementation of the first open enrollment season for TRICARE Select and Prime members in 2018. TRICARE beneficiaries were given the opportunity to assess and compare plans and select the plan that best suited their personal and family needs for the new year. This new plan selection process was socialized through the DoD's "Take Command of Your Health" campaign, in which potentially eligible households were informed of program information through media outreach. **Open season saw over 70,000 enrollment transactions, with 7.2M of the 9.5M TRICARE beneficiaries enrolled in TRICARE Prime or Select.**

The Federal Employees Dental and Vision Insurance Program (FEDVIP) was created in response to the 2017 NDAA requesting the DHA offer eligible beneficiaries the opportunity to purchase dental and vision insurance. As the TRICARE Retired Dental Program began phasing out in the fall of 2018, eligible beneficiaries were able to select the best fit of dental and vision plans for themselves and their families during TRICARE's first open season. FEDVIP:

- Allows eligible beneficiaries to buy dental and vision insurance on a group basis with competitive premiums and no pre-existing condition limitations
- Offers 15 dental plans from 10 different carriers and 8 vision plans from 4 different vision carriers, both with "high" and "standard" options to meet the needs of all eligible beneficiaries
- Establishes 0 fees paid in deductibles when using in-network dentists and other improved dental benefits
- Offers a comprehensive federal vision plan, including eyeglasses or contacts, to DoD beneficiaries for the first time



In 2018, the TRICARE regions were consolidated into 2 regions, TRICARE East and TRICARE West, under the new iteration of TRICARE known as T2017

MHS estimated savings include:

- **Over \$850M in retail pharmacy refunds** in FY 2018 due to better negotiated contracts, vendor accountability, and conducting waste fraud and abuse collectively as one enterprise
- **\$30M in cost savings in the first year** as a result of adopting Medicare's reimbursement methodologies for Long-Term Care Hospitals (LTCH) and Inpatient Rehab Facilities (IRF) inpatient services

Alongside the MHS transformation come a number of ongoing enhancements to the TRICARE Health Plan. The DHA kicked off new TRICARE contracts for managed care through the civilian networks, which:

- Is more convenient for beneficiaries when they move
- Reduces administrative costs
- Requires managed care support contracts to provide broader access to primary and specialty care networks



2018 DHA TRICARE
PROGRAM & POLICY
HIGHLIGHTS

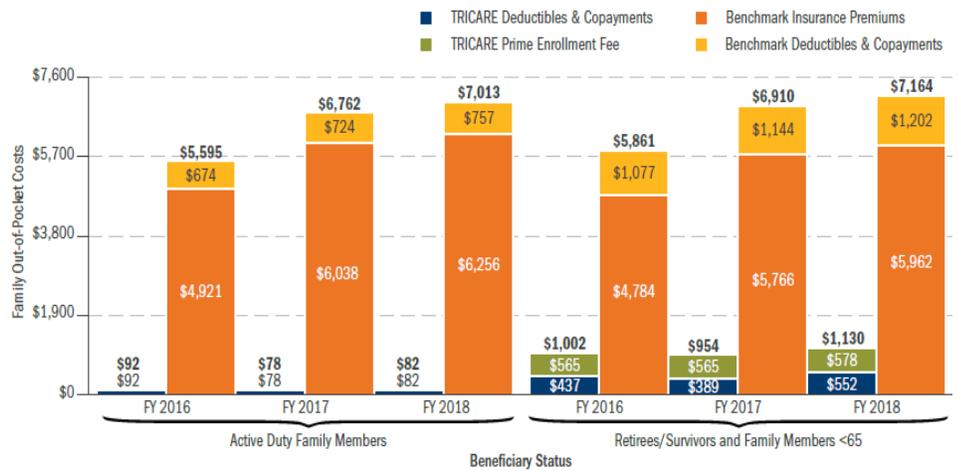
- **TRICARE Health Plan Business Operations Specialist Model** aligns TRICARE liaisons with specific markets to facilitate market integration and purchased care recapture initiatives
- **TRICARE Managed Care Support Contract (MCSC) Value** of \$58B (largest service contract(s) in DoD) and has been performing at 91.5% compliance
- **Initiation of TRICARE Program Management Office** to create the next generation of private sector care contracts

The TRICARE Overseas Program supported overseas U.S. Service members and their families. The **Tricare Overseas Contract Surveillance Program** saved **\$85,000** and **reduced air med-evac time to patient in 37 African countries by 4.7 hours** via Block Overflight Permits.



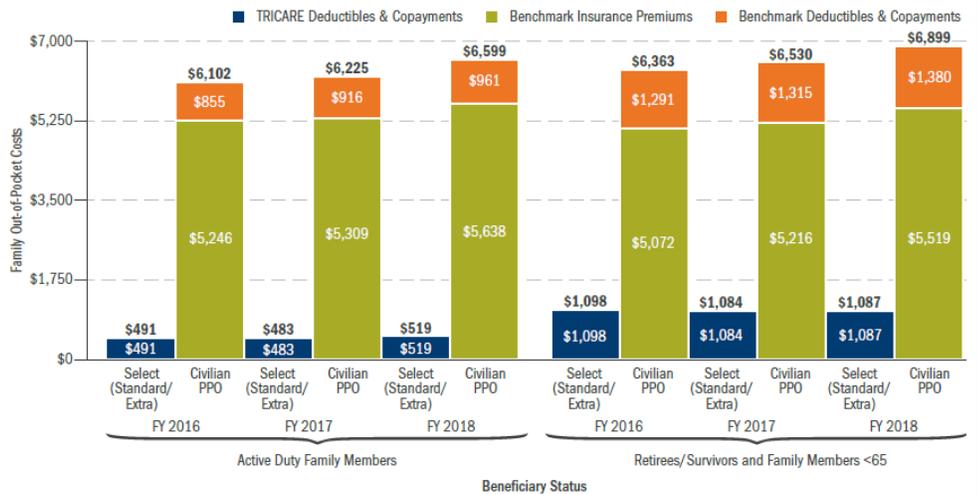
Out-of-Pocket Costs for Families Enrolled in TRICARE Prime vs. Civilian HMO Counterparts

In FYs 2016–2018, **civilian counterpart families had substantially higher out-of-pocket costs than did TRICARE Prime enrollees.** Civilian HMO counterparts paid more for insurance premiums, deductibles, and copayments. In FY 2018, costs for civilian counterparts were: \$6,900 more than those incurred by Active Duty families enrolled in Prime, and \$6,000 more than those incurred by retiree families enrolled in Prime.



Out-of-Pocket Costs for Families Who Rely on TRICARE Select (Standard/Extra) or Direct Care vs. Civilian PPO Counterparts

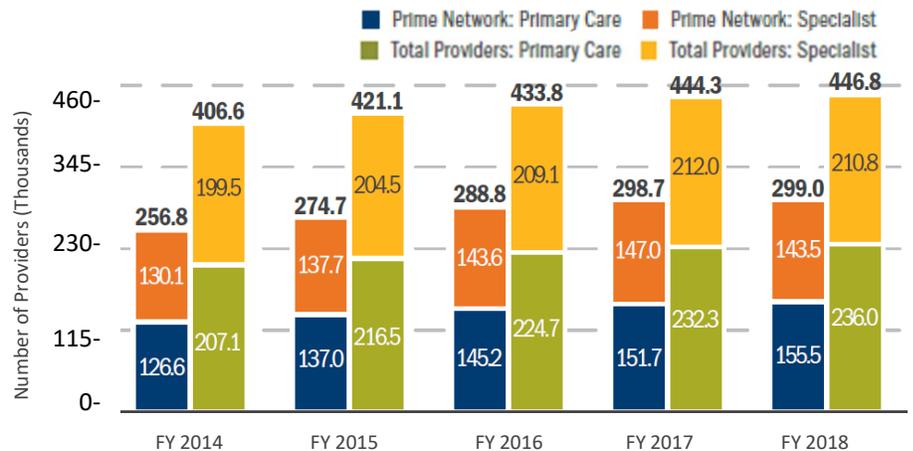
In FYs 2016–2018, **civilian counterparts had much higher out-of-pocket costs than did TRICARE Select (Standard/Extra) users.** In FYs 2016–2018, civilian PPO counterparts paid \$5,300 to \$6,100 more for insurance premiums, deductibles, and copayments. In FY 2018, costs for civilian counterparts were \$6,100 more than those incurred by Active Duty families who relied on TRICARE Select and \$5,800 more than those incurred by retiree families who relied on TRICARE Select.



The DHA is working to provide better care at a lower cost to beneficiaries.

Trends in Network and Total Participating Provider FTEs, FYs 2014–2018

The total number of TRICARE participating providers has risen steadily between FYs 2014–2018. The East Region saw an increase of 10% in the total number of TRICARE providers and the West Region saw an increase of 9%. Since FY 2014, the number of network primary care providers has increased at a higher rate (23%) than that of specialists (10%), and the total number of participating primary care providers has increased at a higher rate (14%) than that of total participating specialists.



The DHA is optimizing access for better care, in an improved patient-centric experience.

LEVERAGING PARTNERSHIPS

TOGETHER WE ARE STRONGER



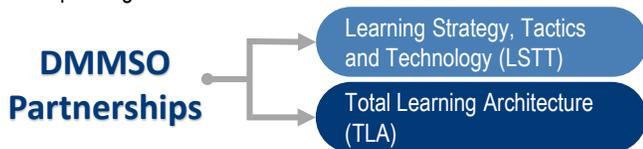
The DHA is committed to working with the Services and leveraging partnerships to deliver on the Quadruple Aim through innovative trainings, programs, and systems. The DHA continually invests in delivering the highest quality education and training programs for our medical force in order to enhance readiness and ensure that job specific knowledge, skills, and abilities align with mission requirements.

Defense Medical Modeling and Simulation Office (DMMSO) centralizes and organizes medical simulation and training as a joint venture. The DHA established DMMSO in October 2018 and since its stand-up, identified cost avoidance within research projects and other venues, allowing for additional funding to be reallocated within the DHA.



Through their efforts, DMMSO has:

- Enabled MTFs to optimize management and training for medical modeling simulation exercises
- Enabled MTFs to deliver state-of-the-art technology and realistic medical simulations to effectively train medical professionals to provide health solutions in any environment
- Provided a centralized purchasing system to make and track purchases, allowing MTFs to operate more efficiently and focus on providing the best possible care to our beneficiaries as well as optimize their spending allocations for medical simulations



The **LSTT Research Program** ensured all members receive role-based Tactical Combat Casualty Care training and certification. The **TLA Initiative** created an index of courseware and developed a methodology to prescribe content that is tailored to learning needs and training objectives, standardizing content, and allowing for standard Programs of Instruction across the DoD.

By leveraging resources and strategic relationships, the DHA was able to effectively deliver globally integrated health solutions to combat forces and optimize readiness across the DHA.

The DHA began transitioning to the **American Red Cross** for enhanced life support training programs. The DHA is working with the Uniformed Services University and Medical Affairs to transition all MTFs to the Red Cross by FY19, with training and certifications available in:

- Basic Life Support
- Advanced Life Support
- Pediatric Advanced Life Support

In order to make the transition as seamless as possible, the DHA developed deployable “care packages,” which were electronic files of instructor bridge training and full course curricula. Packages were compressed and sent via secure file transfer to Navy deployed forces, allowing personnel on three carrier battle groups at sea to receive the benefit of the full training without having to return to port, saving valuable man hours and cost. In addition, the courses are available online by any computer or mobile device anywhere, anytime, and are delivered via adaptive learning. This allows participants to customize their learning path and **save up to 50% of instruction time** by using pre-assessments to test out of content already mastered.



Brig Gen Bannister Takes Part in First Red Cross Training

online by any computer or mobile device anywhere, anytime, and are delivered via adaptive learning. This allows participants to customize their learning path and **save up to 50% of instruction time** by using pre-assessments to test out of content already mastered.

2018: Transition to Red Cross Across the Services



Medical Education and Training Campus' (METC) partnership with the Uniformed Services University's (USU) College of Allied Health Science (CAHS) ensured implementation of the Congressionally-driven initiative for USU to grant undergraduate course credit for METC students leading to the opportunity for our enlisted professionals to earn an undergraduate degree.



MEDICAL EDUCATION AND TRAINING CAMPUS (METC) is the state-of-the-art DoD health care education campus that provides standardized Tri-Service training to enlisted medical personnel. METC is the largest enlisted educational consolidation in U.S. military history. METC has successfully achieved accreditation for a maximum of 6 years from the Council on Occupational Education with 0 findings and is 100% compliant with all accreditation standards.



The DHA Education and Training programs continued to demonstrate our support of the Combatant Commands both domestically and abroad.

Defense Medical Readiness Training Institute (DMRTI) initiated the first stages of a multi-year project to provide train-the-trainer programs for several countries in the United States Africa Command Area of Responsibility (USAFRICOM AOR), to include Cameroon, Chad, Kenya, and Uganda for Tactical Combat Casualty Care (TCCC) courses. **DMRTI's programs enabled Chad to be the first country in Africa with a National Association of Emergency Medical Technicians (NAEMT) site.**



Knowledge can be a powerful and lasting tool, and by leveraging partnerships for training and education, the DHA is ready for future challenges whether that be addressing mental health, responding to a humanitarian crisis, or building military medical skills and capabilities.

The DHA successfully executed agreements projects between The Johns Hopkins Hospital and Walter Reed National Military Medical Center.

These agreements had 2 significant outcomes:

- Beneficiaries of The Johns Hopkins Hospital are now honored as beneficiaries at Walter Reed National Military Medical Center
- Clinical staff at Walter Reed National Military Medical Center are now receiving trauma surgery training at The Johns Hopkins Hospital

These agreements directly allowed the DHA to better empower and care for our people as well as increased the quality of medical care the Combatant Commands are receiving.

Over the next year, the DHA expects to successfully take on the responsibility of over 2,000 agreements projects by leveraging strategic partnerships to impact the quality and consistency of care received by all beneficiaries in the MHS.

“ Partnerships have been and will continue to be key to our strategy and vision to remain on the leading edge of enhanced provider readiness and quality patient care. ”

- Brig Gen Bannister, Deputy Assistant Director of Education and Training

The DHA published guidance for funding Active Duty Service Member (ADSM) hearing devices and prostheses that directed MTFs to partner and fund via the DHA disbursement to the VA Denver Logistics Center.

This action resulted in **savings of more than \$11.1M** for hearing aids and accessories by purchasing accessories by purchasing through the VA instead of the purchased care (network audiology). It led to the elimination of service level redundancies and unauthorized commitments.



The Leadership, Education, Analysis, Development, Sustainment Division (LEADS) Wounded Warrior Care Program seeks to proactively support wounded, ill, and injured Service members in their recovery and reintegration or transition to civilian life.

In 2018, the Warrior Care Program deployed 7 Disability Evaluation System (DES) training courses on Joint Knowledge Online (JKO). Course topics included introductory DES courses for Physical Evaluation Board Liaison Officers and clinical care managers and a set of courses for medical providers on DES referral, documenting Medical Evaluation Board results, and evaluation of disability cases.

In FY 2019, Warrior Care Training will publish, in coordination with the VA, a course on DES case management in the Veterans Tracking Application. JKO training participation during the FY17-18 timeframe increased significantly (**overall average increase in the completion rate from FY17 to FY18 was 199%**), which can be attributed in large part to the new courses.

The participants also expressed greater satisfaction with the value and benefit of the DES courses (average satisfaction score for the DES courses for FY 2018 was 82%, which exceeds the goal of 80% participant satisfaction).

The DHA continues to leverage partnerships and provide support to the Services as they deploy MHS GENESIS, the new electronic health record for the military health care system. MHS GENESIS provides enhanced secure technology that connects medical and dental information across the continuum of care from point of injury to the MTF, allowing the DHA to deliver on the Quadruple Aim and improve readiness through better health, better care, and lower costs. Over 2018, the MHS raised the bar for cybersecurity and interoperability and challenged the health IT community to ensure patient data integrity, while supporting interoperability between MTFs, the commercial sector, and other federal partners such as the VA.

To fulfill MHS GENESIS infrastructure requirements as well as streamline and consolidate its health IT infrastructure, the DHA continued to implement the Desktop to Datacenter (D2D) program. The D2D program enables consistent healthcare clinical capabilities and workflows by standardizing the clinical desktop and providing a single, secure medical network known as the Medical Community of Interest (Med-COI). Med-COI plays a critical role in cybersecurity protections by providing a comprehensive security architecture:

- The DHA partnered with the MHS GENESIS team to implement the Federated Authentication Service (FAS) to significantly reduce average log-in time for MHS GENESIS by 65 seconds; Windows log-in time remains constant around the target of 90 seconds
- The DHA partnered with the Space and Naval Warfare Systems Center Atlantic to provide U.S. Cyber Command accredited-services for Med-COI

To ensure continued robust cyber protection of the DHA and Service legacy networks and systems throughout the transition to Med-COI and MHS GENESIS, the DHA issued enterprise-level policy and guidance to enhance security protocols used by the Military Departments for protecting legacy electronic health record and patient health information systems in response to deficiencies identified by the DoD Inspector General. The DHA also stood up a 24/7 Cyber Operations Center (CyOC) to perform network monitoring and ensure compliance with taskings from Joint Force Headquarters–DoD Information Networks intended to reduce vulnerabilities against emerging threats by maintaining a proactive defensive stance. In 2018, the CyOC:

- Effectively managed more than 400 alerts and 150 bulletins
- **Achieved 90% compliance** with vulnerability management across the DHA

The DoD strives to maintain the most advanced information assurance and cyber operations capabilities in the world. To leverage these capabilities, the DoD:

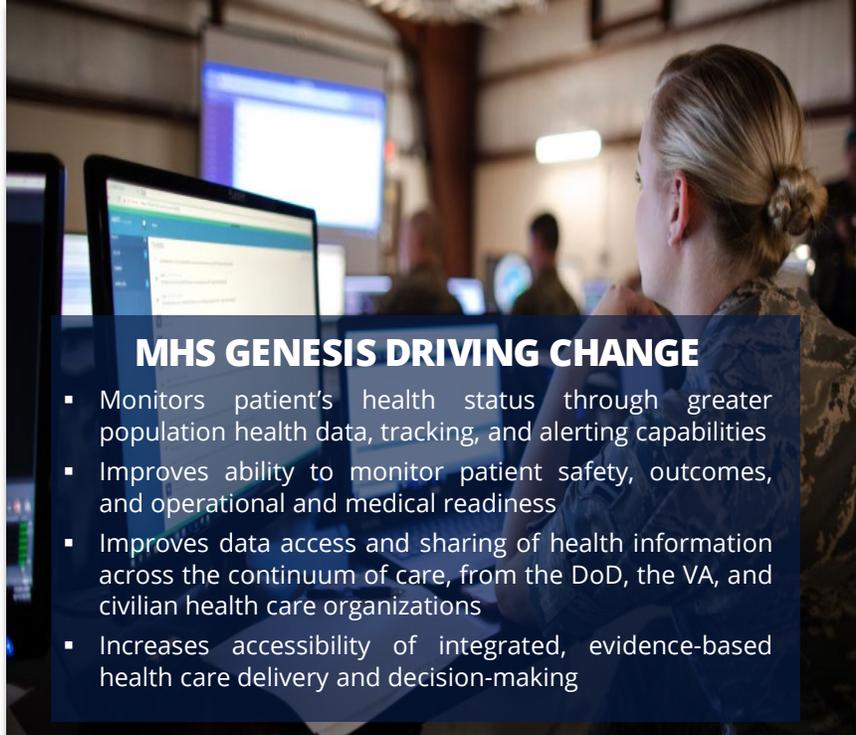
- Negotiated with Leidos to allow the DoD Information Assurance tools
- Permanently co-located DoD Cybersecurity Service Provider (CSSP) personnel inside the Cerner data center boundary to ensure data exchanged by MHS GENESIS is monitored and protected from cyberattacks
- **Created a first-of-its-kind dual Security Operation Center (SOC) environment** comprised of both independent commercial SOC and DoD CSSP personnel

The partnership between the CSSP, PEO DHMS, and the Leidos Partnership for Defense Health has created a fusion of best practices between commercial industry leaders and DoD standards. This approach, utilizing specialized technologies and DHA policies that are custom tailored to fit the needs of the military medical community, has proven to thwart attacks that have continued to plague the commercial health sector, such as ransomware.

The DHA partnered with MTF commanders and Service CIOs to ensure D2D and Med-COI network modernization efforts remain on schedule and that MTFs are “MHS GENESIS ready” at least 6 months before a site scheduled to receive MHS GENESIS.

- To ensure successful transition of MTFs to D2D, the DHA stood up a D2D Operations Center responsible for providing ongoing support throughout the transition to D2D
- Regional D2D Summits provided local site CIOs and IT staff with guidance on site specific D2D preparation activities
- At the end of 2018, all D2D activities had been completed at 7 MTFs and each site had fully migrated to the Med-COI, making them “MHS GENESIS ready” and another 25 sites were in progress

When the transition to D2D is completed, DoD medical providers, whether they are affiliated with the Army, Navy, or Air Force, will be able to insert their Common Access Card (CAC) into any computer on the



MHS GENESIS DRIVING CHANGE

- Monitors patient’s health status through greater population health data, tracking, and alerting capabilities
- Improves ability to monitor patient safety, outcomes, and operational and medical readiness
- Improves data access and sharing of health information across the continuum of care, from the DoD, the VA, and civilian health care organizations
- Increases accessibility of integrated, evidence-based health care delivery and decision-making

DoD healthcare network and access their identical desktop as they travel from one location to another inside or outside the continental United States.

The DoD, VA, and Coast Guard are adopting the same standards based commercial EHR solution and both VA and the Coast Guard will leverage the DHA’s Med-COI. Optimizing the DHA’s network and infrastructure and implementing MHS GENESIS ultimately will support the secure exchange of patient care data between the DoD, the VA, TRICARE purchased care partners, and state and local health information exchanges and make a single health record available across DoD, VA and Coast Guard treatment sites.

The DHA has taken critical steps to ensure limited IT funding can be best aligned to effectively support the MHS Transformation (NDAA FY17 Sec. 703) strategy and successfully modernize and standardize IT across the MHS. For example, a web based system to capture IT spend across the MHS was stood up and spend plans were captured from all MTFs and Other Lines of Business (OLB) sites. To prevent unwarranted investment in systems that will be replaced by MHS GENESIS, the DHA issued interim guidance to Service and local CIOs placing a moratorium on these systems. **The moratorium has made more than \$10 million available for use on higher priorities.**

MHS GENESIS is a technology solution allowing the MHS to enhance health care delivery. Lessons learned from the initial implementation will help improve change management and provide more effective communication to lessen the burden on end-users in future waves. The DHA is committed to providing secure platforms for the protection of patient health information, leveraging partnerships to develop an innovative health care delivery process, ensuring the security of our patient’s health information, and streamlining the patient experience for all beneficiaries.



“In order to successfully implement MHS GENESIS, we must use standard processes. We brought all the experts together to address outstanding issues, we believe this collaboration effort is the best model to address MHS GENESIS issues in the future.”

- Regina Julian, DHA Chief of Clinical Business Operations

ENTERPRISE EFFICIENCY

THE DHA FISCAL HIGHLIGHTS

The DHA, in conjunction with the Services, Joint Staff, and OSD assessed the operational capabilities and requirements necessary to meet the Department's medical obligations in support of the National Defense Strategy. The DHA works to optimize efficiency across the enterprise through the cost-effective use of program and budgeted funds, increased reimbursements, and improved financial transparency and utilization. Effective budget planning in 2018 supports initiative owners having the resources necessary to complete their objectives in support of the DHA mission.

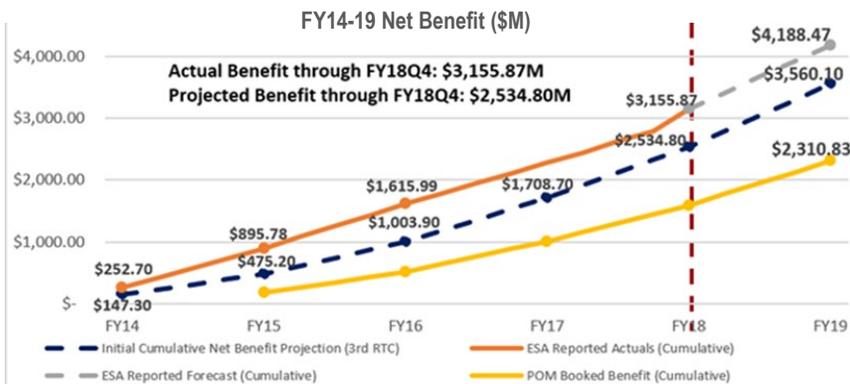
The FY 2020 budget planning supports additional efforts to implement efficiencies to achieve savings, control costs, and invest in medical readiness initiatives. Below are a few highlights DHA budget requested for FY 2020:

- Increased funding for Air Force Medicine Patient Movement equipment requirements **(+\$70.0M, Consolidated Health)**
- U.S. Army Medical Command readiness training to include U.S. Army Medical Research Institute of Chemical Defense (USAMRICD) Decontamination training, Brigade Combat Team Trauma, and Tactical Combat Medical Care **(+\$28.6M, Education & Training)**
- Navy Medicine readiness training to include, Role 2 Light Maneuver, Hospital Corpsman strength and conditioning, and Trauma Course training **(+\$11.3M, Education & Training)**
- Supported greater capacity to meet increased demands for medical materiel readiness and the active support of Army and Joint Forces in the EUCOM, CENTCOM, and AFRICOM areas of operation **(+\$4.2M, Consolidated Health)**

In 2018, the DHA created and implemented the **MHS Request Submissions Portal**, the single entry point for all requirements across the MHS enterprise. Before the portal, the MHS enterprise did not have a standardized submission and tracking process for MHS requirements. The portal processes approximately 30 requests daily. Since the portal go-live, the **average number of days requests spend in Phase 0 has decreased by 72% since inception**. The average number of days requests are in Phase 0 is 46 business days (BDs), compared to our target of 90 BDs allowable to process requests.

The DHA has been working collaboratively across the enterprise, building upon previous efficiencies and working to increase IT savings through rationalization, standardization, and consolidation to yield **increased buying power/volume discount opportunities (projected +265.8M/ -\$362.9M in FY 2020)**.

The DHA Enterprise Support Activities (ESAs) saved or avoided \$915M in costs in FY 2018. Initially identified as "shared services," the ESAs below were established in FY 2014 with the goal of realizing savings and efficiencies across the MHS. **To date, the ESAs have saved or avoided \$3.156B in costs, \$621.07M ahead of the initial forecast from 2014.**



The DHA introduced category management techniques to employ a market based buying strategy (MBBS) to enable better value. The MBBS approach is a disciplined process to actively manage demand for products and services in a given market. With the DHA as the single acquisition provider for medical products and services in the DoD, this strategy will deliver savings across enterprise medical acquisitions as evidenced by the MBBS pilot in FY2018 that yielded \$15M of initial savings in the National Capitol Region for contracted Medical Q-coded Services.

In 2018, the DHA and USUHS completed deployment of **General Fund Enterprise Business System (GFEBS)**, a web-based enterprise resource planning system, joining other MHS organizations such as NCR MD and MEDCOM in sustainment. As a result of this transition:

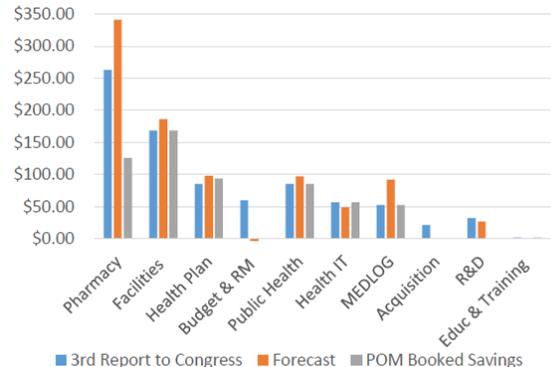
- **66% of Defense Health Program (DHP) funding now executes from a singular financial accounting system**
- Navy's Bureau of Medicine and Surgery (BUMED) to complete deployment in FY21, which **will increase the execution of DHP funding within the system to an estimated 85%**

GFEBS's centralized approach delivers a systemic foundation guided by a strong cost culture for the MHS, as well as a dynamic array of analytics tools that enable DHP-wide transparency, enhanced financial competency, and accountability. These capabilities have also increased the DHA's ability to comply with Congressional and DoD requirements.

In FY18, 21 DoD Reporting Entities underwent **stand-alone financial statement audits** conducted by the DoD Inspector General in partnership with 5 independent public accounting firms.

- **Of the 21 audits, only 6 in the entire DoD received an opinion. The DHA had 2 of the opinions:** Contract Revenue Management (unmodified opinion) and Medicare Eligible Retiree Healthcare Fund (modified opinion)

FY18 Net Benefit by Enterprise Activity (\$M)
Annual forecasted benefit for FY19 is \$1032.60M





“ The MHS is laser-focused on MHS Reform and NDAA implementation, deploying MHS GENESIS, and advancing Global Health Engagement. A successful future will reflect improved readiness for our troops, increased quality and value for our patients and system, and greater efficiency, without sacrificing effectiveness. ”

- Mr. Thomas McCaffery, PDASD

LOOKING FORWARD



The Defense Health Agency is shepherding the Military Health System through momentous transformation, building and sustaining a world-class health care system focused on providing a medically ready force and a ready medical force. The reforms underway create crucial opportunities for partnerships across the civilian sector and military health care organizations for providers to build and maintain clinical skills essential to delivering on our readiness mission to support Service members and their families.

The DHA is not only responding to transformation, it is leading change and has stood up the Director's Innovation Group (DIG) to further this end. The DIG is working to accelerate change towards furthering the Quadruple Aim by incorporating leading concepts and practices from other successful organizations beyond the health care industry. The DHA is utilizing innovative approaches to encourage continuous interactions outside of conventional medical appointments to improve health, health care, and the experience between patients and providers. The DHA is working towards promoting an enduring health care culture that integrates preventive health measures and well-being initiatives, and emphasizes the effects of these efforts on improved readiness across the MHS.

The DHA is taking important steps to drive towards a unified health care system and execute the National Defense Strategy's 3 lines of effort: enhancing lethality of the warfighter, expanding alliances and partnerships, and reforming the way we do business to take the military health enterprise to the next level. Amidst these changes, we remain steadfast in our commitment to support readiness, both for our combat forces and for medical personnel. We will continue to deliver the highest quality health care for our 9.5 million active duty Service members, retirees, and family members who play a critical role in keeping our country safe and secure.

As we look to the future with valuable experience behind us and opportunities ahead of us, the DHA will continue to be a leader in reform and transforming health and health care. We will continue to perform for today *and* transform for tomorrow. By leveraging partnerships, supporting the Combatant Commands, and improving the patient and provider experience, the DHA will move forward as one unified enterprise to drive innovation to better support our beneficiaries in the service of our nation.





Medically Ready Force...

“During my time at the DHA there has never been a doubt in my mind that with the devotion of our staff, the DHA has the potential to be the best healthcare system in the world. The work we do at the DHA is in service to a noble calling, and I’m so thankful for the coalition we have built to deliver the highest quality care the military has to offer. It has been a privilege to work alongside the devoted men and women who work diligently to carry out this mission.”

- Vice Admiral Raquel Bono

...Ready Medical Force



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