Update on the DHA Transition

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Learning Outcomes

At the conclusion of this activity, participants will be able to:

2. Define the evolution of the DHA headquarters to include the status of the functional capabilities.
3. Summarize the plan to complete the transition of the MHS.
4. Interpret how DHA is baselining performance and monitoring the execution of the plan.
5. Define how DHA will optimize readiness and performance through the Market construct.
Agenda

- Establishing the Market Construct
- Transition Execution Update
- Next Steps
- Outcomes
ESTABLISHING THE MARKET CONSTRUCT
What is a Market?

A Market is a group of MTFs working together in one geographic area. Markets operate as a system lead by a Market Office to support the sharing of patients, staff, budget, and many other functions across facilities to optimize readiness and the delivery and coordination of health services.
Fundamental Units of Organization

Currently, the MTF is the unit of organization used to manage healthcare services and delivery.

Army
- Infantry Battalion
- Cavalry Squadron
- Artillery Battalion
- Engineer Battalion
- Support Battalion

BRIGADE COMBAT TEAM

Navy
- Carrier Strike Group
- Destroyers
- Subs
- Air Wing
- Support/Supply

STRIKE GROUP

Air Force
- Bomber
- Refueler
- Fighter
- AWACS
- Maintenance

WING

Just as our MILDEPS utilize fundamental units of organization to deploy forces, DHA utilizes markets under its new organizational construct to deliver health care services.
MHS Market Structure
Small and Stand-Alone MTF Organization

SSO Overview:
The SSO is an organization that will be responsible for supporting the Defense Health Agency in managing and administering all Small Markets and Stand-Alone MTFs that are not aligned to a Market. As MTFs are aligned under the SSO as Small Markets or Stand-Alone MTFs, they will report to and communicate with the DHA through the SSO. The SSO will communicate with and report directly to the DHA. Facility types include Community Hospitals and Ambulatory Clinics.

Small Markets:
16 Small Markets, comprised of 61 MTFs, will directly report to the SSO.

Stand-Alone MTFs:
69 Stand-Alone MTFs will be directly managed and administered by the SSO.
Defense Health Regions
Improving the MHS through the Market Construct

- Improved Readiness
  - Great Outcomes
  - Ready Medical Force
  - Performance & Affordability

- Better Health
  - Force Health & Readiness

- Lower Cost
  - Fulfilled Staff
  - Satisfied Patients

- Value
  - Our number one outcome is a medically ready force
  - Our ready medical force brings talent and courage to the front lines
  - Our staff feel joy and purpose working in the MHS
  - Our patients feel fortunate for MHS care that helps them achieve their goals
Core Market Benefits

**ACCESS TO A LARGER NETWORK OF HEALTHCARE PROFESSIONALS, PROVIDERS AND SPECIALTIES**

**INCREASED PATHWAYS THAT MAXIMIZE CAREER PROGRESSION OPPORTUNITIES**

**MAINTAIN CURRENCY AND ENHANCE PROFICIENCY ACROSS YOUR KNOWLEDGE, SKILLS AND ABILITIES (KSAs) SPECTRUM**

**ENGAGE IN PARTNERSHIPS WITH INDUSTRY AND ACADEMIA TO HELP MEET OUR MISSION**

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**Market Office Solution**

Market offices are implemented to effectively manage and oversee Markets by providing:

- **Optimization to Improve Readiness and Health**
- **Standardization across policy and process**
- **Integration of people, processes, and technology**
- **Coordination to address interdependencies**
# Comparing DHA HQ to Market Office Authorities

<table>
<thead>
<tr>
<th>DHA HQ is responsible for coordinating with ASD(HA), the MILDEPs, and the COCOMS to identify the MHS strategic goals in support of the QPP (improved readiness, better care, better health, and lower costs).</th>
<th>Market Offices are DHA management and execution bodies that support MTFs to ensure compliance with DHA requirements. Market Offices drive execution of the Quadruple Aim Performance Process business plan to optimize MTF performance across the Market.</th>
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</thead>
<tbody>
<tr>
<td><strong>DHA HQ establishes requirements for health care delivery at MTFs across the enterprise.</strong></td>
<td><strong>The Market Office tailors these requirements to its individual Market based on patient population and hospital performance.</strong></td>
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![DHA HQ and Market Office Diagram](image-url)
Military Health System Transformation
TRANSITION EXECUTION UPDATE
Overview of Market Establishment Approach

Objective 1
DHA Builds Initial HQ Capability and Capacity
MILDEP Medical Department HQs and IMOs Provide Direct Support to DHA
- RHC-Atlantic (Army)
- RHC-Central (Army)
- RHC-Pacific (Army)
- RHC-Europe (Army)
- Navy Direct Support Cell
- AFMRA (Air Force)

Objective 2
Stand Up Direct Reporting Markets (21)

Objective 3
Establish the Small Market & Stand-Alone MTF Office (1)

Objective 4
Establish the OCONUS Defense Health Regions (2)

End State
1) DHA HQ at FOC, functions and resources transferred, or covered by MOA with POAM
2) MILDEP Readiness Commands at FOC
3) 20 Direct Reporting Markets
4) 1 SSO
5) 2 OCONUS Defense Health Regions
## Implementation Timeline

<table>
<thead>
<tr>
<th>Objective 1</th>
<th>Objective 2</th>
<th>Objective 3</th>
<th>Objective 4</th>
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</thead>
<tbody>
<tr>
<td>Establish Capability</td>
<td>Stand-Up Markets</td>
<td>Form SSO</td>
<td>Form DHRs</td>
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### Establish Capability
- DHA ADC of CONUS MTFs
- ADC executed through relationship with Direct Support elements
- tIMO certifies 4 markets from 5+3
- Build DHA capability and capacity to support 4 initial markets
- Strategic pause in Market standup to allow DHA HQ to mature
- OCONUS support continues

### Stand-Up Markets
- DHA assumes responsibility of tIMO Markets and certifies 17 additional Markets
- Build DHA capability and capacity
- Service IMOs divest CONUS Markets
- SSs remain with Service IMOs
- Overseas support continues

### Form SSO
- DHA certifies SSO and assumes responsibility of SSO
- Service IMOs divest CONUS SSs and realign personnel to SSO
- RHC-A/C end Direct Support
- Overseas support continues

### Form DHRs
- Service IMOs divest OCONUS MTFs and realign personnel to DHRs
- DHA certifies DHR-E and DHR-IP
- Service IMOs end Direct Support
- DHA HQ and FCs reach full operational capability and capacity

*Note:* Data is specific to transitioning facilities by objective, DHA HQ and Market overhead are not included.

<table>
<thead>
<tr>
<th>Areas supported by Markets</th>
<th>Areas supported by Small Markets</th>
<th>Areas supported by Stand-Alone MTFs</th>
<th>Areas supported by Defense Health Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities</td>
<td>MIL/CIV FTEs</td>
<td>Enrollees</td>
<td>Dispositions</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>7% Facilities</td>
<td>57% Facilities</td>
<td>86% Facilities</td>
<td>100% MHS Enterprise</td>
</tr>
<tr>
<td>13% MIL/CIV FTEs</td>
<td>75% MIL/CIV FTEs</td>
<td>97% MIL/CIV FTEs</td>
<td>Graph Key</td>
</tr>
<tr>
<td>12% Enrollees</td>
<td>64% Enrollees</td>
<td>91% Enrollees</td>
<td>Previously Transferred</td>
</tr>
<tr>
<td>17% Dispositions</td>
<td>86% Dispositions</td>
<td>93% Dispositions</td>
<td>Transferring in Phase</td>
</tr>
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As of 11 OCT 2019 - * Dates are Conditions Based
MHS Market Structure
Direct Support (DS) Intermediate Management Organizations (IMOs) and Market Communication

*This communication structure refers to formal communication including: formal request for support form Services, formal tasking to Services, formal distribution of guidance.*
## Overall Update

<table>
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<th>Recent Accomplishments</th>
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<td>Direct Support (DS) MOAs Signed</td>
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<td>Began DS Relationship while DHA assumed ADC (DSD Memo Signed)</td>
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<tr>
<td>Identified and Notified New Market Directors</td>
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<td>Successful Market Workshop and Market Walkthrough</td>
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These elements are significantly focused on the establishment of DHA HQ until the conditions have been met to begin Market establishment in FY20.

TST Responsibilities
• Support the development of DHA transition and program management products
• Monitor and report transition progress for FCs and DHA HQ

MTO Responsibilities:
• Coordinate overall Market implementation effort
• Facilitate Market Leadership and Transition Officer training
• Develop and maintain Market deliverables
• Prepare Certification materials for leadership

FC Responsibilities:
• Define scope of functions within FC
• Develop transition plans in partnership with MILDEP SMEs
• Execution of plan & monitoring of sub-tasks delegated to MILDEPs
• Report transition status, barriers and risks to DHA Leadership; develop mitigation proposals

MIST Responsibilities:
• Support individual Market establishment
• Coordinate between DHA HQ, FCs, and Markets
• Facilitate on-site market kickoffs, market plan development, execution, and reporting
• Advise Market Transition Teams on POAMs
• Standup 3 months prior to establishment of Market (Estimated DEC 19 MIST #1&2, FEB 20 MIST #3&4)
Maturing the Headquarters

67% of total weighted conditions* completed.

*Conditions were weighted on the probability they will not occur and impact if they do not occur within the IOC target timeline, to better assess the difficulty in completion related to developing DHA HQ capability and capacity.

As of: 11/14/2019
The DHA’s Market certification process has shifted from a time-based process to a conditions-based certification.

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<tr>
<th>Time-Based Approach</th>
<th>Conditions-Based Approach</th>
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<tr>
<td>Scheduled dates for Market certification</td>
<td>Markets are certified once they’ve met conditions laid out in the implementation tools</td>
</tr>
<tr>
<td>Linear approach with minimal flexibility</td>
<td>Enables DHA to focus on maturing the Headquarters in support of the Markets</td>
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Training and Events

Market Workshop and Outbrief

- Internal Workshop and Joint outbrief with DHA and the Services to review the transfer of authorities and/or responsibilities from each of the Services and tIMO to the DHA with the establishment of a Market.

CPX

- Scenario-driven exercise of functional capabilities within DHA HQ and the authority, direction, and control responsibilities necessary for Initial Operating Capabilities.
NEXT STEPS
The Market transition process is a shared responsibility between the DHA and Market Office Leadership to ensure the Market is ready and DHA has the capability and capacity to support each Market.

**Market Certification**
- Market meets Certification criteria and is certified as a Market by DHA

**DHA HQ**
- IOC Conditions have been met by all FCs
- DHA has the capability and capacity to take on the specific Market

**DHA Director Signs Memo**
- DHA Director signs memo setting the date for MTF(s) transfer from the Services to the Market

**Required Coordination**
- External stakeholders* notified of certification
- Update local media stakeholders* on MTF Transfer

**MTF(s) Transfer to DHA on D-Day**
- MTF(s) officially transfer to Market

*External stakeholders include: Congress, Secretary of Defense, Deputy Secretary of Defense, Personnel and Readiness, Health Affairs, Surgeons General, MTF Commanders, MTF Staff, Senior Mission Commanders, beneficiaries, unions, local leadership, and others as appropriate
D-Day Process: MTF(s) Transfer to DHA

The below process outlines how the MTFs will be transferred into Markets, after the point of Market Office Certification and confirmation the DHA has the capability and capacity to support the incoming Market.

**Required Coordination**

- Notification of Market Certification to the following stakeholder:
  - Congress, Secretary of Defense, Deputy Secretary of Defense, Personnel and Readiness, Health Affairs, and the Surgeons General, DHA HQ Staff, MTF Commanders, MTF Staff, Unions, Senior Mission Commanders, Beneficiaries, Local Leadership, and others as appropriate
- Revalidate Service DS elements and DHA authorities prior to MTF(s) transfer
- Update local media organizations with MTF(s) transfer announcements

**MTF Transfer Process Decision Point**

- DHA Director determines if the MTF Transfer can occur once preceding actions complete

**Director’s Memo**

- DHA Director signs Director’s Memo, which:
  - Identifies date on which MTFs() will transfer into the Market
  - Identifies MTF(s) that will comprise the Market
  - Identifies authorities, responsibilities, and processes transferring from the Service DS elements to DHA
  - Identifies authorities, responsibilities, and processes remaining with the Service DS elements
- DHA Director memo sent to Secretary of Defense, Deputy Secretary of Defense, Personnel and Readiness, Health Affairs, and Surgeon Generals

*Disclaimer: This timeline is flexible and will be adjusted as needed*
## Standardization Benefits

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<tr>
<th>Benefits</th>
<th>DHA Priorities</th>
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<td>Cost savings with increased value: the standardization of administrative services allows for greater cost savings and enhanced efficiencies enabling increased buying power and a broader choice of service providers and greater access to quality care</td>
<td>Great Outcomes</td>
</tr>
<tr>
<td>Streamlining authorities: enables efficiencies and consistency in messaging, processes, training, patient care, and personnel management</td>
<td>Ready Medical Force</td>
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<tr>
<td>Consistency creates confidence: standardized processes and expectations creates an environment that allows employees to feel confident in the execution of the mission</td>
<td>Staff Fulfillment</td>
</tr>
<tr>
<td>Patient Experience: consistency in care and standardized processes and systems improves patient satisfaction and experience</td>
<td>Patient Satisfaction</td>
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In the private sector, this has been done successfully at: Virginia Mason Production System, Intermountain Health, and the Institute for Healthcare Improvement
Aligning DHA’s Acquisition Processes with the Future State of the MHS

The Transition is the foundational building block that enables standardization of processes, improved strategic sourcing and maximizing the use of enterprise wide-solutions to result in cost savings, increased number of satisfied patients, and ensuring a ready medical force and a ready medical force.
Operationalizing Strategic Sourcing Initiatives

One of the ways we’re operationalizing strategic sourcing throughout DHA is with the new MHS Request Submissions Portal.

The MHS Request Submissions Portal, in addition to the QPP priorities and other priority factors make up the decision making architecture that supports one MTF-to-Market and DHA HQ Portfolio of Initiatives. This streamlined acquisition process enables DHA to employ enterprise-wide solutions and focus resources on the highest priority projects.
OUTCOMES
Great outcomes, a ready medical force, patients satisfied – all flow directly from a patient-centered approach that informs our daily actions and decisions.
What Success Looks Like

A Ready, Resilient, and Reliable MHS:

- Achieves Great Outcomes for Readiness and Health
- Sustains a Ready Medical Force
- Puts the Patient at the Center
- Cultivates Staff Fulfillment
- Guarantees Satisfied Patients

and drives value for our patients, our staff, and our defense mission.
What Must We Accomplish?

DHA
- Establish the functions and management structures at DHA headquarters, as well as in the subordinate organizations we will use to operate the MTFs.
- Identify civilian personnel who are transferring to the DHA and positions that must be hired to successfully operate the headquarters, support functions and markets.
- Meet all the conditions required to stand up each of the functional areas required to operate the MTFs, assuming those day-to-day support and management functions from the military departments.
- Meet our responsibilities as a combat support agency.

Markets
- Establish and certify the 21 markets and associated support functions.
- Establish the Small-Market and Stand-Alone Office to support facilities not located in a market region.
- Establish the Defense Health Regions to support OCONUS facilities
QUESTIONS?
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