

MG Richard Thomas, Director, Healthcare
Operations and Chief Medical Officer, DHA



MHS Transformation/TRICARE Pediatric Report to Congress



“Medically Ready Force...Ready Medical Force”

Agenda



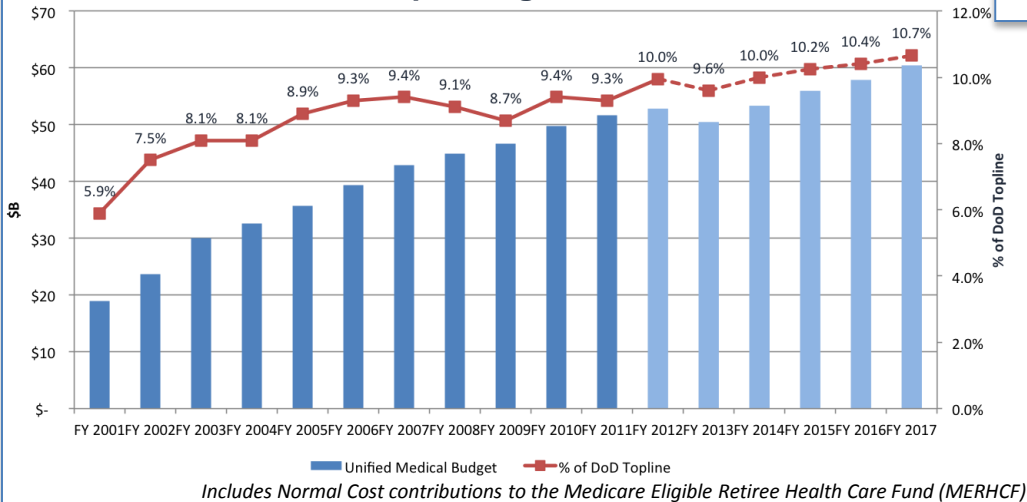
- Military Health System (MHS) strategic landscape
- Defense Health Agency (DHA) overview
- TRICARE Transformation and T2017
- SECDEF directed MHS Review
- TRICARE Kids Matter topics
 - Background
 - Current initiatives
 - Hot topics
 - Way ahead

Military Health System Expenditures

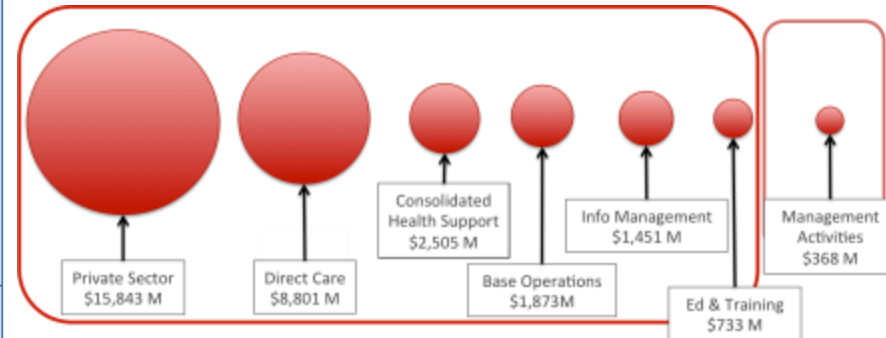


MHS cost growth unsustainable

MHS Spending Over Time



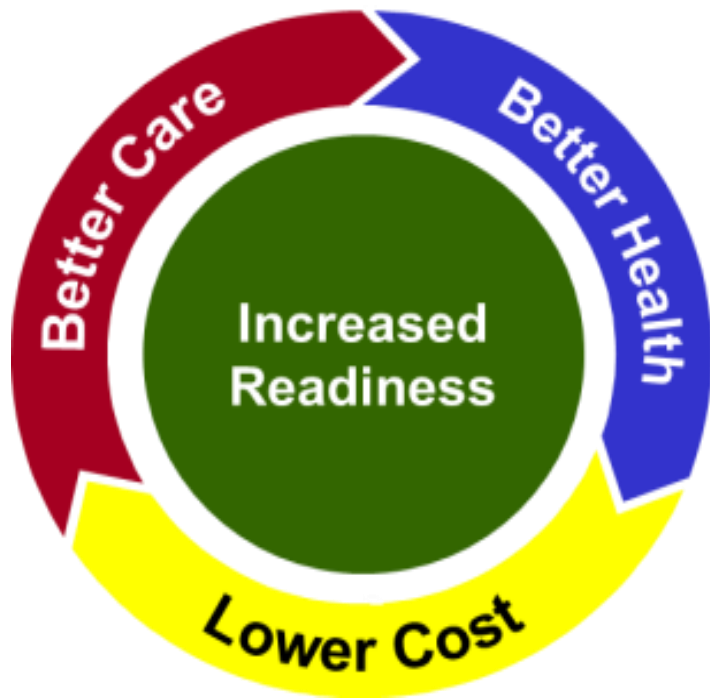
DHP Funding



Opportunities to generate cost savings without compromising quality, access and safety of care

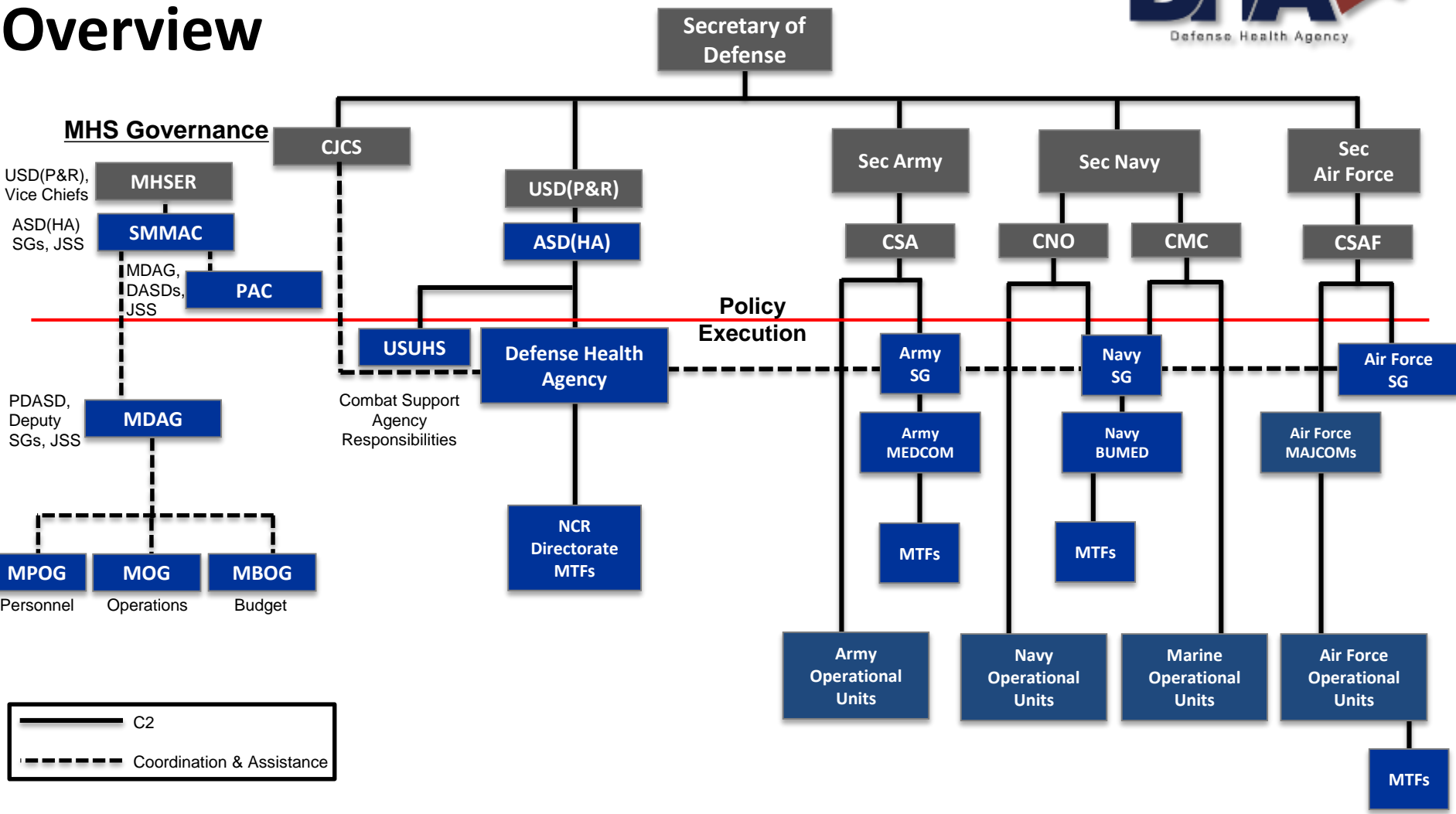
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ASD(HA) Quadruple Aim and Supporting Lines of Effort



1. Eliminate unnecessary duplication of effort, inefficiency and suboptimal performance by ***modernizing enterprise management***
2. Continually ***improve medical capabilities and capacity*** to provide contemporary health care
3. Ensure that a ***ready medical force*** is balanced to meet Combatant Commanders' requirements
4. Develop and support ***strategic partnerships***
5. ***Reform the Tricare Benefit*** program to ensure the program's long term viability
6. Better define and develop the MHS core resources and competencies needed to ***support Global Health Engagement***

MHS Organizational Overview



Defense Health Agency

POLICY DEVELOPMENT & OVERSIGHT
POLICY EXECUTION

Secretary of Defense

CJCS

USD(P&R)
ASD(HA)

Combat Support Agency Responsibilities

DHA Director

DHA OGC

IPO

PEO DHMS

EHR Functional
Champion

Chief of Staff

Special Staff

HA / DHA Liaison

Component
Acquisition
Executive

Communications

Innovation

Admin & Mgt

EEEO

Manpower

Comptroller

Strategic Mgt

Procurement

Def Health Board

DoD/ VA PCO

Prog Integration

Small Business

Analytics



Healthcare Operations
Directorate (CMO)

Research Development &
Acquisition Directorate

Health IT
Directorate (CIO)

Education & Training
Directorate

Business Support
Directorate

NCR Medical
Directorate

TRICARE Health Plan

Pharmacy

Clinical Support

Public Health

Readiness

Warrior Care Program

Advanced Development

Science & Technology

Clinical Infrastructure Program

Veterans Affairs R&D Liaison

Innovation and Advanced
Technology Dev (CTO)

Portfolio Mgmt and Customer
Relations

Infrastructure & Operations

Solution Delivery

Information Delivery

Cyber Security

Defense Health Service
System (DHSS)

Defense Health Clinical
Systems (DHCS)

METC HQ

DMRTI

JMESI

Academic Review
& Oversight

Prof Development
Sustainment, & Prog Mgmt

Facility Planning

Medical Logistics

Budget & Resource
Management

Program Integrity

Walter Reed National
Military Med Center

Ft. Belvoir
Community Hospital

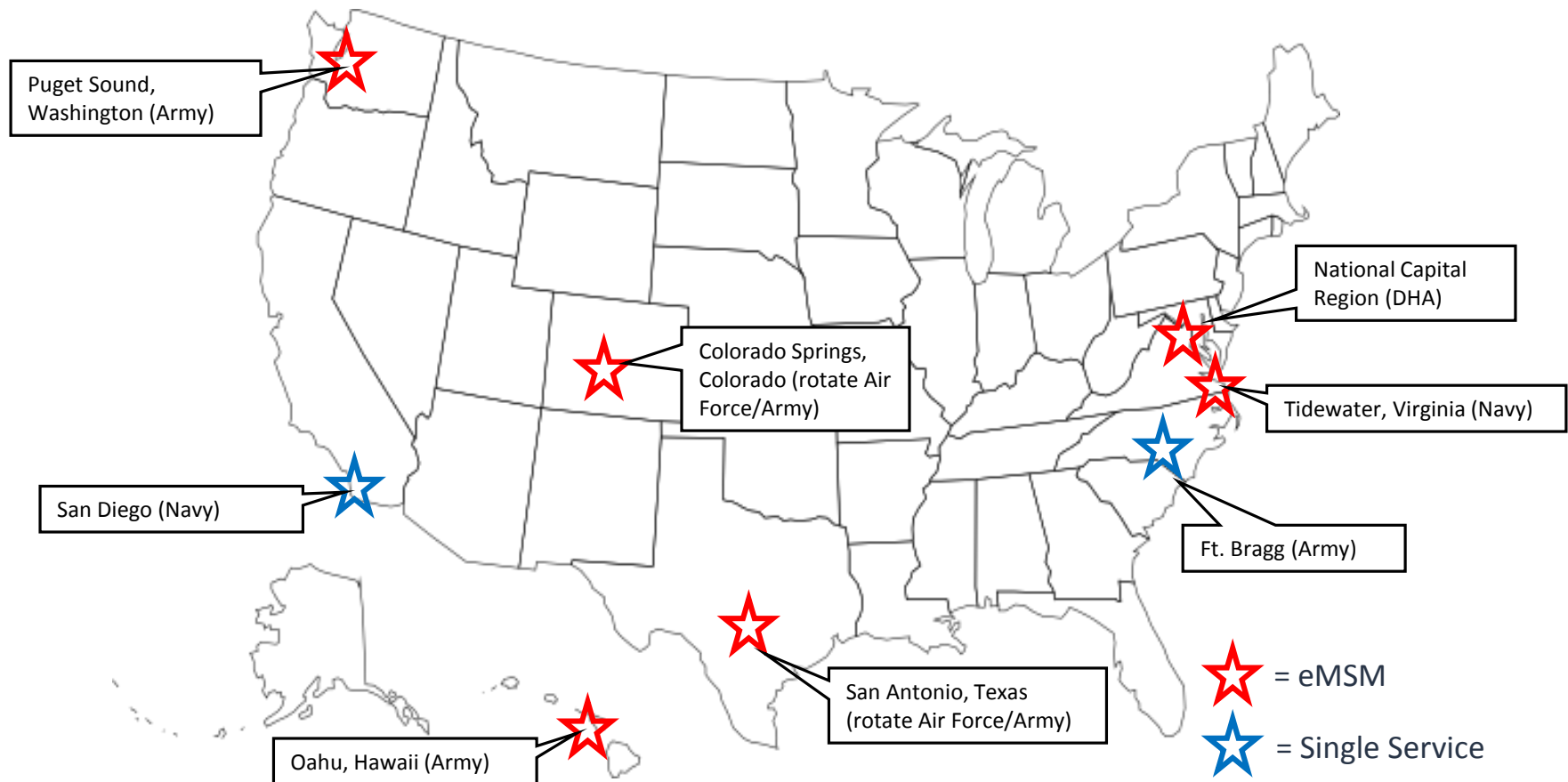
Joint Pathology Center

Shared Service

Multi-Service Markets



The Eight Largest Markets (and Service/Department Leads)



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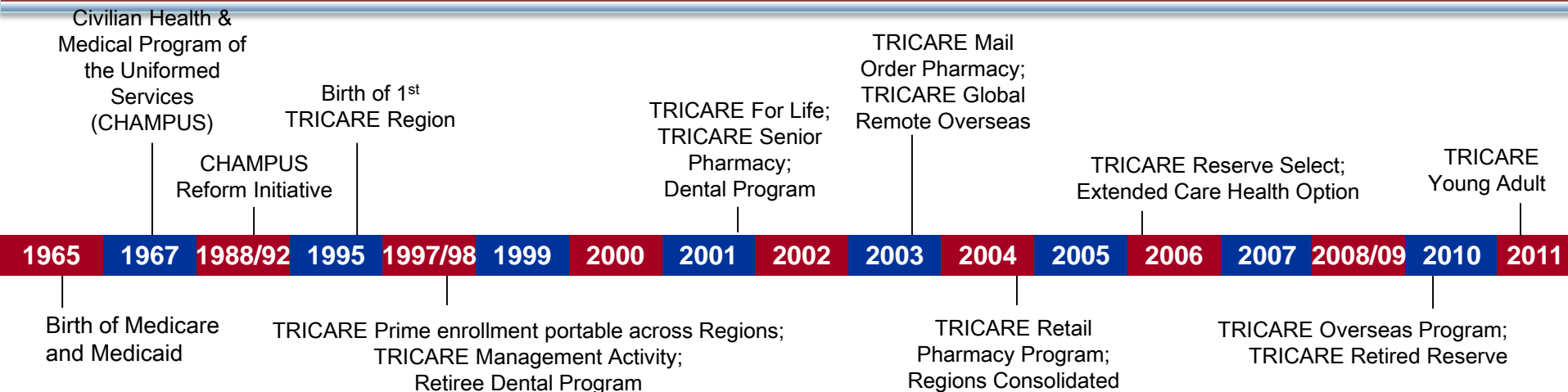
Shared Services Savings Five Year Defense Plan (2015-2019)



Shared Service	IOC	FY14 Net Savings	FY15-19 Savings
FACILITIES	1 OCT 13	\$18.4 M	\$537 M
MEDICAL LOGISTICS	1 OCT 13	\$13.5 M	\$189 M
HEALTH IT	1 OCT 13	\$33.1 M	\$265 M
HEALTH PLAN	1 OCT 13	\$25.5 M	\$456 M
PHARMACY	1 OCT 13	\$160.5 M	\$1,224 M
CONTRACTING	1 MAR 14	(\$2.9 M)	\$136 M
BUDGET & RESOURCE MGMT	1 FEB 14	\$0 M	\$279 M
MEDICAL RESEARCH & DEV	1 JUN 14	\$0 M	\$98 M
MEDICAL EDUCATION & TNG	10 AUG 14	\$0 M	\$ 5 M
PUBLIC HEALTH	1 OCT 14	\$0 M	\$293 M
TOTAL		\$248.1M	\$3.482 BILLION

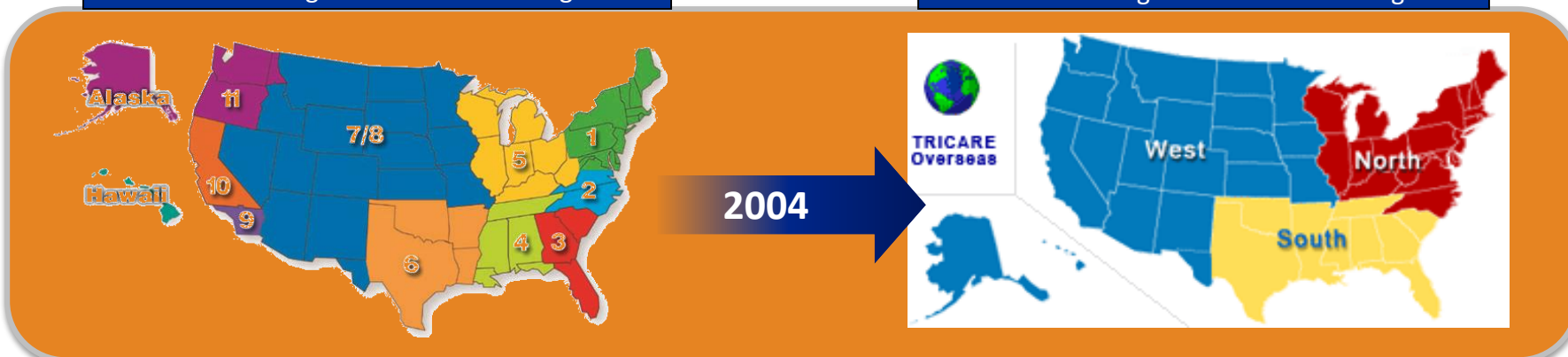
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How We Got Here: History of TRICARE Program Development



12 Domestic Regions & 3 Overseas Regions

3 Domestic Regions & 1 Overseas Region



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The TRICARE Program



- Comprehensive, worldwide medical / dental health benefit program
- Optimize the Military Department's healthcare structure – military treatment facilities – as the primary healthcare delivery system
 - 56 hospitals and medical centers
 - 361 ambulatory care clinics
 - 249 dental clinics
- Augmented by civilian sources of care in the private sector

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TRICARE & TRICARE Transformation

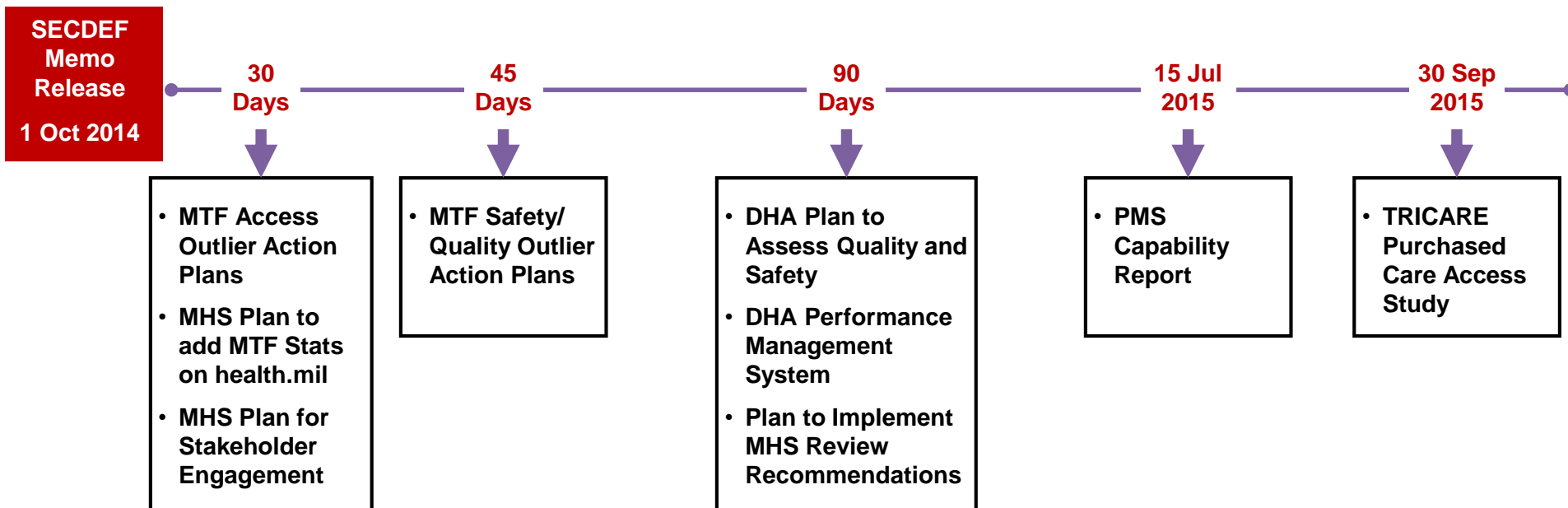


- TRICARE Prime
- TRICARE Standard
- TRICARE Extra
- TRICARE Overseas
- TRICARE For Life
- TRICARE Reserve Select
- TRICARE Retired Reserve
- TRICARE Young Adult
- TRICARE Pharmacy
- TRICARE Dental Plans

- Optimize purchased care contracts
- Align incentives with health outcomes
- Change how we "buy care"
- Standardize definitions and metrics
- Tricare Regional Office (TRO) governance
- Data sharing
- eMSM best practices
- Emerging Technologies and Treatment (E2T)
- Referral Management Reform (RMR)

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SECDEF Memo Timeline



***Timeline Not to Scale**

Ms. Theresa Hart, RNC, MS Perinatal and
Special Medical Needs Nurse Consultant,
Health Care Operations, DHA



TRICARE Pediatric Report to Congress



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Background



Through the direct and purchased care systems, the Military Health System (MHS) provides access and high quality health care to:

- 9.5M eligible MHS beneficiaries
- 2.4M beneficiaries from newborn to 21 years old



Current Initiatives



- The Pediatric Report to Congress based on National Defense Authorization Act (NDAA) 2013 Section 735.
- Pediatric Integrated Project Team (IPT) has been directed by Dr. Jonathan Woodson, ASD(HA) to review gaps, findings and areas for consideration
 - ❑ Includes representatives from the Services, DHA and the DoD Office of Special Needs
 - ❑ Chartered through the Medical Operations Group, Service Representatives at the Deputy Surgeon Generals level
 - ❑ Time limited and focused on the NDAA 2013 S. 735. Final report due the end of 2015.

Medical Necessity; Safe and Effective Care



- **Medically or psychologically necessary care:** The frequency, extent, and types of medical services or supplies which represent appropriate medical care and that are generally accepted by qualified professionals to be reasonable and adequate for the diagnosis and treatment of illness, injury, pregnancy, and mental disorders or that are reasonable and adequate for well-baby care.
- **Safe and Effective Care** defined based on a strict standard requiring review under the “hierarchy of reliable evidence,” (32 C.F.R. § 199.2(b)), which includes only published research based on well-controlled clinical studies, formal technology assessments, and/or published national medical organization policies/positions/reports.

TRICARE Well Child



- TRICARE Well Child Care guidelines based on statute, provided to children from birth through age five:
 - ☐ Routine newborn care,
 - ☐ Health supervision examination
 - ☐ Routine immunizations
 - ☐ Periodic health and Developmental screening
- Pediatric IPT will review the difference in American Academy of Pediatrics, Affordable Care Act and Medicaid's Early and Periodic Screening, Diagnostic, and Treatment program.

TRICARE Negotiated Rates



The discount is called the TRICARE negotiated rate and is optional for providers to accept.

- This discount is an integral part of the TRICARE Prime Program
- No requirement for a provider to agree to, or accept, a discounted rate
- Authorized providers who do not agree to the discounted rate may still treat TRICARE beneficiaries, and may receive the full CMAC for the care provided.

Way Ahead



- Emerging Technologies and Treatment (E2T)
- Working Group review TRICARE data on utilization of preventive care benefits by beneficiaries ages 6 to 21 years. Any change in preventive care benefits would require Congressional approval.
- Strategic engagement and outreach by the DHA to stakeholders and communities of interest
 - ❑ Expansion of TRICARE Program Report to Congress
 - ❑ Leverage health.mil and social media platforms to more broadly share information and solicit input

Additional Resources



- Theresa Hart, RNC, MS Perinatal and Special Medical Needs Nurse Consultant
(Theresa.hart@dha.mil)
- Pediatric Report to Congress:
 - ❑ [http://www.tricare.mil/tma/congressionalinformation/downloads/TRICARE%20Program%20Effectiveness%20\(FY%202014\)%201.pdf](http://www.tricare.mil/tma/congressionalinformation/downloads/TRICARE%20Program%20Effectiveness%20(FY%202014)%201.pdf)
- Military Health System Review, Final report to Secretary of Defense August 2014:
 - ❑ http://www.defense.gov/pubs/140930_MHS_Review_Final_Report_Main_Body.pdf



Questions?



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