



DEFENSE
HEALTH AGENCY

**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
HEALTH AFFAIRS**

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DHA-IPM 15-002

October 1, 2015

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (MANPOWER AND
RESERVE AFFAIRS)
ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND
RESERVE AFFAIRS)
ASSISTANT SECRETARY OF THE AIR FORCE (MANPOWER
AND RESERVE AFFAIRS)
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(HEALTH RESOURCES MANAGEMENT AND POLICY)
DIRECTOR, NATIONAL CAPITAL REGION MEDICAL
DIRECTORATE

SUBJECT: Interim Procedures Memorandum (IPM) 15-002, Health Information Technology
(HIT) Financial Management Plan and Governance Business Rules

- References:
- (a) DoD Directive 5136.01, "Assistant Secretary of Defense for Health Affairs (ASD(HA))," September 30, 2013
 - (b) DoD Directive 5136.13, "Defense Health Agency (DHA)," September 30, 2013
 - (c) DoD Instruction 5000.02, "Operation of the Defense Acquisition System," January 7, 2015
 - (d) DHA Procedural Instruction 5025.01, "Publication System," August 21, 2015
 - (e) Section 906 of the National Defense Authorization Act for Fiscal Year 2013, December 28, 2012

Purpose. This DHA-IPM in accordance with the authority of References (a) through (c):

- Assigns responsibilities and provides procedures for an expenditure approval process for HIT transition from local Medical Treatment Facility (MTF) and Service-centric management of HIT processes to an enterprise management model. It also provides: (1) a phased approach to DHA HIT financial management implementation, (2) business rules for Military Health System (MHS) Governance of HIT, and (3) procedures for Component Information Technology (IT) submission requests into DHA HIT Governance.

- Is effective upon signature; it will be incorporated into a future DHA Procedural Instruction. This DHA-IPM will expire effective 12 months from the date of issuance.

Applicability. This DHA-IPM applies to MHS organizations spending Defense Health Program (DHP) funds, including DHA Components and their field activities. This applies to all DHP funding appropriation categories, including Procurement, Operation & Maintenance, and Research, Development, Test and Evaluation (RDT&E), irrespective of the Budget Activity Group or Program Element.

Responsibilities. See Attachment 1.

Procedures. See Attachment 2. This DHA-IPM implements the HIT Financial Business Rules approved by the Medical Deputies Action Group on October 9, 2014.

Additional Information. Training materials, templates, and schedules are provided at the following site:

- <https://info.health.mil/hit>

Releasability.

- **Cleared for public release.** This DHA-IPM is available on the Internet from the DHA Website at <http://www.health.mil/dhapublications>.



Douglas J. Robb, DO, MPH
Lieutenant General, USAF, MC, CFS
Director

Attachments:
As stated

ATTACHMENT 1

RESPONSIBILITIES

1. DIRECTOR, DHA HIT DIRECTORATE. The Director, DHA HIT Directorate, will:

- a. Provide the Governance structure, oversight, and approval process for IT expenditures.
- b. Respond to IT expenditure requests within 7 business days of receipt. The response will provide one of the following:
 - (1) Request for additional information.
 - (2) Identification of the DHA Division assigned to work the submission, or
 - (3) Identification of the point of contact for follow-up on communication regarding the submission.
- c. Maintain a comprehensive IT portfolio.
- d. Provide an electronic submission form and database to store and track disposition of governance requests.
- e. Provide and conduct training on use of the portal, documentation requirements, and tracking.

2. ORGANIZATIONS EXECUTING DHP FUNDING. The organizations executing DHP funding will:

- a. Submit annual HIT spend plans to the DHA HIT Directorate for each subordinate organization (i.e., MTF, local clinics and commands such as training, logistics, research, public health, etc.).
- b. Ensure any requested IT expenditure that is not specifically excluded is submitted for approval in accordance with the governance business rules.
- c. Ensure governance and spend plan submissions are vetted through the established Component approval processes prior to submission to DHA HIT using the SharePoint portal: <https://info.health.mil/hit>.

ATTACHMENT 2

PROCEDURES

1. FINANCIAL MANAGEMENT PHASED APPROACH. The Financial Management Phased Approach provides a deliberate transfer of HIT financial management responsibility from the Service Medical Components to the DHA HIT Shared Service over a specified period of time.

a. Fiscal Year (FY) 2015. Learn and gain visibility of HIT financial execution at all MHS organizational levels through activity level spend plans and DHA Governance approval for new requirements.

b. FY 2016. Transition to DHA HIT approval, accountability, and funding execution of the Service Medical Chief Information Officer's Headquarters and Operational Activity functions within U.S. Army Medical Information Technology Center, Navy Medicine Information Systems Support Activity, and Air Force Medical Operations Agency as specified in the Memoranda of Agreement (MOAs).

c. FY 2017. Transition to full DHA HIT accountability and funding execution, to include additional transferred functions as specified in Component MOAs.

d. FY 2018. DHA full execution of enterprise portfolio (minus locally-executed IT per Expenditure Approval Business Rules).

2. ANNUAL SPEND PLAN REPORTING REQUIREMENT. In accordance with the Financial Management Phased Approach, FY 2015 will be used to learn and gain visibility of HIT financial execution at all organizational levels within the MHS. The DHA Annual HIT Spend Plan will serve as the tool to identify all funding that is spent for IT purposes. Full visibility of IT expenditures is necessary to help ensure the DHP's Congressionally-mandated efficiencies are realized. This also ensures accountability and assists in the development of a structured process to consolidate DoD medical IT resources. The plan will be reviewed quarterly to assess spending versus submitted spend plan targets. Specific details are as follows:

a. One spend plan is required for each field activity through the Component-specified Hierarchy, using the standard template provided.

b. All IT expenditures will be reported by Budget Activity Group, Object Class and Program Element Code, to include locally-managed contract details.

c. Updates to annual IT spend plans can be submitted through Component channels to DHA HIT as required.

3. MHS HIT GOVERNANCE EXPENDITURE APPROVAL BUSINESS RULES. These business rules were established to identify what type of expenditures are/are not required to be submitted into Governance, which will result in less discretion in IT purchases at the MTF and intermediate command levels.

a. Governance expenditure approval is required for:

(1) Expenditures outside of the approved IT spend plan over \$200,000. These include:

- (a) IT development and modernization efforts.
- (b) Acquisition of new IT systems.
- (c) IT systems requiring RDT&E or procurement funding.

(2) Items requiring interfaces with any legacy Electronic Health Record System.

(3) Items requiring Defense Business System funds certification per Reference (e) to include increases to currently certified systems and aggregated system costs across the MHS's exceeding threshold.

b. Governance expenditure approval is NOT required for:

(1) Expenditures included in approved spend plan.

(2) HIT expenditures less than \$200,000 that are within the existing scope and approved IT spend plan, if:

- (a) MHS Component has planned and programmed funding for sustainment.
- (b) Item purchased does not require a new Authority to Operate or Certificate of Networthiness.
- (c) The item is a normal replacement item (i.e., keyboard, mouse, telephone, surge protector, etc.).
- (d) The item is an annual refresh item included in approved spend plan.
- (e) System software included in the baseline desktop image (i.e., MS Office).
- (f) Medical equipment and devices procured/managed/tracked through the Medical Logistics community.

GLOSSARY

ABBREVIATIONS AND ACRONYMS

DHA	Defense Health Agency
DHP	Defense Health Program
FY	Fiscal Year
HIT	Health Information Technology
IPM	Interim Procedures Memorandum
IT	Information Technology
MHS	Military Health System
MOAs	Memoranda of Agreement
MTF	Medical Treatment Facility
RDT&E	Research, Development, Test and Evaluation