

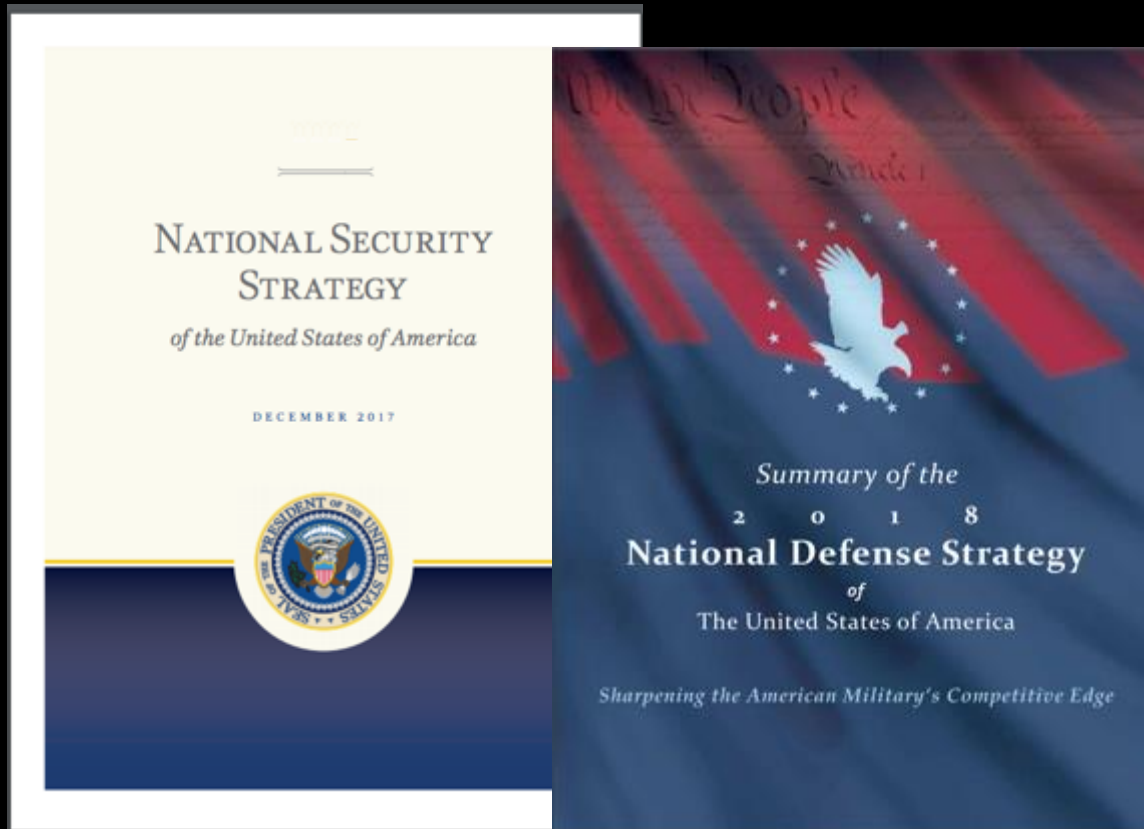
# Defense Health Agency Transformation

Director, Defense Health Agency

May 20, 2019



# The National Defense Strategy



- The Department's management structure and processes are not written in stone, they are a means to an end....Department leaders will **adapt their organizational structures to best support the Joint Force.**
- We will **reduce or eliminate duplicative organizations and systems** for managing human resources, finance, **health services**, travel, and supplies.

# Vision for DoD Healthcare Reform

## Why Change is Needed

- Four disjointed healthcare systems with 24 overlapping headquarters/regional/intermediate commands
- Duplicative overhead and staff functions across and within each system
- Prolonged and uncoordinated decision making
- Unnecessary variation in processes, policies, and procedures across and within each system
- Duplicative and disjointed healthcare IT systems

## IMPACT

Higher costs and suboptimal outcomes for readiness, health, access to care, quality, and safety

## What We Are Doing

- Consolidating healthcare management functions under one system (NDAA §702)
- Defining overall medical force size requirements and structure (NDAA §721)
- Optimizing military medical treatment facility footprint (NDAA §703)
- Deploying a more modern, secure, and connected electronic health system (MHS GENESIS)
- Implementing 11 enterprise-wide initiatives projected to save \$2.6B/year at full implementation (RMG)

## IMPACT

An effectively organized medical system that strategically supports readiness and health

# Enterprise Activities (EAs) Supporting Readiness

|   |  |   |   |
|---|--|---|---|
|  | <p><b>Pharmacy Programs</b></p>                    |  | <p><b>Facilities</b></p>                                      |
|  | <p><b>TRICARE Health Plan</b></p>                  |  | <p><b>Procurement/<br/>Contracting</b></p>                    |
|  | <p><b>Health Information<br/>Technology</b></p>    |  | <p><b>Research,<br/>Development &amp;<br/>Acquisition</b></p> |
|  | <p><b>Budget &amp; Resource<br/>Management</b></p> |  | <p><b>Public Health</b></p>                                   |
|  | <p><b>Medical Logistics</b></p>                    |  | <p><b>Education and<br/>Training</b></p>                      |

# DHA as a Combat Support Agency

## Combatant Command and Readiness Support

- Enhance Theater Patient Movement Support
- Synchronize bio-surveillance activities
- Better coordinate Medical R&D efforts
- Integrate - DHA liaisons in each Combatant Command
- Holistic approach for health services education and training



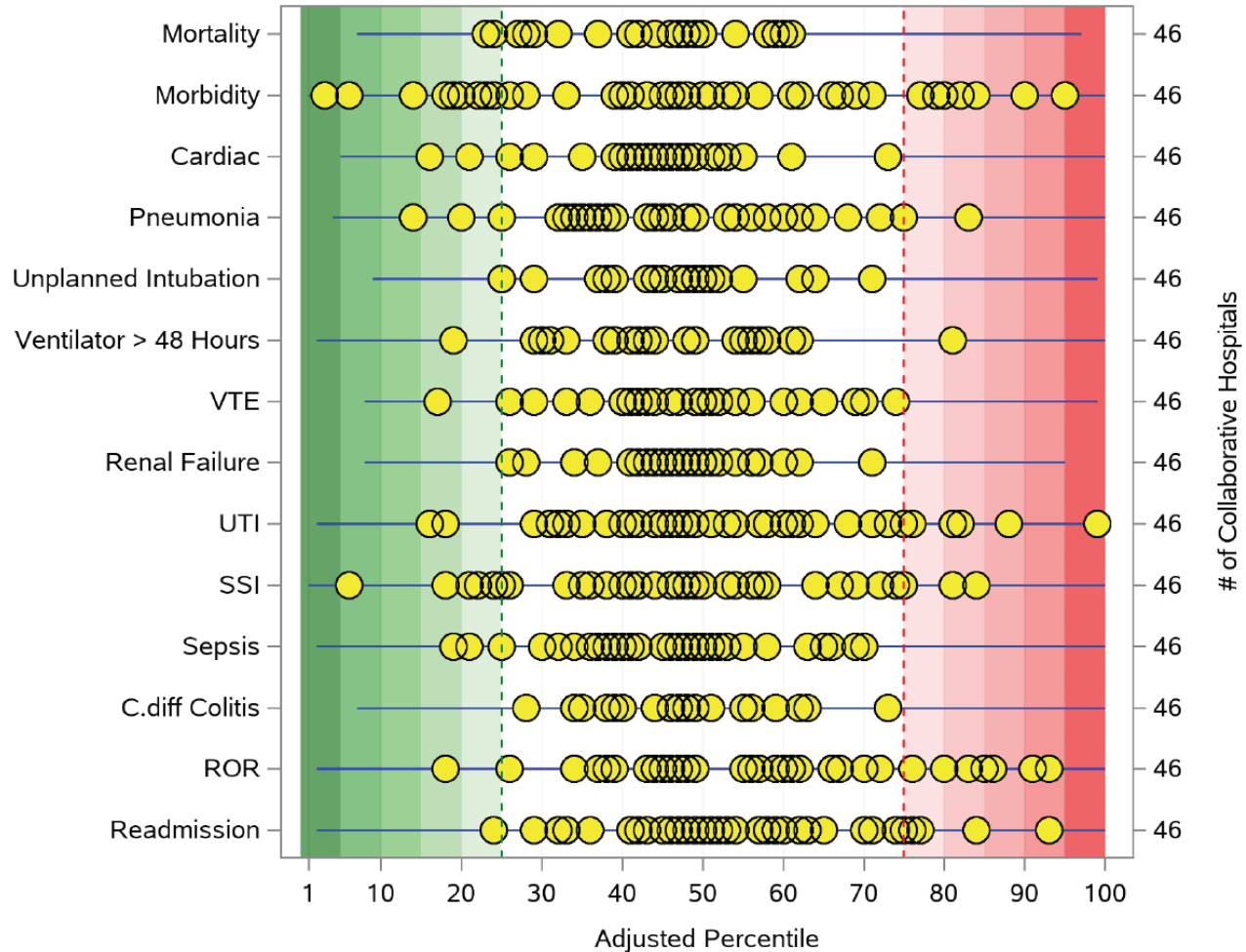
## ACS NSQIP

### DOD Collaborative January 2019 Summary

Surgery Dates July 1, 2017 to June 30, 2018

The following table displays risk-adjusted collaborative performance for the current SAR period using the risk-adjusted smoothed rates methodology.

| Model Name                     | Collaborative |                 |               |                 |              |              |            |              | NSQIP           |
|--------------------------------|---------------|-----------------|---------------|-----------------|--------------|--------------|------------|--------------|-----------------|
|                                | Total Cases   | Observed Events | Observed Rate | Adjusted Rate * | 95% Lower CL | 95% Upper CL | Outlier ** | Estimated OR | Population Rate |
| ALLCASES Mortality             | 40,683        | 56              | 0.14%         | 0.61%           | 0.44%        | 0.80%        | Low        | 0.61         | 0.99%           |
| ALLCASES Morbidity             | 40,683        | 932             | 2.29%         | 5.30%           | 4.96%        | 5.65%        | Low        | 0.87         | 6.03%           |
| ALLCASES Cardiac               | 40,683        | 36              | 0.09%         | 0.33%           | 0.21%        | 0.48%        | Low        | 0.52         | 0.63%           |
| ALLCASES Pneumonia             | 40,679        | 81              | 0.20%         | 0.64%           | 0.48%        | 0.81%        | Low        | 0.66         | 0.96%           |
| ALLCASES Unplanned Intubation  | 40,683        | 45              | 0.11%         | 0.43%           | 0.30%        | 0.58%        | Low        | 0.60         | 0.70%           |
| ALLCASES Ventilator > 48 Hours | 40,677        | 45              | 0.11%         | 0.47%           | 0.33%        | 0.63%        | Low        | 0.64         | 0.73%           |
| ALLCASES VTE                   | 40,683        | 133             | 0.33%         | 0.69%           | 0.57%        | 0.81%        |            | 0.85         | 0.81%           |
| ALLCASES Renal Failure         | 40,675        | 37              | 0.09%         | 0.32%           | 0.21%        | 0.44%        | Low        | 0.68         | 0.46%           |
| ALLCASES UTI                   | 40,631        | 257             | 0.63%         | 1.13%           | 1.00%        | 1.26%        |            | 1.07         | 1.05%           |
| ALLCASES SSI                   | 40,545        | 431             | 1.06%         | 2.17%           | 1.96%        | 2.39%        | Low        | 0.86         | 2.50%           |
| ALLCASES Sepsis                | 40,630        | 92              | 0.23%         | 0.68%           | 0.53%        | 0.85%        | Low        | 0.70         | 0.97%           |
| ALLCASES C.diff Colitis        | 40,683        | 31              | 0.08%         | 0.23%           | 0.14%        | 0.34%        | Low        | 0.60         | 0.39%           |
| ALLCASES ROR                   | 40,683        | 586             | 1.44%         | 2.65%           | 2.45%        | 2.85%        | High       | 1.13         | 2.35%           |
| ALLCASES Readmission           | 40,683        | 1,049           | 2.58%         | 5.25%           | 4.96%        | 5.56%        |            | 1.05         | 5.04%           |









Naval Medical Center Camp Lejeune

@NMCCLejeune

Follow



Naval Medical Center Camp Lejeune's Level III Trauma Center is officially "opened" with a ceremonial ribbon cutting. 🇺🇸 🚑 🏠 ✂️

[#weareNMCCLejeune](#) [#navymedicine](#)



2:13 PM - 18 Jan 2019

# Hospital Ratings



See more hospital ratings →



You searched for: Washington, DC 20016, USA within 10 miles. **Start a new search** or **look up a hospital's Leapfrog Hospital Safety Grade**.  
**Learn how to use this information.**

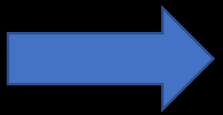
- Inpatient Care Management
- Medication Safety
- Infections
- High-Risk Surgery
- Cancer Surgery
- Maternity Care
- Pediatric Care

To provide the safest, highest-quality care, hospitals must staff their units with appropriate expertise and have effective policies in place to manage and reduce errors. The biggest impact on patient outcomes comes from a deliberate and hospital-wide commitment to these practices.

Legend



| Select up to 3 hospitals to compare:                         |  | Steps to Avoid Harm | Never Events Management | Appropriate Use of Antibiotics in Hospitals | Specially Trained Doctors Care for ICU Patients |
|--|--|---------------------|-------------------------|---|---|
| <input checked="" type="checkbox"/> <b>Remove Comparison</b> |  |                     |                         |   |   |
| Sort   |  | Sort                | Sort                    | Sort  | Sort  |
| <input checked="" type="checkbox"/>                          | <b>George Washington University Hospital</b><br>Washington, District of Columbia<br><a href="#">MORE DETAILS</a> |                     |                         |   |   |
| <input checked="" type="checkbox"/>                          | <b>Sibley Memorial Hospital</b><br>Washington, District of Columbia<br><a href="#">MORE DETAILS</a>              |                     |                         |   |   |
| <input checked="" type="checkbox"/>                          | <b>Walter Reed National Military Medical Center</b><br>Bethesda, Maryland<br><a href="#">MORE DETAILS</a>        |                     |                         | DECLINED TO RESPOND                         |   |







Contents lists available at [ScienceDirect](#)

The American Journal of Surgery

journal homepage: [www.americanjournalofsurgery.com](http://www.americanjournalofsurgery.com)

A 15-year residency program report card: Differences between the crème of the crop and the bottom of the barrel on the American Board of Surgery examinations

John L. Falcone <sup>a, b, \*</sup>

## 231 U.S. Surgical Residency Programs Evaluated

#1 – Madigan Army Medical Center

#3 – San Antonio Military Medical Center

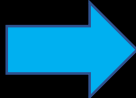
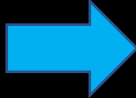
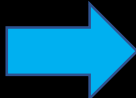
#23 – National Capital Region (Walter Reed / Ft Belvoir)

#24 – Naval Medical Center San Diego

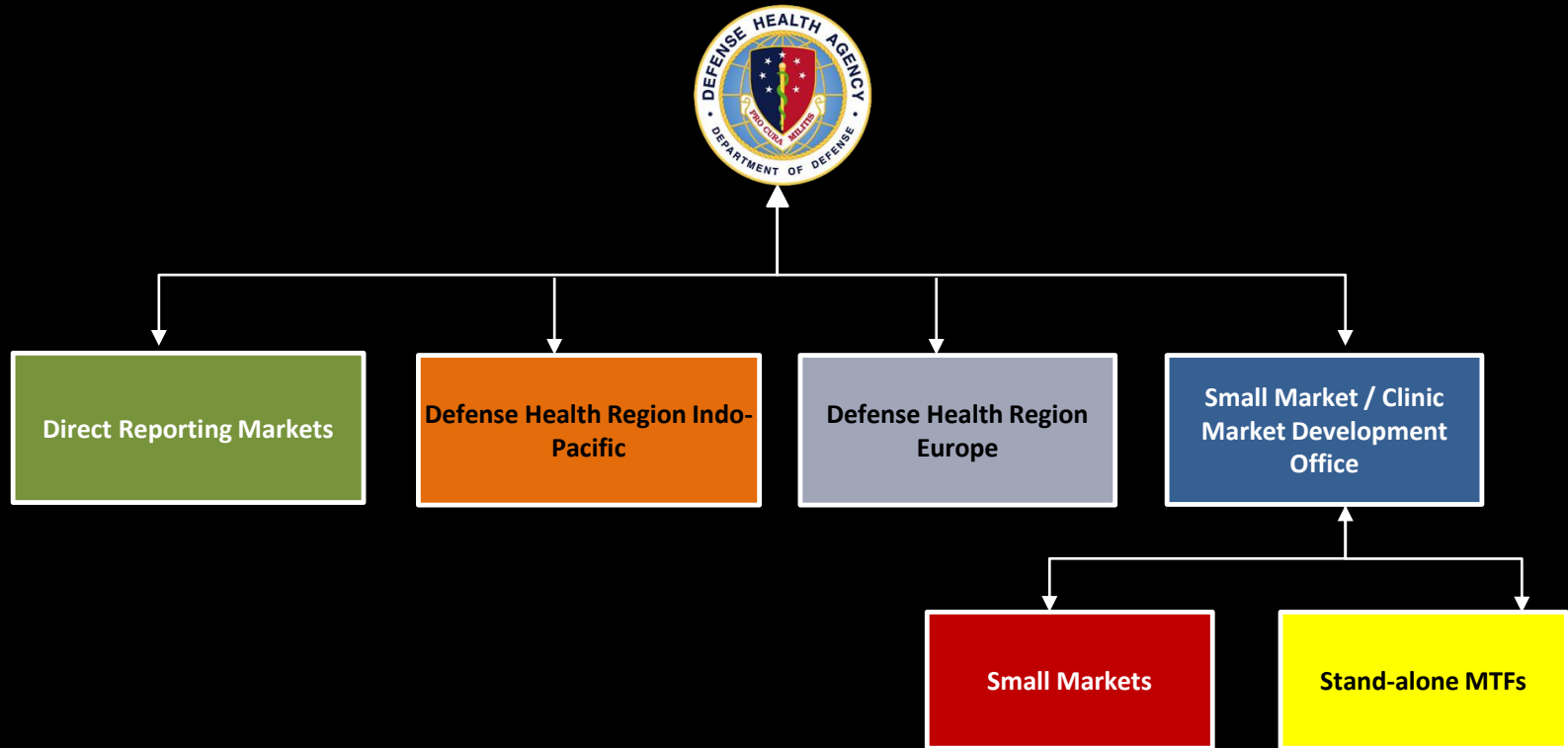
# Military Health System Consolidation

| <b>Present - 30 SEP 2019</b><br><b>Objective 1</b>   | <b>1 OCT 2019 – 1 FEB 2020</b><br><b>Objective 2</b>  | <b>1 OCT 2019 – 1 MAY 2020</b><br><b>Objective 3</b>   | <b>1 APR 2020 – 1 OCT 2020</b><br><b>Objective 4</b>  |
|--|---|--|---|
|  |   |  |   |
| <p><b>tMTFs &amp; Direct Support</b></p>   | <p><b>Stand-Up Markets</b></p>  | <p><b>Form SSO</b></p>   | <p><b>Form DHRs</b></p> <p><b>Graph Key</b><br/> <span style="color: blue;">■</span> Previously Transferred<br/> <span style="color: red;">■</span> Transferring in Phase</p>   |
| <ul style="list-style-type: none"> <li>• Transition ADC of MTFs to DHA (1 OCT 2019)</li> <li>• ADC of MTFs executed through DS relationship with Service IMOs</li> <li>• tIMO certifies 4 markets from 5+3</li> <li>• Expansion of DHA HQ functions and issuance of critical DHA-Pis and DHA-IPMs</li> <li>• Service IMOs continue OCONUS support</li> </ul> | <ul style="list-style-type: none"> <li>• DHA assumes responsibility of tIMO Markets and certifies 16 additional Markets</li> <li>• DHA HQ and FCs continue to build capability and capacity</li> <li>• Service IMOs divest CONUS Markets</li> <li>• SSs remain with IMOs</li> <li>• Service IMOs continue OCONUS support</li> </ul> | <ul style="list-style-type: none"> <li>• DHA assumes responsibility of SSO and certifies SSO</li> <li>• Service IMOs Divest CONUS SSs and transfer Personnel to SSO</li> <li>• RCH-C and RHC-A end Direct Support</li> <li>• AFMOA, NAVMED E, NAVMED W, RHC-P, and RHC-E continue to support OCONUS</li> </ul> | <ul style="list-style-type: none"> <li>• Service IMOs divest OCONUS MTFs and transfer personnel to DHRs</li> <li>• DHA certifies European and Indo-Pacific DHRs</li> <li>• Service IMO Direct Support to DHA ends</li> <li>• DHA HQ and FCs reach full operational capability and capacity</li> </ul> |

# Market Orientation

-  Resources closest to health care delivery
-  Local medical leaders with real authority to effectively move money and people to responsibly coordinate patient-centered care
-  Data-driven

# Market Construct



# Metrics to Manage Healthcare

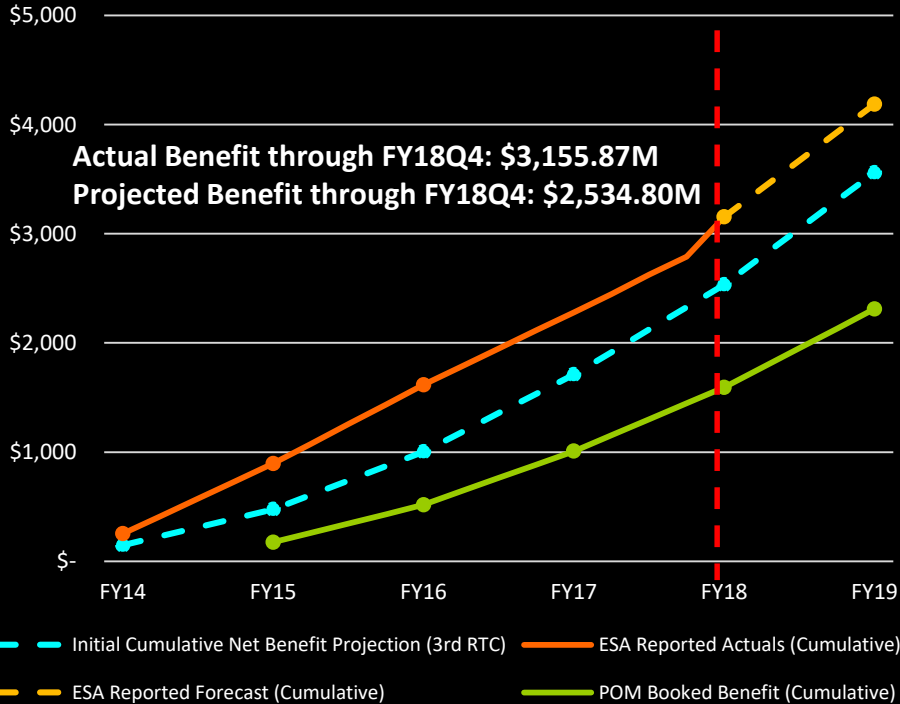
## Selected Transition Measures

|  | Performance Thresholds |                  |                      |                     | As of Date:        | Total MHS      | All DHA MTFs     | Seymour Johnson  | Charleston      | Pope           | Keesler        | Ft Bragg         | Ft Belvoir       | Jax            | Walter Reed      |
|--|------------------------|------------------|----------------------|---------------------|--------------------|----------------|------------------|------------------|-----------------|----------------|----------------|------------------|------------------|----------------|------------------|
|  | Under-performing       | Below Goal       | Meets Goal           | Exceeds Goal        |                    |                |                  |                  |                 |                |                |                  |                  |                |                  |
| <b>Medically Ready Force:</b><br>Deployment Limiting Conditions* | TBD                    | TBD              | TBD                  | TBD                 | New in FY 19       | TBD            | TBD              | TBD              | TBD             | TBD            | TBD            | TBD              | TBD              | TBD            | TBD              |
| <b>Ready Medical Force:</b> % Providers Meeting KSAs*            | TBD                    | TBD              | TBD                  | TBD                 | New in FY 19       | TBD            | TBD              | TBD              | TBD             | TBD            | TBD            | TBD              | TBD              | TBD            | TBD              |
| <b>Health:</b><br>Obesity in Adults*                             | TBD                    | TBD              | TBD                  | TBD                 | 9/2018<br>12/2018  | 29.7%<br>29.8% | 32.6%<br>32.9%   | 28.6%<br>29.0%   | 27.4%<br>27.1%  | N/A<br>N/A     | 35.6%<br>35.8% | 28.3%<br>29.1%   | 32.5%<br>32.8%   | 41.8%<br>42.0% | 29.4%<br>29.5%   |
| <b>Clinical Outcomes:</b><br>Risk Adjusted Mortality             | 95% conf int. >1       | -                | 95% conf int. = 1    | 95% conf int. < 1   | 6/2018<br>12/2018  | 1.02<br>1.02   | 1.39<br>1.37     | N/A<br>N/A       | N/A<br>N/A      | N/A<br>N/A     | 0.34<br>0.37   | 0.94<br>1.15     | 0.97<br>0.96     | N/A<br>N/A     | 1.56<br>1.51     |
| <b>Patient Satisfaction:</b><br>Provider Communication           | <85%                   | >=85%            | >=88%                | >=91%               | 12/2017<br>6/2018  | 86%<br>84%     | 91%<br>86%       | 76%<br>71%       | 92%<br>85%      | 100%<br>94%    | 93%<br>89%     | 90%<br>83%       | 90%<br>86%       | 91%<br>74%     | 92%<br>86%       |
| <b>Patient Safety:</b><br>Wrong Site Surgery                     | ↑ in # for 3 qtr       | ↓ in # for 3 qtr | 0 events for 1-2 qtr | 0 events for 3+ qtr | 9/2018<br>12/2018  | 9<br>5         | 1<br>0           | N/A<br>N/A       | N/A<br>N/A      | N/A<br>N/A     | 0<br>0         | 0<br>0           | 1<br>0           | N/A<br>N/A     | 0<br>0           |
| <b>Access:</b> Availability of 24 Hour Appointments              | >1.5 Days              | <=1.5 Days       | <=1 Day              | <=0.83 Day          | 1/2019<br>2/2019   | 0.98<br>1.06   | 0.92<br>1.01     | 1.14<br>1.26     | 0.58<br>0.64    |                | 2.09<br>3.06   | 0.93<br>1.06     | 0.90<br>0.87     | 0.64<br>0.72   | 1.41<br>1.38     |
| <b>Access:</b> AD Days to Primary Care                           | >1.5 Days              | <=1.5 Days       | <=1 Day              | <=0.83 Day          | 11/2018<br>12/2018 | 0.56<br>0.51   | 0.58<br>0.56     | 0.43<br>0.55     | 0.23<br>0.30    | N/A<br>N/A     | 1.84<br>3.19   | 0.56<br>0.44     | 0.79<br>0.82     | 0.46<br>0.33   | 0.67<br>0.93     |
| <b>Access:</b> AD Days to Specialty Care                         | >24 Days               | <=24 Days        | <=14 Days            | <=7.5 Days          | 11/2018<br>12/2018 | 13.62<br>13.43 | 14.18<br>13.68   | 11.55<br>13.03   | 11.92<br>9.82   | 14.84<br>11.90 | 11.82<br>11.07 | 13.15<br>11.42   | 18.06<br>18.22   | 13.35<br>12.20 | 14.26<br>15.52   |
| <b>Cost:</b> Per Member Per Month                                | >3.20%                 | -                | <=3.20%              | <=0.00%             | 8/2018<br>9/2018   | 0.69%<br>0.80% | -0.73%<br>-0.64% | -1.58%<br>-5.42% | -0.46%<br>0.06% | N/A<br>N/A     | 7.26%<br>7.76% | -1.54%<br>-1.37% | -3.64%<br>-3.39% | 4.45%<br>4.77% | -2.99%<br>-3.43% |
| <b>Resource Efficiency:</b><br>Overall Occ. Rate*                | TBD                    | TBD              | TBD                  | TBD                 | 8/2018<br>9/2018   | 57%<br>57%     | 59%<br>58%       | N/A<br>N/A       | N/A<br>N/A      | N/A<br>N/A     | 47%<br>49%     | 73%<br>7%        | 52%<br>52%       | 47%<br>39%     | 60%<br>57%       |

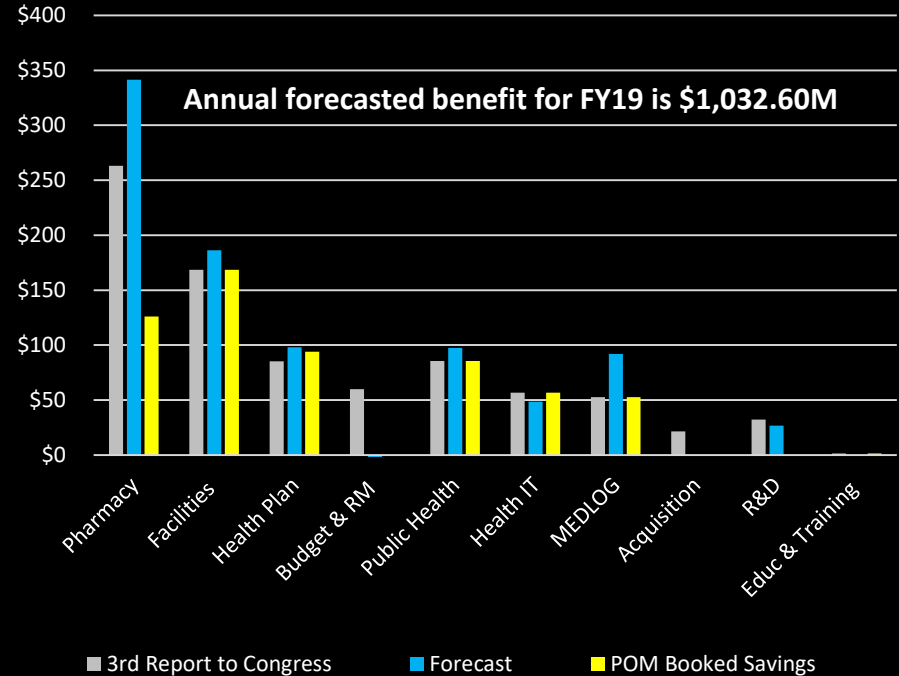


# Enterprise Activity Net Savings

## FY14-19 Net Benefit (\$M)



## FY18 Net Benefit by Enterprise Activity (\$M)



# Questions