

**Defense Health Program
Fiscal Year (FY) 2015 Budget Estimates
Procurement**

Appropriation Procurement (\$ M)

Date: March 2014

Line	Item			FY						
<u>No.</u>	<u>Nomenclature</u>	FY 2013	FY 2014	2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
		<u>Actual</u>	<u>Estimate</u>	<u>OCO</u>	<u>Total</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
1	Items greater than \$250,000 each:									
	Medical Equipment - Replacement/Modernization	265.104	377.577	0.000	377.577	283.030	320.104	360.761	394.832	422.353
	Medical Equipment - New Facility Outfitting	71.730	64.187	0.000	64.187	13.057	5.717	33.167	41.225	9.720
	Theater Medical Information Program - Joint	0.000	0.000	0.000	0.000	3.145	1.494	2.413	2.689	2.850
	Integrated Electronic Health Record	0.000	0.000	0.000	0.000	9.181	7.856	0.980	0.000	0.000
	Information Technology Development and Sustainment - DoD Healthcare Management System Modernization	0.000	0.000	0.000	0.000	0.000	0.000	302.802	617.111	628.836

Remarks:

The Defense Health Program (DHP) procurement budget represents a critical element of the Department's capability to provide high quality, cost effective health care for active duty and other eligible beneficiaries. Funds identified in this submission support the acquisition of equipment for facilities in the Army, Navy, Air Force, and National Capital Region (NCR) Medical Directorate. Those facilities range from sophisticated tertiary care medical centers to outpatient and dental clinics and physiological training units. This equipment is essential to provide high quality

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health care services that meet accepted standards of practice. The required safety standards, related laws and regulatory requirements from credentialing and health care standard setting organizations influence and affect the requirement for, cost of, and replacement and modernization of medical equipment. Without the identified resources, the DHP's capability to meet the Department's medical equipment requirements will be severely degraded.

The Department, through the DHP, procures a wide variety of medical items ranging from surgical, radiographic, and pathologic apparatus to medical administrative support equipment. The items to be procured by the resources identified in this schedule are selected by way of a thorough investment equipment justification process. The identification and justification process begins at the medical treatment facility (MTF) level. From there, the requirements are reviewed by functional specialty advisor groups (Surgeon General level), medical logistics experts (Service component), Health Care Support Offices (geographically oriented), and ultimately the Defense Health Council (Tri-Service level). At each level, the requirements are reviewed for the necessity, value, and utility of investment.

Development of an effective equipment replacement and modernization program is a complicated process. In comparison to equipment in other functional areas, the useful life of medical equipment is short. As the current inventory reaches obsolescence, replacements are generally more sophisticated, technologically advanced, and expensive. To ensure that the Department is procuring the appropriate technology for deployment in the most useful locations, the DHP incorporates functional expertise from each echelon of the Department's medical structure into the budget development process. This submission represents a balanced, resource constrained approach to the DHP's investment equipment requirements.

The needs fulfilled by the DHP's procurement budget are diverse. They are used to replace the aging real property support system in existing facilities. Also they are used for medical information system implementation, initial training, software purchases and hardware replacements, such as servers and End User Devise (EUDs).

The Theater Medical Information Program - Joint (TMIP-J) integrates components of the Military Health System sustaining base systems and the Services' medical information systems to ensure timely interoperable medical support for mobilization, deployment and sustainment of all Theater and deployed forces in support of any mission. Funding will be used for implementation and training.

The former joint DoD and Department of Veterans Affairs (VA) integrated Electronic Health Record (iEHR) program has been restructured within the DoD to pursue two separate but related healthcare information technology efforts, the DoD Healthcare Management System Modernization (DHMSM) program and the DoD iEHR program. The iEHR funding will acquire

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infrastructure and data interoperability capability to securely and reliably exchange standardized, normalized, and correlated health data with all partners through standard data / information exchange mechanisms.

Information Technology Deployment and Sustainment - DoD Healthcare Management System Modernization (DHMSM) will acquire and support deployment, and implementation of a commercial electronic health record system (EHRS) that replaces DoD legacy Military Health System (MHS) clinical systems including but not limited to Armed Forces Health Longitudinal Technology Application (AHLTA), Clinical Information System (CIS), Composite Health Care System (CHCS), and the EHR component of the Theater Medical Information Program (TMIP).