

Defense Health Agency J-4 Line of Business

for
The Coalition for Government Procurement

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J-4

May 2, 2017



- DHA J-4 AMETL
- DHA Establishment
- DHA Strategy Map
- Market Focus: eMSMs and MSMs
 - DHA Readiness Platforms
- DHA J-4 Line of Business Under NDAA 2017
- DHA J-4 Initiatives

DHA J-4 AMETL – My CSA Role

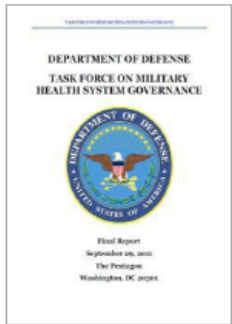
- Manage acquisition of capabilities [CAE]
- Procure products and services [HCA]
- Develop the acquisition workforce [DACM]
- Manage Agreements [SAM]



DHA – Newest Defense Agency, and Evolving



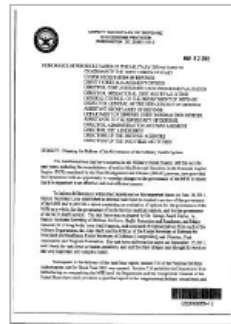
DoD Task Force on MHS Governance



September 2011

Recommended DHA model for MHS governance

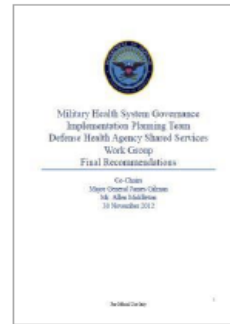
DEPSECDEF Planning Memo



March 2012

Directed planning for DHA implementation

DHA Planning WG Report



November 2012

Provided DHA and Shared Services implementation plan for DEPSECDEF approval

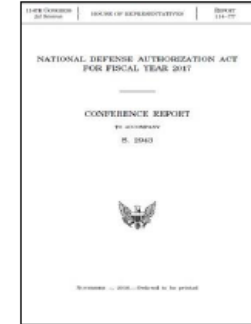
DEPSECDEF “Nine Commandments” Memo



March 2013

Directed implementation of DHA

NDAA 2017



Dec 2017

Directed implementation of NDAA

“Medically Ready Force...Ready Medical Force”

DEFENSE HEALTH AGENCY STRATEGY MAP 2.0

04 August 2016

The Defense Health Agency (DHA) is a joint, integrated Combat Support Agency that enables the Army, Navy, and Air Force medical services to provide a medically ready force and ready medical force to Combatant Commands in both peacetime and wartime.



Operational Medicine
CONOPS

Joint Concept for Health Services

Health Benefit Delivery
CONOPS



READINESS

Ready Medical Force

Medically Ready Force

ENDS

Strengthen Our Role as a Combat Support Agency

“DHA supports Readiness solutions that meet joint mission needs.” (E1)

Fortify Our Relationship with the Services

“I trust the DHA to deliver the support I need for mission success.” (E2)

Optimize Defense Health Agency Operations

“DHA creates greater value through Operational Excellence.” (E3)

WAYS

Deploy Solutions for 21st Century Battlespace (W1)

Respond to Immediate Mission Needs (W2)

Support Service Needs for Data, Reporting, and Analytics (W7)

Modernize TRICARE (W11)

Optimize Portfolio of DHA Initiatives (W14)

Support Integrated Training Requirements (W3)

Deliver and Sustain Electronic Health Record (W8)

Optimize Existing ESAs (W12)

Improve Health Outcomes and Experience in the NCR-MD (W15)

Implement DHA Performance Management System (W16)

Design and Prototype Health Readiness Solutions (W4)

Improve System of DHA Accountability (W9)

Build Robust Improvement Capability (W13)

Maximize Value from Suppliers and Partners (W17)

Optimize Critical Internal Management Processes (W18)

Conduct Health-Related Research (W5)

Leverage Strategic Partnerships (W10)

Gather and Prioritize Requirements (W6)

MEANS

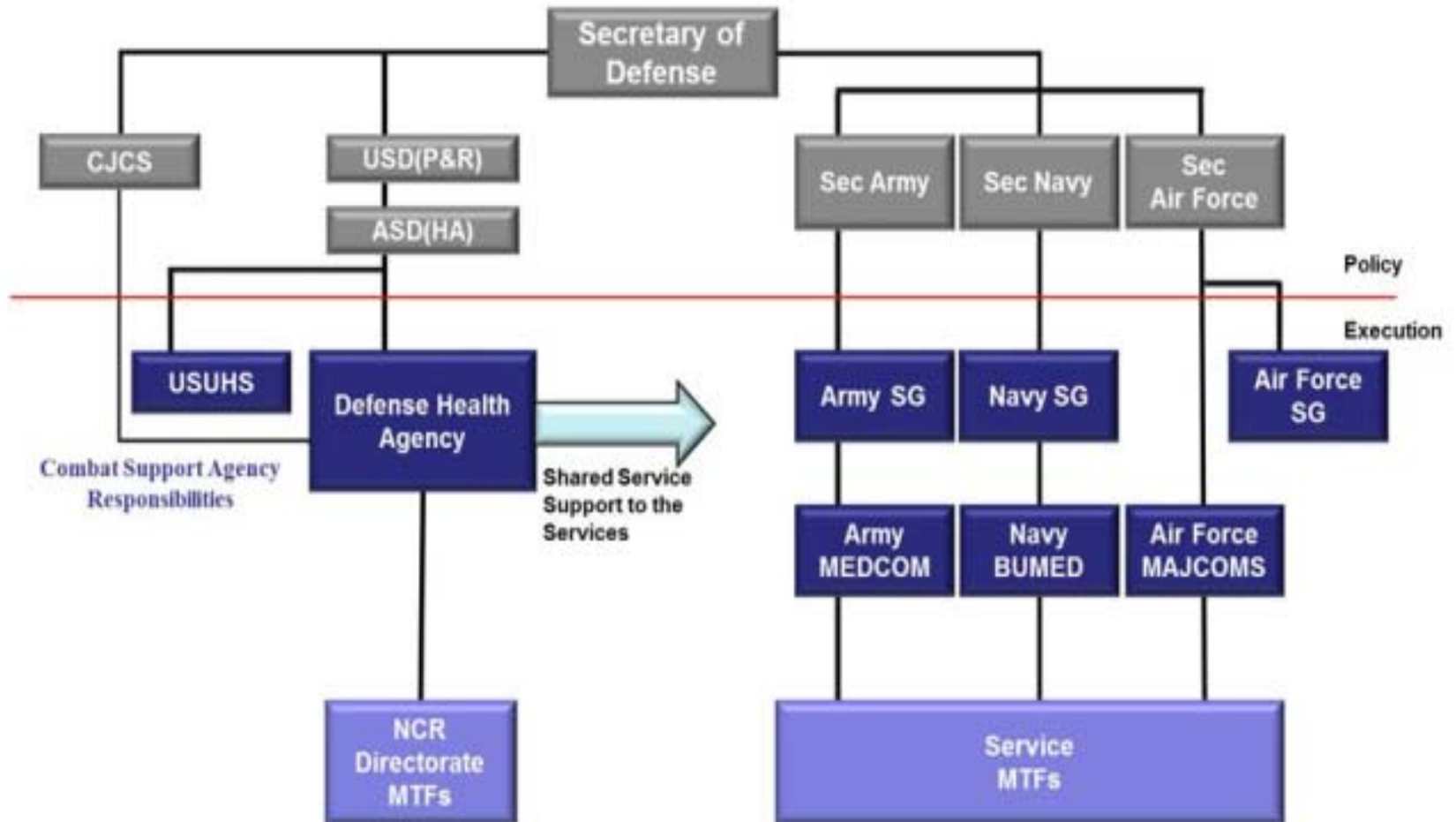
Strengthen Customer Focus (M1)

Shape Workforce for Success (M2)

Align Resources Against Strategic Priorities and Ensure Fiscal Accountability (M3)

Advance a Culture of Continuous Learning (M4)

MHS Big Picture



“Medically Ready Force...Ready Medical Force”

Enhanced Multi-Service Markets (eMSMs)

1. National Capital Region
(Defense Health Agency)

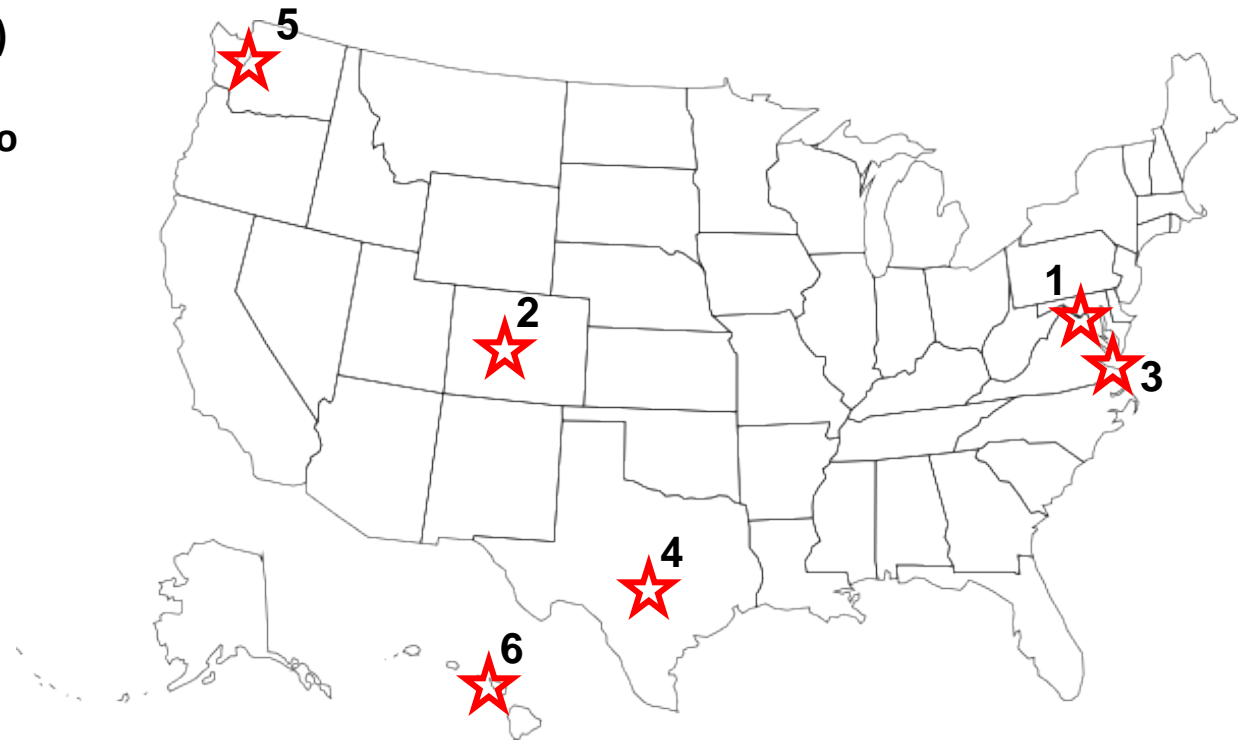
2. Colorado Springs, Colorado
(rotate Air Force/Army)

3. Tidewater, Virginia
(Navy)

4. San Antonio, Texas
(rotate Air Force/Army)

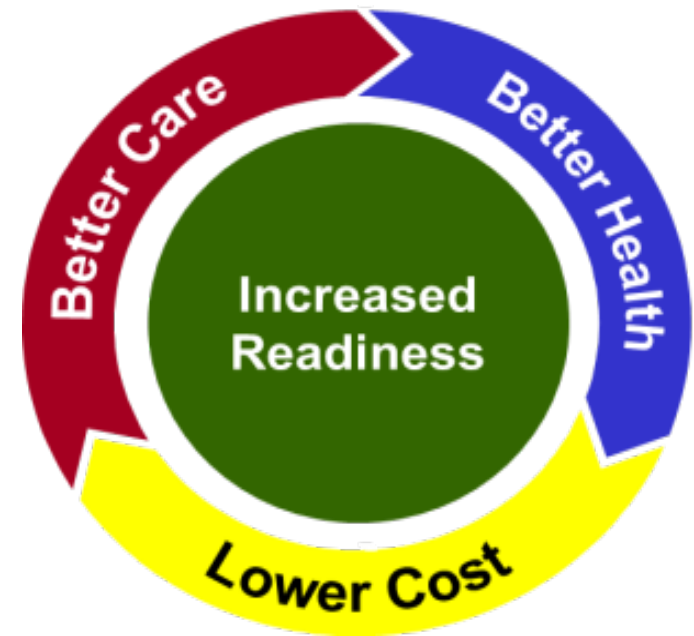
5. Puget Sound, Washington
(Army)

6. Oahu, Hawaii
(Army)



eMSM as a Readiness Platform

- As our principal readiness and training platforms, the eMSMs serve as the centerpiece of clinical and business transformation in the MHS.
- Multi-Service markets are where common clinical and business processes are most needed – at critical hand-off points between Service care systems and external providers.
- eMSMs will set the example for what the future of the MHS will be – multi-Service, integrated, and coordinated



“Enhanced” means:

*There are two distinguishing features of the enhanced Multi-Service Market: a **single market manager**, and a **Market-based business performance plan**.*

Market Manager

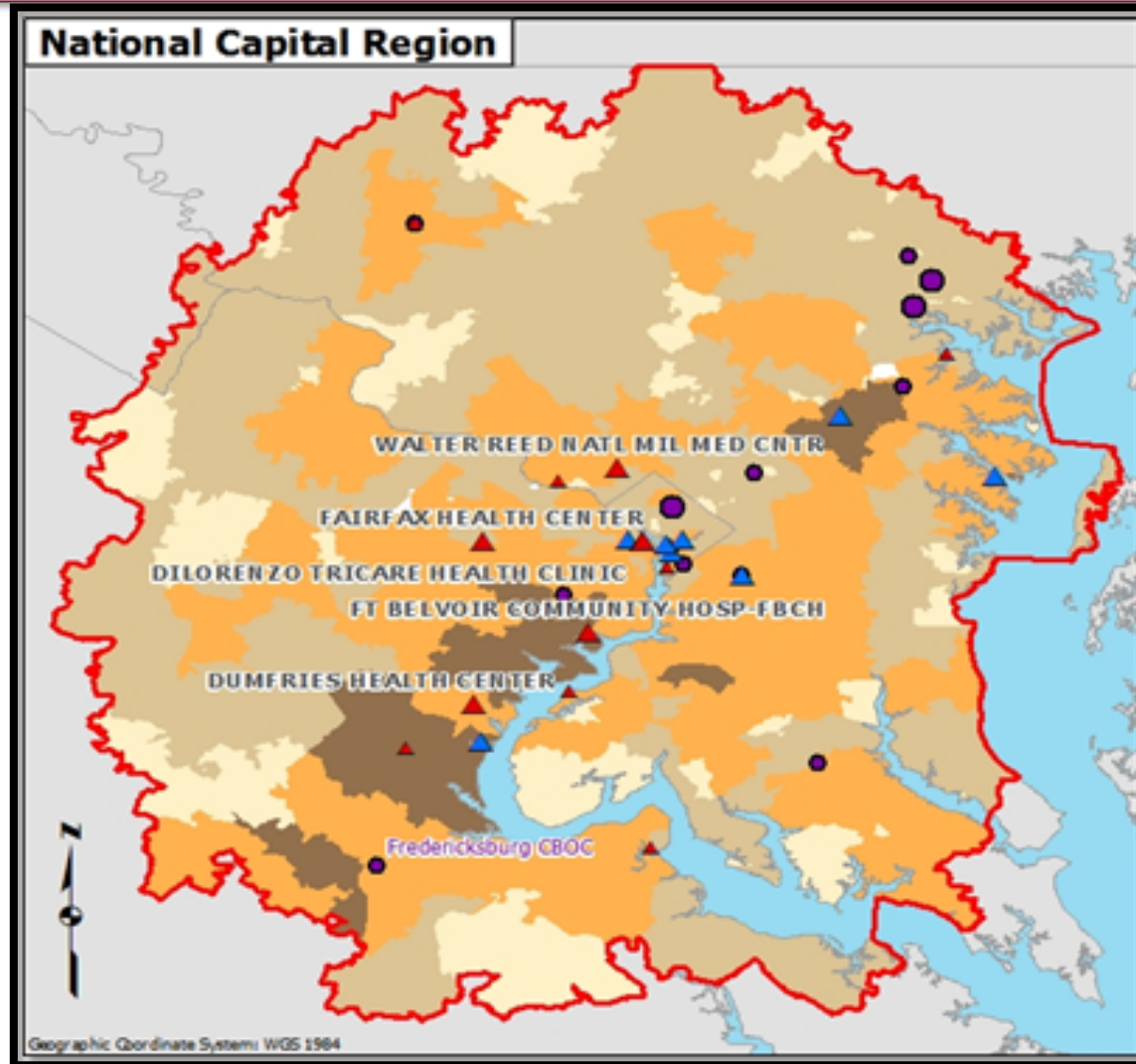
Within each eMSM, an appointed market manager has the authority to:

- Manage the allocation of the budget for the market
- Direct common clinical and business functions for the market
- Direct the movement of workload and workforce among the medical treatment facilities
- Develop, execute and monitor the business performance plan

Business Performance Plan

Within each eMSM, 5-year Business Performance Plans will be:

- Fully-integrated across the entire market, replacing MTF based business plans
- Based on a 5-year planning cycle, as opposed to the traditional 3-year plan
- Aligned with budget execution process to ensure continuity over time



“Medically Ready Force...Ready Medical Force”

Multi-Service Markets

Multi-Service Markets (MSMs) are geographic areas where at least two different Service MTFs have overlapping catchment areas as defined by TRICARE (30/60 minute drive time for primary/specialty care).



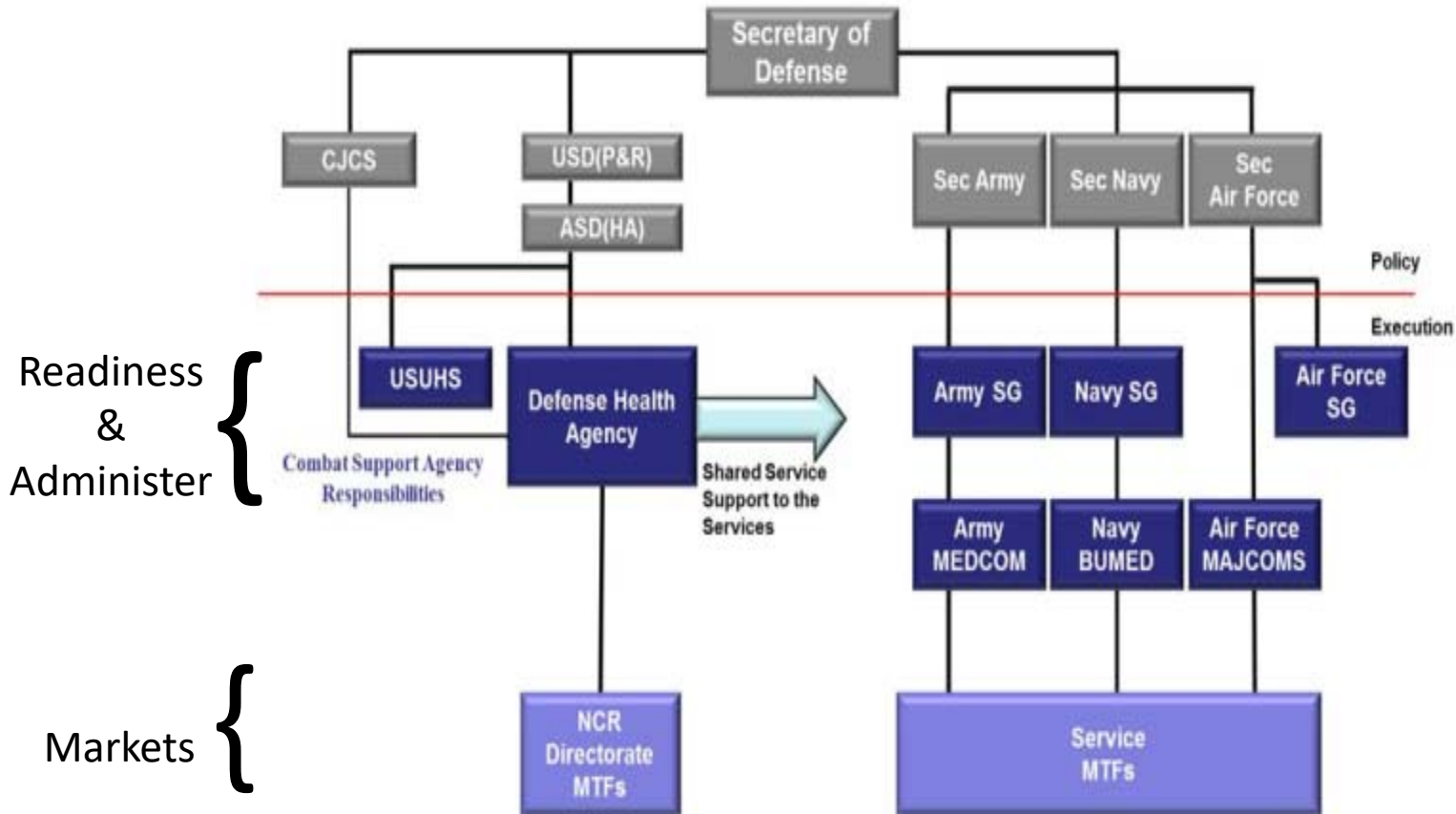
There are 11 locations in the U.S. that are Multi-Service Markets:

1. Tidewater, VA
2. National Capital Region
3. Charleston, SC
4. Bragg/Pope, NC
5. Mississippi Gulf Region, MS
6. San Antonio, TX
7. Colorado Springs, CO
8. Puget Sound, WA
9. Oahu, HI
10. Fairbanks, AK
11. Anchorage, AK

There 4 overseas locations also deemed Multi-Service Markets:

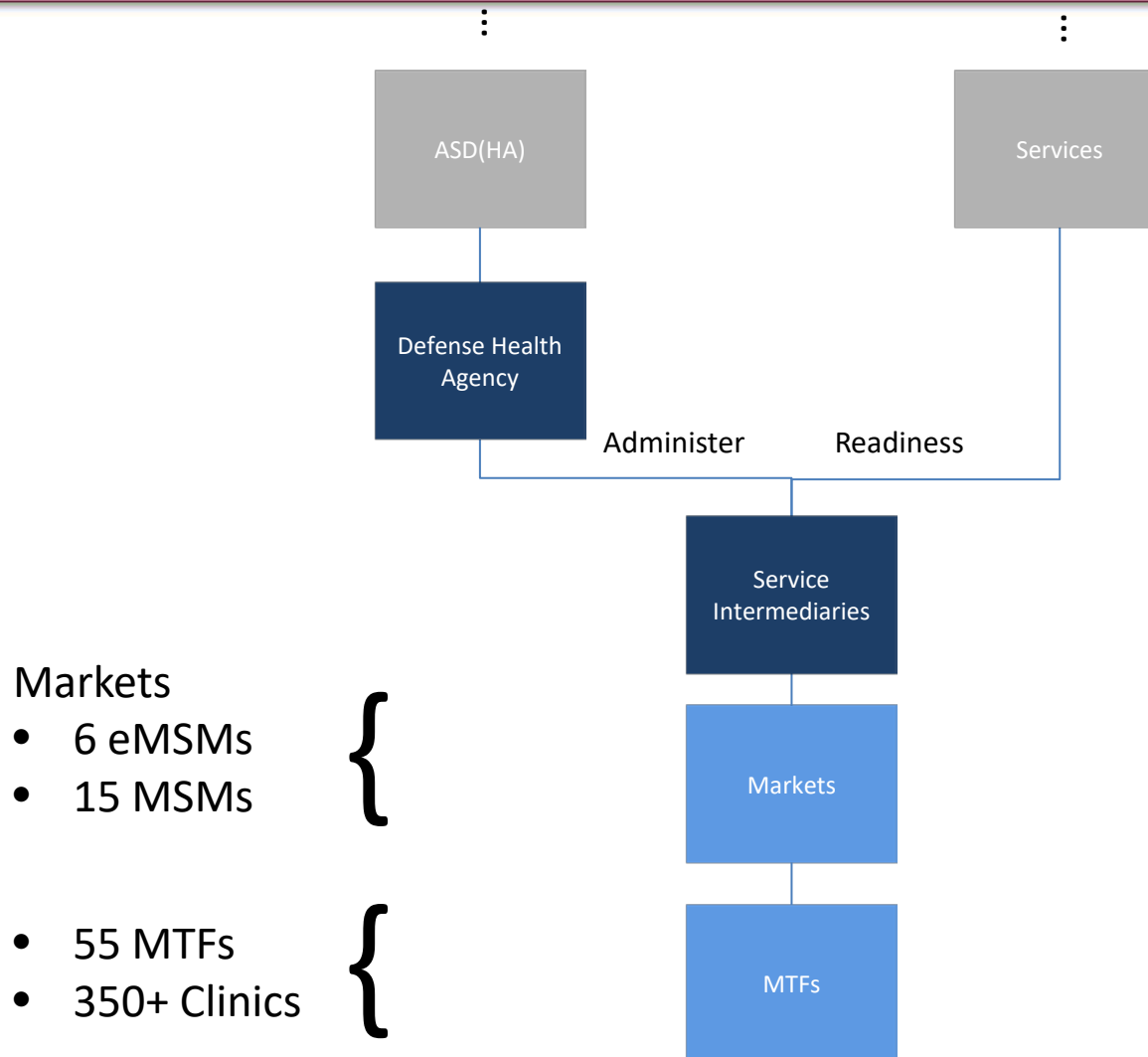
1. Okinawa, Japan
2. Kaiserslautern, Germany
3. Osan Community, South Korea
4. Guam

MHS Market Focus



“Medically Ready Force...Ready Medical Force”

One Concept



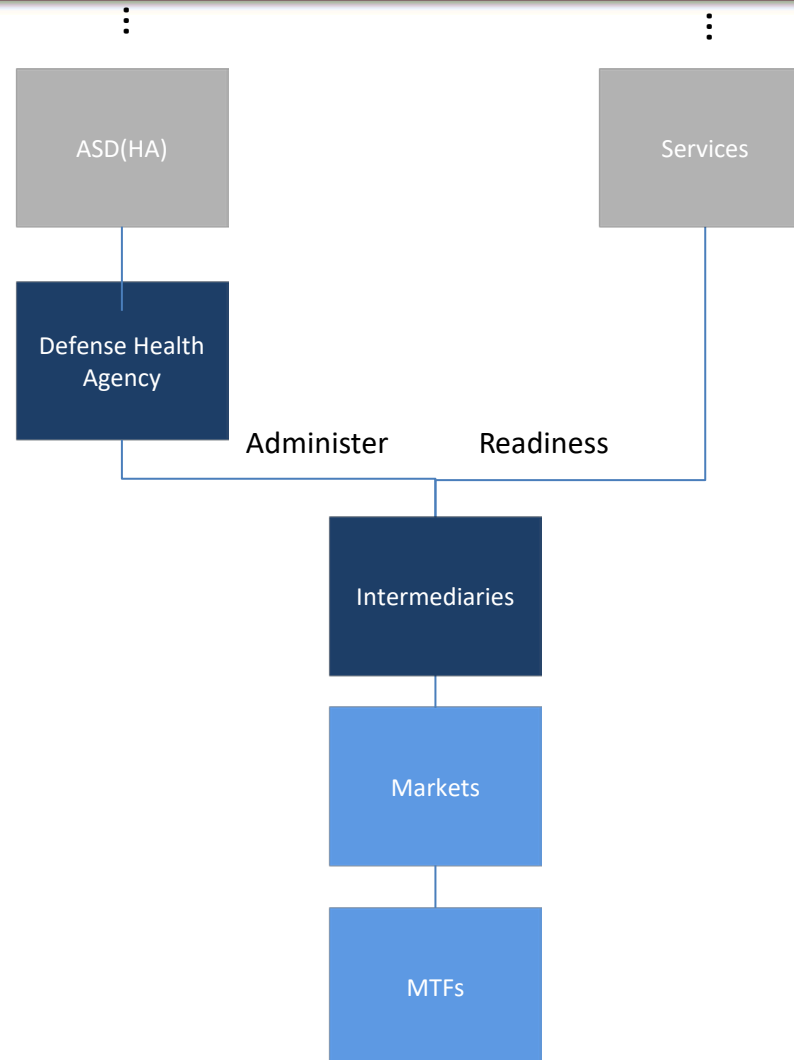
“Medically Ready Force...Ready Medical Force”

DHA J-4 Line of Business



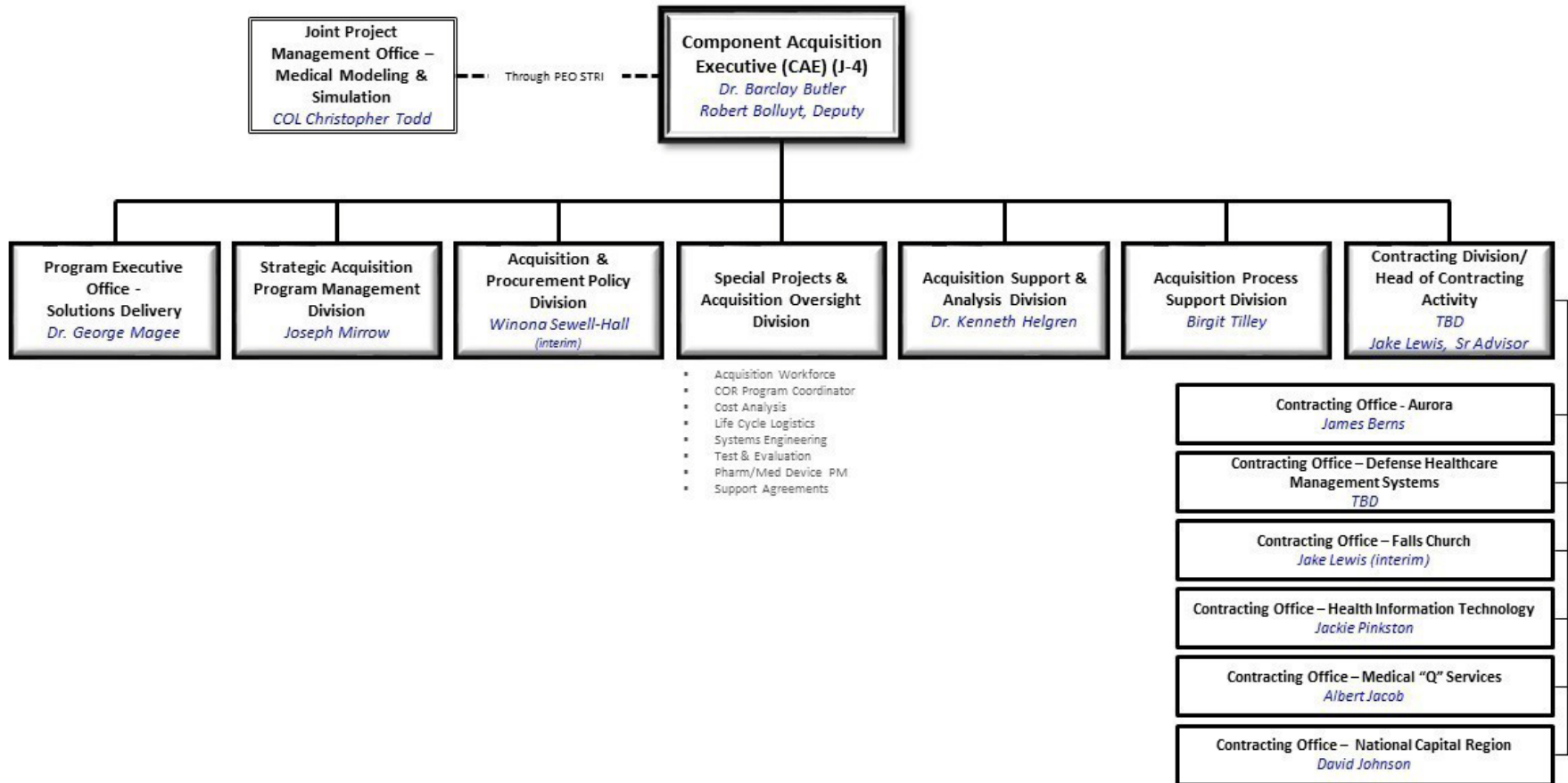
DHA J-4 Role

- Strategy & Policy
- Management
- Execution



“Medically Ready Force...Ready Medical Force”

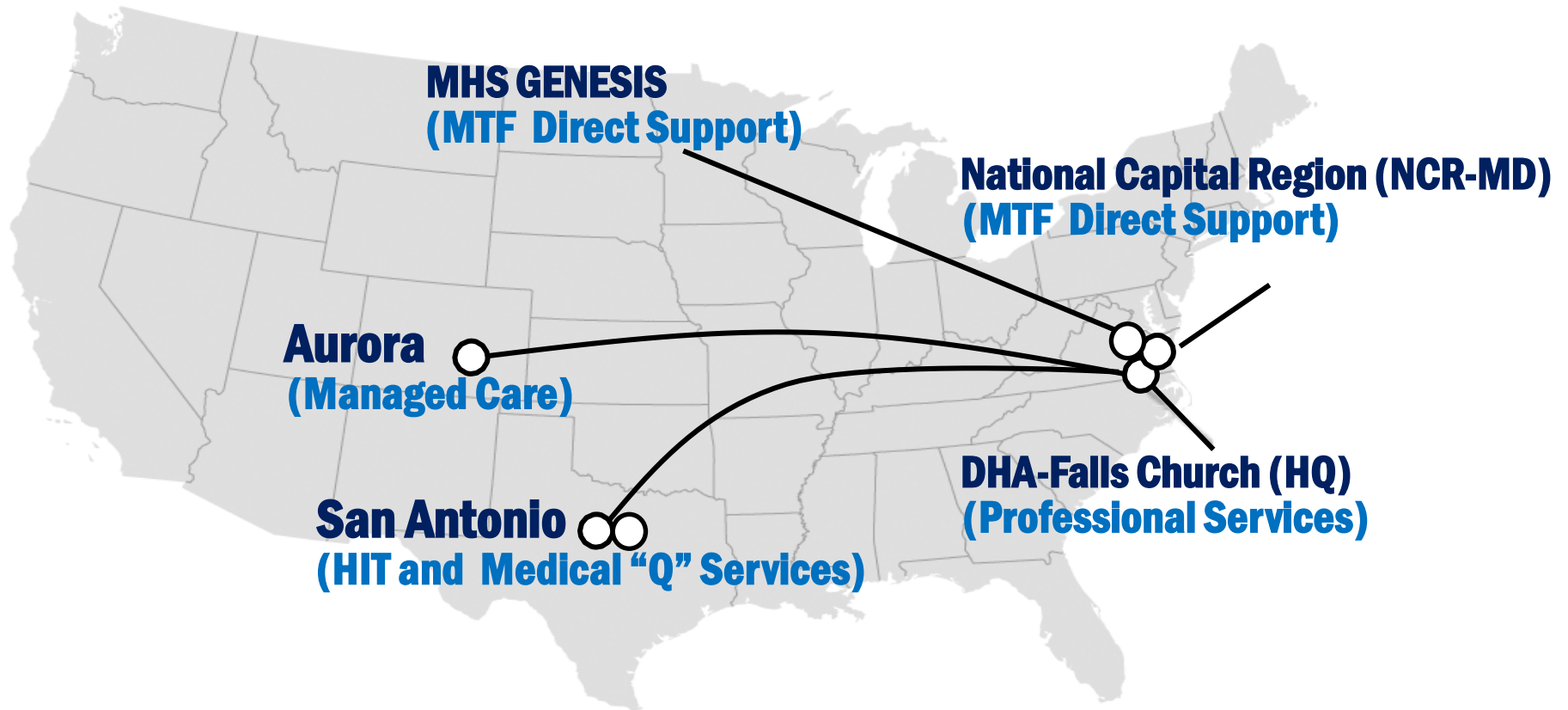
DHA J-4 Organization



v2.2 (20170403)

DHA Procurement Organization

Six Contracting Operations and Locations



"Medically Ready Force...Ready Medical Force"

J-4 Alignment to DHA Strategy Map

READINESS

Ready Medical Force

Medically Ready Force

ENDS

WAYS

MEANS

Strengthen Our Role as a Combat Support Agency

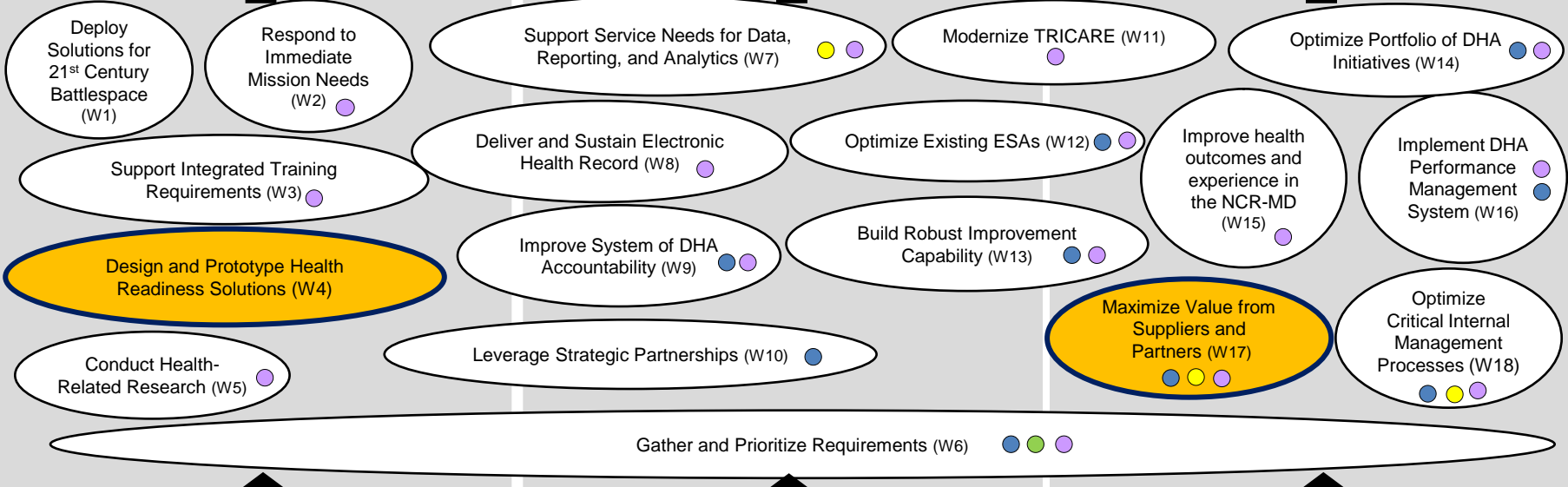
Fortify Our Relationship with the Services

Optimize Defense Health Agency Operations

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"I trust the DHA to deliver the support I need for mission success." (E2)

"DHA improves value through Operational Excellence." (E3)



J-4 CAE	Business Operations	Acquisition Process Support (DAPS)	Acquisition Policy & Control	Strategic Acquisition Program Management (SAPM)	Head Contracting Activity/Contracting Operations
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- Very interested in good relationships with industry
 - We can't do our mission without you
- Industry Days
 - Two per year, DHA-wide
 - May (May 8, 2016) and November
 - Likely make multi-day events
 - 1 day for J-6, 1 day for J-3, 1 day for all others
 - Morning sessions are presentations of opportunities
 - Afternoon sessions are for discussion with PMs/SMEs
 - Opportunity Specific Industry Days
 - Depending on the size of the opportunity

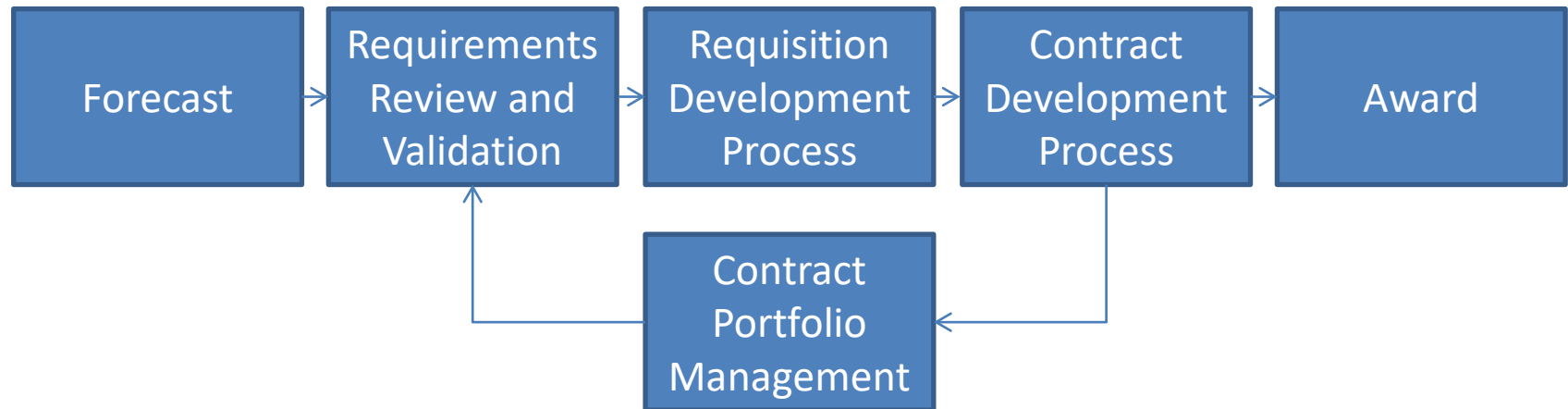
■ Industry Partner Network (IPN)

- Purpose: seeking innovation in support of the DHA mission
- Ask for ideas from industry
 - Using FedBizOps announcements
 - You submit your ideas to the J-4 Web Site (SB site)
- If accepted, then ask for a 1 page white paper
- If accepted, then ask to come and present
 - Shark Tank presentation to SMEs, 1 hour, Q&A
- If accepted, then meet one-on-one with PM/SME
- If accepted, then follow the usual contracting processes
- Measure of success: number of ideas inserted into programs

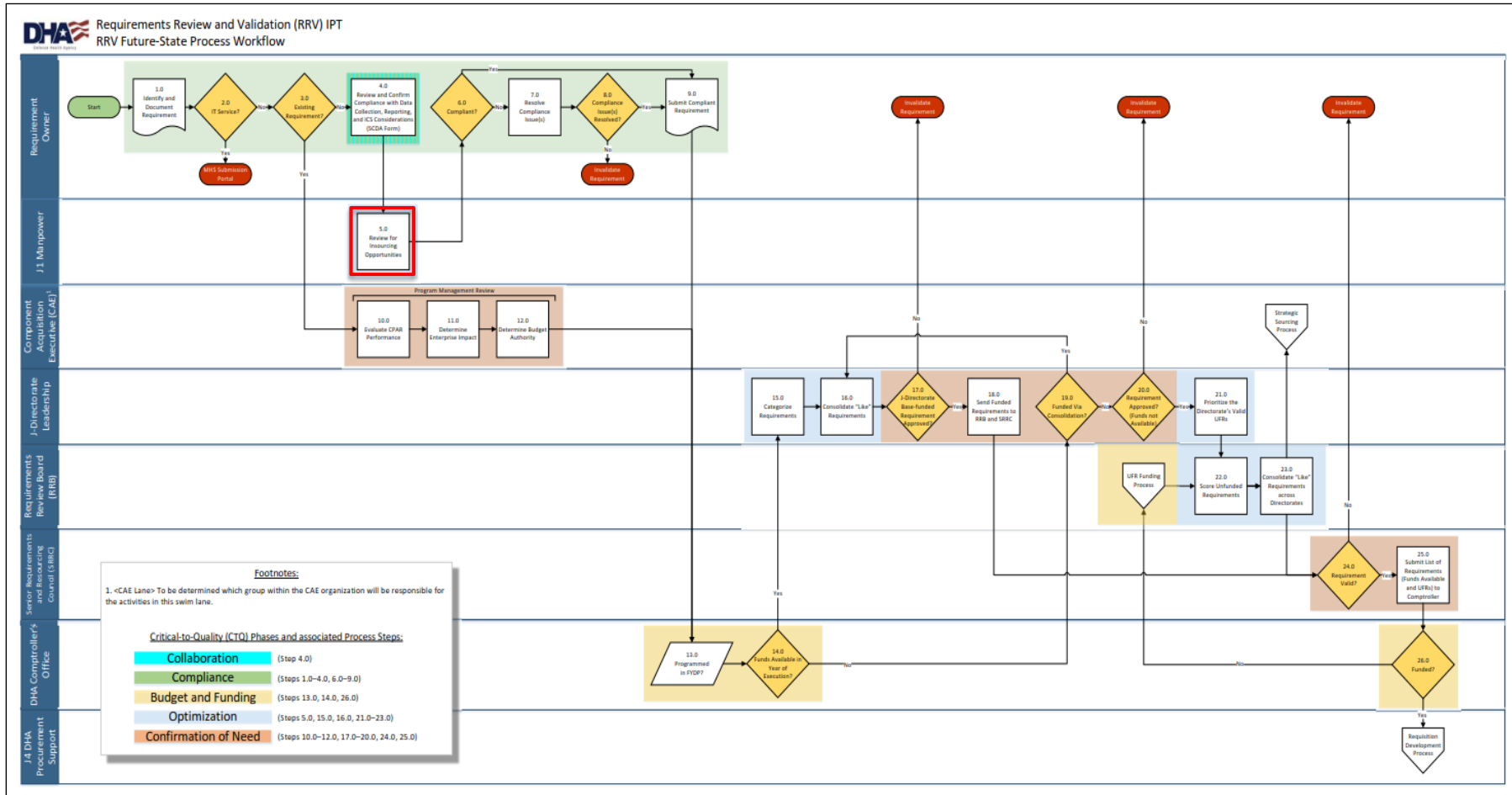
Performance Improvement Processes

■ Classis model approach

- ❑ Flow diagram with multiple swim lanes (owners)
- ❑ Inputs, outputs, metrics for performance
- ❑ RACI (Responsible, Accountable, Consulted, Informed)



Requirements Review and Validation Process (RRV)



Contract Types and Evaluations



■ LPTA (low price technically acceptable)

- Getting away from using this, going to trade offs

■ Fixed Price Incentive

- Cover cost (plus a little more)

- Incent for performance

- Not just contract performance
- Includes incentive for clinical performance and outcomes
- Threshold, Objectives, and incentive curves in between
- Pay monthly (depends on data cycle for specific incentive)
- Likely use a 6 month transition FFP to FPIF

■ Forecast

- Drives workload in the J-4
 - Allows for management of demand signal
- Publish on web site
- Update as new requirements identified
- Continue to refine information over time
- Work on key fields that are important to you
 - Budget range
 - Vehicle
 - Need by dates

■ Strategic Sourcing Vehicles

- Consolidation of contracts for MHS/DHA use
- Q-Services for licensed clinicians
 - Being competed now
 - Award Q1FY18
- Medical Support Services
 - Coming soon
- HIT commodity buys
 - Based on discovery tools, age, and a push from DHA
- Lots more coming

- Seems like we're getting more
 - Not entirely true
 - Peaked in the late 1990s
 - Still below that peak, but rising slowly
- Goal
 - A level playing field – all want this
- Balance the equation, Fix the relationship
 - Gov't gets better at writing the PWSs
 - Follow what we said we'd evaluate against
 - Industry protests when there is a substantive mistake

Government Purchase Card (GPC)



- Dramatic expansion in the next year in DHA
- NDAA has significant increases in limits
 - Need to get into policy before we can use this
- Purpose is to reduce demand signal on KOs
 - Spend time doing more complex contract work
- Structure a more robust management office
- Train the work force
- DHA to MTF program

DHA/GSA Partnership



Both parties agree to work together in partnership

DHA's Commitment:

- 1st review/preference to GSA vehicles (GWACs/S70)
- Spending commitment to these vehicles
- User input for website development

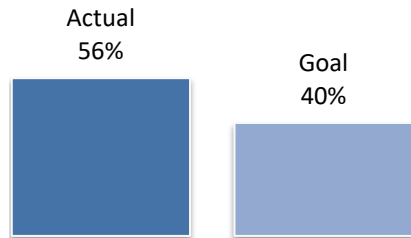
GSA's Commitment:

- Increased support (Personnel, Technical, & Project Mgmt)
- Stronger focus on Health IT (Health IT SIN development)
- DHA Portal Development

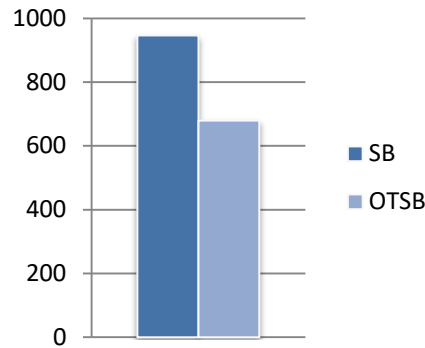
- Use of Agile Principles in contracting
- Pilot effort about to start in DHA J-6
- Based on measurable outcomes
 - Not surrogate measures using status reports or documents
- Contract for capabilities (outcomes)
 - Let requirements evolve

Small Business

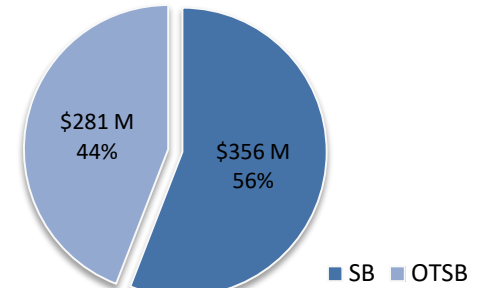
DHA Prime SB Goal Performance



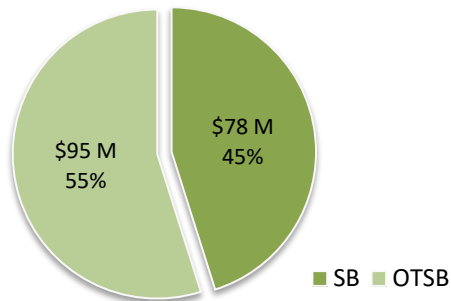
DHA Prime Actions



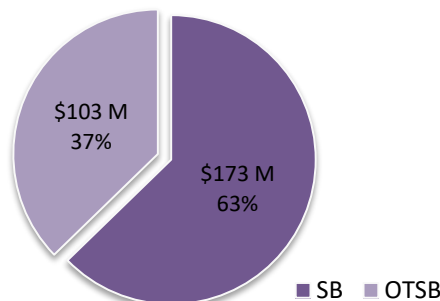
DHA Prime SB Performance



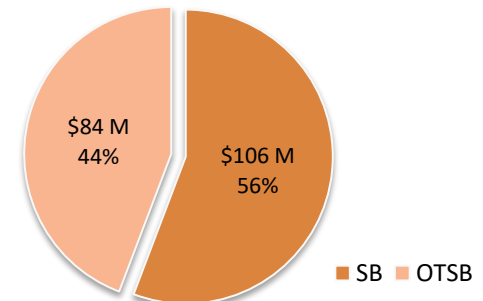
FC Prime SB Performance



NCR Prime SB Performance



SA Prime SB Performance



- Want the best relationships with industry
 - Dramatic increase in communications
 - Many formats and venues
 - All need to know and play by the rules
- DHA is evolving
 - Impact on the J-4 line of business
 - 17 months to get there
- Improve performance of the J-4 Contracting Shops
- Provide better support to the DHA
 - Can't do it with out industry