Defense Health Agency Transition

Briefing to the Defense Health Board

Defense Health Agency Transition Team
June 2013

What WE are undertaking

• Sustain readiness, quality, and value to those we serve through a more globally integrated health delivery system – building off our battlefield successes

• Establish shared services to drive common clinical and business processes, and support these processes with disciplined policy execution, oversight, and accountability

• Achieve long-term improvement and efficiency to create better health and better health care

• We’re shaping our own future for an even better MHS…and we need your help!
What We Mean by Integration

Our Objectives

1. Promote more effective and efficient health operations through enhanced enterprise-wide shared services
2. Deliver more comprehensive primary care and integrated health services using advanced patient-centered medical homes
3. Coordinate care over time and across treatment settings to improve outcomes in the management of chronic illness, particularly for patients with complex medical and social problems
4. Match personnel, infrastructure, and funding to current missions, future missions, and population demand
5. Establish more inter-Service standards/metrics, and standard process to promote learning and continuous improvement
6. Create enhanced value in military medical markets using an integrated approach in 5-year business plans
7. Align incentives with health and readiness outcomes to reward value creation
Our Principles / Our Promise

- Transparency
- Frequency of Communications (2-way)
- Sustain and Expand Trusted Working Relationships

Defense Medical Budget as Percent (%) of DoD Budget

Continued cost increases within MHS are unsustainable over time

Includes Normal Cost contributions to the Medicare Eligible Retiree Health Care Fund (MERHCF)
**Governance Reform: Influencing the Big Rocks**

Management Activities represent a small part of DoD's health care costs

Opportunities exist for a properly organized management HQ to effect change with shared services

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**How we got here ....Task Force to Transition**

**DoD Task Force on MHS Governance**
- September 2011
- Recommended DHA model for MHS governance

**DEPSECDEF Planning Memo**
- March 2012
- Directed planning for DHA implementation

**DHA Planning WG Report**
- November 2012
- Provided DHA and Shared Services implementation plan for DEPSECDEF approval

**DEPSECDEF “Nine Commandments” Memo**
- March 2013
- Directed implementation of DHA
Deputy Secretary of Defense Memorandum

March, 11 2013 DSD Memo

- Establishes a Defense Health Agency
  - Led by 3-Star Director
  - Combat Support Agency
  - Initial Operating Capability, 10/1/13
  - Full Operating Capability, 10/1/15
- Establishes Shared Services
- Transitions JTF CAPMED to a Directorate within the DHA
- Identifies Multi-Service Market Areas with enhanced authorities
- Eliminates dual-hatting in HA/TMA; clearer lines of policy and execution
Decision-Making Process

10 Shared Services

1. Facility Planning
2. Medical Logistics
3. Health Information Technology
4. TRICARE Health Plan
5. Pharmacy Programs
6. Public Health
7. Acquisition
8. Budget & Resource Management
9. Medical Education & Training
10. Medical Research & Development

Implemented by IOC on October 1, 2013
Implemented by FOC on October 1, 2015
Final Thoughts

- This is a once-in-a-generation opportunity
- We are shaping our shared future
- There are millions depending on us to get this right