



Defense Health Agency

PROCEDURAL INSTRUCTION

NUMBER 6025.08
August 14, 2018

Healthcare Operations/Pharmacy

SUBJECT: Pharmacy Enterprise Activity (EA)

References: See Enclosure 1.

1. PURPOSE. This Defense Health Agency-Procedural Instruction (DHA-PI):

a. Based on the authority of References (a) through (c), and in accordance with the guidance of References (d) through (g), establishes the Defense Health Agency's (DHA) procedures to:

(1) Exercise management responsibilities for Pharmacy Shared Service/EA functions in the Military Health System (MHS). This DHA-PI is binding on the MHS and supports the Director's, DHA, responsibility to develop appropriate management models to maximize efficiencies in the activities carried out by DHA.

(2) Recognize the Pharmacy Work Group (PWG) as the operational body to implement pharmacy strategies and programs per the Director's, DHA, guidance. Also, develop strategic initiatives and business process models to optimize pharmacy operations and programs in accordance with Reference (e).

(3) Promulgate guidance, define roles, assign responsibilities, and prescribe procedures for the development, coordination, execution, and implementation of standardized Pharmacy Operations and EA procedures within the MHS and Military Departments (MILDEPs).

(4) Execute Pharmacy EA assigned responsibilities and functions, and in accordance with Reference (b), when needed, rely on advice and assistance of governance councils established by the Under Secretary of Defense for Personnel and Readiness and the Assistant Secretary of Defense for Health Affairs (ASD(HA)), including senior representatives of the MILDEPs.

(5) Provide DHA combat support agency pharmacy functions, in accordance with Reference (b), specifically involving support for operating forces engaged in planning for, or conducting, military operations, including support during conflict or in the conduct of other military activities related to countering threats to U.S. National Security. The Pharmacy EA

innovatively manages and standardizes DoD pharmacy operations in a fiscally responsible manner to optimize readiness, improve health, and lower costs through better care.

(6) Support baseline knowledge, skills, and abilities for each wartime pharmacy specialty, addressing gaps between peacetime and deployed operational requirements, in collaboration with the MILDEPs, and military Medical Treatment Facility (MTF) pharmacies.

(7) Support programs for skills and knowledge assessments and provide for training/retraining opportunities, as needed, for each wartime pharmacy specialty for military MTF pharmacies.

(8) Empower enterprise-level pharmacy clinical communities to define, prioritize, and implement “best-in-class” High Reliability Organization practices to enable readiness through decreasing variation, improving outcomes, and positively impacting healthcare in the MHS.

(9) Support the scaling and reconfiguring of pharmacy capabilities required to support the forward operating environment; e.g., hospital ship, combat support hospitals, Expeditionary Medical Support. The Services’ Surgeons General will have deployed medical mission command over health services support of pharmacy resources and capabilities at various levels of command and at diverse locations.

b. Transforms varied Tri-Service Pharmacy Operations approaches into a single, integrated DHA Pharmacy Program that standardizes pharmacy shared services and optimizes business processes as directed by the National Defense Authorization Act for Fiscal Year 2017, Section 702 (Reference (c)).

c. Drives standardization of institutional and operational commands, sustains and improves medical readiness, creates value within the MHS, and achieves interoperability across platforms to deliver better health care to the warfighter, MHS beneficiaries, and build a medically ready force.

2. APPLICABILITY. This DHA-PI applies to OSD, the MILDEPs, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General (IG) of the DoD, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this DHA-PI as the “DoD Components”).

3. POLICY IMPLEMENTATION. It is DHA’s instruction, pursuant to References (a) through (c), that the Director, DHA, will be responsible for the administration of each military MTF.

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. See Enclosure 3.

6. RELEASABILITY. **Cleared for public release**. This DHA-PI is available on the Internet from the Health.mil site at: www.health.mil/DHAPublications.

7. EFFECTIVE DATE. This DHA-PI:
 - a. Is effective upon signature.

 - b. Will expire 10 years from the date of signature if it has not been reissued or cancelled before this date in accordance with DHA-PI 5025.01 (Reference (d)).



R. C. BONO
VADM, MC, USN
Director

Enclosures

1. References
2. Responsibilities
3. Procedures

Glossary

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5136.01, “Assistant Secretary of Defense for Health Affairs (ASD(HA)),” September 30, 2013, as amended
- (b) DoD Directive 5136.13, “Defense Health Agency (DHA),” September 30, 2013
- (c) National Defense Authorization Act for Fiscal Year 2017, Section 702
- (d) DHA-Procedural Instruction 5025.01, “Publication System,” August 21, 2015
- (e) Pharmacy Work Group (PWG) Charter, June 4, 2015¹
- (f) DHA Pharmacy Operations Division Coordinated Concept of Operations, August 21, 2013²
- (g) Pharmacy sub-Work Group: Business Process Reengineering Plan, June 6, 2013³

¹ This reference can be found by calling the DHA Pharmacy Operations Division Office mainline at (703) 681-2890.

² This reference can be found by calling the DHA Pharmacy Operations Division Office mainline at (703) 681-2890.

³ This reference can be found by calling the DHA Pharmacy Operations Division Office mainline at (703) 681-2890.

ENCLOSURE 2

RESPONSIBILITIES

1. DIRECTOR, DHA. Per Reference (b), under the authority, direction, and control of the ASD(HA), the Director, DHA, will:

a. Exercise administrative authority and responsibility for EA activities in the MHS, including Pharmacy EA, and develop appropriate management models for particular functions and processes.

b. Be responsible for the administration of each military MTF, including policies, procedures, and direction for budgetary matters, Information Technology (IT), medical logistics, military medical construction, and other health care administration and management functions.

c. Develop appropriate management models to most effectively and efficiently assume responsibility for shared or common functions and processes.

2. DEPUTY ASSISTANT DIRECTOR (DAD), HEALTHCARE OPERATIONS. The DAD, Healthcare Operations, will have oversight of the pharmacy program implementation in accordance with the procedures in this DHA-PI.

3. CHIEF, DHA PHARMACY OPERATIONS DIVISION (POD). Under the authority, direction, and control of the Director, DHA; and DAD, Healthcare Operations; the Chief, DHA POD, will:

a. Serve as principal advisor to ASD(HA) and Director, DHA, on all aspects of policy development and priority setting related to the MHS pharmacy benefit and operations.

b. Lead, direct, and manage the Pharmacy EA to execute DHA's priorities and objectives.

c. Direct plans, programs, resources, initiatives, analysis, and reporting for standardization of pharmacy operations, services, equipment, data, and associated business processes to provide pharmacy capabilities and solutions across the full spectrum of military operations through support from the PWG.

d. Report Pharmacy EA performance measures and compliance to MHS leadership through governance councils designated by the Director, DHA.

e. Collaborate with the Service Pharmacy Consultants, to include United States Coast Guard, to provide direction and support to the Pharmacy EA.

- f. Define and implement standard business rules for efficient execution of pharmacy activities across the enterprise.
- g. Identify and remove implementation barriers as Chair of the PWG. Through the PWG, conduct business case analyses, and implement Business Process Reengineering plans to drive data-driven solutions that support the MHS Quadruple Aim.
- h. Direct the pharmacy functional areas, including strategy, enterprise requirements, and IT priorities. As functional proponent, Chief, DHA POD, will utilize Pharmacy Service Consultants and PWG knowledge and experience to coordinate and prioritize requirements.
- i. Guide the administration of each military MTF pharmacy, including budgetary matters, staffing processes and algorithms, IT, pharmacy services administration and management, administrative policy and procedure, and other appropriate pharmacy matters as determined by Director, DHA, in collaboration with the Service Pharmacy Consultants.
- j. Define strategies and goals to eliminate duplicative activities, maximize efficiencies, and optimize staffing performance and resources at military MTFs. In consultation with Service Pharmacy Consultants and PWG, exercise decision authority, to procure, shift, or redeploy resources in a fiscally responsible manner to optimize readiness, improve health, and lower costs through better care.
- k. Develop DHA-PIs and guidance for publication to implement enterprise pharmacy programs and initiatives in support of military MTF operations, including budgetary matters, business processes, pharmacy administration, management and other essential activities. Participate in the preparation and submission of budget requirements during the DoD Planning, Programming, Budgeting and Execution process as outlined in Reference (b).
- l. Oversee execution of all phases of planning, programming (to include Program Objective Memorandum development), budgeting, and execution of DoD Pharmacy funds, and align incentives to drive provider and pharmacist behavior to optimize the MHS mission.
- m. Develop and maintain effective strategic partnerships with the Defense Logistics Agency, other DoD Components, and interagency partners while advocating for DoD programs and initiatives that promote joint interoperability, efficiency, and responsiveness to support Combatant Commands and military MTF readiness.
- n. Align resources and assigned responsibilities and functions in accordance with direction from Director, DHA, to effectively administer pharmacy programs and initiatives and provide corporate management control of military MTF pharmacies.

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o. Define structures and processes needed to centrally program, budget, execute, and manage Pharmacy EA program funds; such structures and processes will be developed via collaboration between DHA POD, DHA Resource Management, and the Defense Logistics Agency.

(1) Participate in DHA guidance development necessary to implement ASD(HA) or Director, DHA, directed policies associated with standardization in the military MTFs to foster unity of effort and optimization of the MHS pharmacy benefit.

(2) Align efforts across the enterprise in providing pharmacy clinical services that are integrated into direct medical care and standardizing staffing algorithm that incorporates roles, responsibilities, and services provided by clinical pharmacists.

(3) Develop and drive standardized metrics, processes, and unified set of business rules to guide pharmacy operations and execution of pharmacy policies, with consideration for but not limited to:

- (a) Patient outcomes;
- (b) MHS Genesis;
- (c) Beneficiary satisfaction;
- (d) Evidence-based best practices;
- (e) Data-driven performance measures;
- (f) Pharmacy clinical services;
- (g) Patient wait times;
- (h) Medication utilization management (i.e., Opioid);
- (i) Formulary Management (with the DoD Pharmacy and Therapeutics Committee);

and

- (j) Inventory Management.

(4) Provide direction, support, and resources to implement standard business rules at MTFs, and solicit constructive feedback through the PWG to identify implementation barriers, propose solutions, and support a data-driven approach to embrace business process changes.

(5) Lead for DHA Pharmacy functional area on DoD and other Federal work groups and committees; Chairs Pharmacy Division forums and work groups as directed.

(6) Collaborate with the DHA Contracting Division to identify contracting support resource needs and to build a requirements development process for new centralized contracts to support military MTF pharmacy contractor staffing, as well as military MTF pharmacy automation support.

(7) Oversee and manage all existing centralized/enterprise requirements and contracts regarding pharmacy operations within pharmacy purchased care and mail order contracts, Prime Vendor contracts, and joint contracts with the Department of Veterans Affairs.

(8) Oversee pharmacy operations at military MTFs, in collaboration with PWG and Service Pharmacy Consultants, and in accordance with the uniform business rules established by the DHA, applicable standards set by professional governing bodies, and Federal rules. Evaluate military MTF procedures and policy compliance through collaboration with Service IGs, and report results to Director, DHA.

(9) Provide support to Combatant Commanders through collaboration with DHA Medical Logistics Division to evaluate and maximally align the Joint Deployment Formulary with in-theater pharmaceutical requirements, in conjunction with Services' Surgeons General, or their representatives.

(10) Lead effort in managing civilian pharmacy personnel workforce to include, but not limited to, updating and standardizing position descriptions to ensure education level and prior work experience synchronize with appropriate grade level as recognized in other Federal sectors.

4. PWG. The PWG will:

a. Adhere to the structure of the working group as described in the PWG Charter (Reference (e)), and the guidance established in the DHA POD Coordinated Concept of Operations (Reference (f)), which establishes the concept of operations for providing pharmacy services under the DHA.

b. Develop solutions to improve the delivery of pharmacy services to support readiness and improve patient outcomes, while optimizing overall pharmacy costs to the enterprise.

c. Provide input and expertise to develop standardized business rules for MHS pharmacy policy development.

d. Define staffing standards, and develop staffing algorithm to support pharmacy clinical services across the enterprise.

e. Create unified set of business rules to guide and execute DoD policies for pharmacy.

f. Establish sub-working groups, as needed, to implement required Pharmacy EA initiatives.

g. Develop, for publication, documents such as DHA-PIs, DHA-Technical Manuals (DHA-TMs), and other procedural and guidance documents.

h. Develop appropriate metrics to continuously assess the Pharmacy EAs.

i. Ensure Pharmacy EAs follow the governance process established by Reference (e).

5. MTF BRANCH CHIEF. The MTF Branch Chief will:

a. Ensure regulatory compliance and administrative oversight of pharmacy services at military MTFs.

b. Implement DHA strategic and operational initiatives, business processes, metrics, and reporting requirements that promote readiness, interoperability, and standardization within the MHS.

c. Support the Chief, DHA POD, in the execution of responsibilities as described in this DHA-PI.

d. Execute and ensure policies, procedures, and direction provided by this DHA-PI are implemented and enforced at the military MTF pharmacies. The MTF Branch Chief will solicit constructive feedback through the Pharmacy Service Consultants and PWG to identify implementation barriers, propose solutions, and support a data-driven approach to embrace business process changes.

e. Provide compliance checklist items to respective Service IGs to evaluate compliance with DHA Pharmacy policies, procedures, and direction. Provide IG report feedback to PWG.

f. Assist PWG with developing common metrics, uniform business rules, and performance reporting structures across the enterprise; and communicate strategic priorities, targets, and initiatives to the enterprise pharmacy workforce.

g. Assist PWG with the development of pharmacy centralized funding processes.

h. Assist with planning, programming, budgeting, and execution of DHA pharmacy funds.

i. Analyze data analysis of outcomes associated with clinical pharmacy engagement, and define a plan for developing and expanding the clinical pharmacy workforce.

j. Act as the liaison between the military MTFs and DHA POD.

k. Implement the Business Process Reengineering Plan (Reference (g)), and establish metrics, standards, and reporting requirements for initiative progress and performance purposes.

l. Execute the delivery of pharmacy services at military MTFs, in accordance with professional governing bodies, and Federal rules, and seek guidance if concerns with compliance arise.

m. Ensure the military MTF pharmacies comply with delivery of all pharmacy services at military MTFs, in accordance with standardized actions, and uniform business rules established by the PWG, and seek guidance if concerns with compliance arise.

n. Ensure military MTF pharmacies comply with ASD(HA) directed policies and DHA-PIs in the execution of pharmacy services, or seek guidance if concerns with compliance arise.

o. Collaborate with respective DoD Components and Pharmacy Service Consultants to provide Service billets to DHA POD in support of ongoing and future MHS pharmacy initiatives.

6. SERVICE PHARMACY CONSULTANTS. The Service Pharmacy Consultants will:

a. Optimize transition of management and administration of military MTF pharmacies to DHA, and collaborate with DHA POD to enhance readiness.

b. Serve as component readiness Subject Matter Experts, and collaborate across the pharmacy enterprise to ensure Service readiness requirements are met.

c. Advise the PWG and Chief, DHA POD, of any substantive changes to readiness requirements or taskings.

d. Nominate candidates to serve as MTF Branch Chief, and other DHA POD or PWG positions that may be established to manage and administer MTFs.

e. Work closely with the Chief, DHA POD, to standardize policies and procedures to optimize pharmacy services across the enterprise.

f. Coordinate with DHA POD and PWG on in-theatre pharmaceutical requirements.

7. MILITARY MTF COMMANDER OR DIRECTOR. The Military MTF Commander or Director will:

a. Comply with instructions outlined in this DHA-PI.

b. Ensure implementation of DHA strategic and operational initiatives, business processes, metrics, and reporting requirements that promote readiness, interoperability, and standardization within the military MTF.

8. CHIEF, DHA COMMUNICATIONS DIVISION. The Chief, DHA Communications Division, will:

- a. Provide the formal communication channel to disseminate DHA Pharmacy goals, metrics, and initiatives down and through the levels of the pharmacy enterprise to other DoD Components, outside agencies, and stakeholders.
- b. Work with Pharmacy EA to develop Communications Plans when needed.
- c. Develop beneficiary informational and/or educational materials for distribution to the military MTFs, beneficiaries, and other stakeholders.

ENCLOSURE 3

PROCEDURES

1. BACKGROUND. The National Defense Authorization Act for Fiscal Year 2017, Section 702 (Reference (c)), states that beginning October 1, 2018, the Director, DHA, will be responsible for the administration of each military MTF, including budgetary matters; IT; health care administration and management; administrative policy and procedure; military medical construction; and any other matters the Secretary of Defense determines appropriate. This document establishes DHA's procedures to exercise management responsibility for Pharmacy EAs in the MHS.

2. GENERAL PROCESS

a. EA. When the Pharmacy EA receives initiatives, instruction, and/or policies from the Director, DHA, ASD(HA), Secretary of Defense, or Congress, the Chief, DHA POD, will collaborate with the PWG and Service Pharmacy Consultants to determine actions needed for execution. Chief, DHA POD, will then determine the way forward and implement a plan for execution. Possible actions may include, but are not limited to the following:

(1) Determine goals and execution strategies needed to deliver pharmacy services efficiently and effectively across the MHS.

(2) Conduct data, information, supply, equipment, and IT standardization analysis and research to support enterprise business decisions. Develop a pharmacy standardization and optimization framework that supports performance based methodologies and the MHS Quadruple Aim.

(3) Define and implement standardized business rules to guide MHS execution of pharmacy policies and directives.

(4) Establish sub-working groups when needed.

(5) Develop and publish documents such as DHA-PIs, DHA-TMs, and other procedural and guidance documents to ensure standardization throughout the MHS, down to the military MTF level.

(6) Identify and assess possible barriers, and propose solutions to those barriers.

(a) Reference Documents. When developing new DHA-PIs, DHA-Interim Procedures Memorandums, and DHA-TMs, this Pharmacy EA DHA-PI will be included as a reference document because the Pharmacy EA DHA-PI establishes DHA's authority to exercise management responsibility for Pharmacy EA.

(b) Conflict Resolution. During development of standardized procedures, it is possible to encounter conflicts that cannot be resolved internally per the PWG Charter (Reference (e)). If this occurs, the document/initiative/conflict will be resolved by the Chief, DHA POD. If the conflict is of such magnitude, such as readiness issues, that the Chief, DHA POD, cannot provide a solution, the issue will be raised to the DAD, Healthcare Operations, for resolution.

(7) Identify contracting support and procurement needs for new initiatives.

(8) Work with Chief, DHA Communications Division, to develop communication plans, if needed, for military MTFs and beneficiaries.

b. Implementation. Once procedures are established and the necessary documents published, the Chief, DHA POD will inform the Pharmacy Service Consultants and all applicable offices within their respective regions of the new publication.

(1) Military MTF Pharmacy Chief will be notified of the new publication.

(2) Military MTFs will execute the new procedures as described in the publication document.

(3) Enforcement. The MTF Branch Chief will ensure military MTFs are executing procedures as described in this DHA-PI. If the military MTF does not comply, it is the responsibility of the MTF Branch Chief to ensure compliance.

c. Reporting

(1) Each military MTF will report back to MTF Branch Chief when procedures are implemented and provide feedback regarding issues and/or successes.

(2) The MTF Branch Chief will report back to the Chief, DHA POD, regarding compliance and non-compliance by military MTFs.

(3) The MTF Branch Chief will provide reports, when needed, during the Pharmacy EA's weekly meetings.

(4) The Chief, DHA POD, will provide reports regarding current initiatives to the DAD, Healthcare Operations, and Director, DHA, as needed or when updates are requested.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

ASD(HA)	Assistant Secretary of Defense for Health Affairs
DAD	Deputy Assistant Director
DHA	Defense Health Agency
DHA-PI	Defense Health Agency-Procedural Instruction
DHA-TM	Defense Health Agency-Technical Manual
EA	Enterprise Activity
IG	Inspector General
IT	Information Technology
MHS	Military Health System
MILDEP	Military Department
MTF	Medical Treatment Facility
POD	Pharmacy Operations Division
PWG	Pharmacy Work Group

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this DHA-PI.

Beneficiary. A person eligible for health care services under the DoD health care program (TRICARE).

Prime Vendor. A contract to provide DoD facilities with an efficient method of obtaining government-contracted pharmaceutical and medical/surgical products with “just-in-time” deliveries.