

**Fiscal Year (FY) 2016 Budget Estimates
Defense Health Program
Procurement Program**

Appropriation Procurement (\$ M)

| Line | Item | | | | | | | | | |
|------------|--|---------------------------------|----------------------------------|-------------------------------|------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <u>No.</u> | <u>Nomenclature</u> | <u>FY 2014</u> <u>Actual</u> | <u>FY 2015</u> <u>Enacted</u> | <u>FY 2016</u> <u>Base</u> | <u>FY 2016</u> <u>OCO</u> | <u>FY 2016</u> <u>Total</u> <u>Request</u> | <u>FY 2017</u> <u>Estimate</u> | <u>FY 2018</u> <u>Estimate</u> | <u>FY 2019</u> <u>Estimate</u> | <u>FY 2020</u> <u>Estimate</u> |
| 1 | Items greater than \$250,000 each: | | | | | | | | | |
| | Medical Equipment - Replacement/Modernization | 641.577 | 283.030 | 330.504 | 0.000 | 330.504 | 395.504 | 408.424 | 451.163 | 448.997 |
| | Medical Equipment - New Facility Outfitting | 64.187 | 13.057 | 33.392 | 0.000 | 33.392 | 20.347 | 9.530 | 26.538 | 11.554 |
| | Theater Medical Information Program - Joint | 0.000 | 3.145 | 1.494 | 0.000 | 1.494 | 2.413 | 2.689 | 2.850 | 2.907 |
| | Integrated Electronic Health Record | 0.000 | 9.181 | 7.897 | 0.000 | 7.897 | 1.043 | 0.075 | 0.076 | 0.079 |
| | Information Technology Development and Sustainment - DoD Healthcare Management System Modernization | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 181.458 | 663.956 | 684.084 | 699.014 |
| | DoD Medical Information Exchange and Interoperability | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

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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 Medical Directorate (NCRMD). Those facilities range from sophisticated tertiary care medical centers to outpatient medical and dental clinics and physiological training units. This equipment is essential to provide high quality 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 Military 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 Agency (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, comprehensive approach to the Military Health Systems' investment equipment requirements.

The requirements funded by the DHP Procurement Budget are diverse. The budget funds replacement of aging real property support system in existing facilities and medical information system implementation, initial training, software purchases and hardware replacements, such as servers and End User Devices (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 through FY15. Starting in FY16, Procurement funding transitions to support Operational Medicine Support implementation and training activities (FY16 = \$1.494M, FY17 = \$2.413M, FY18 = \$2.689M, FY19 = \$2.850M, and FY20 = \$2.907M).

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The former joint DoD and Department of Veterans Affairs (VA) Electronic Health Record (EHR) 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 EHR/Defense Medical Information Exchange (DMIX) Program. In the Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) Acquisition Decision Memoranda (ADM), dated June 21, 2013 and January 2, 2014, the former joint DoD and VA Integrated Electronic Health Record (iEHR) Program was restructured to pursue two separate but related healthcare information technology efforts, the DoD Healthcare Management System Modernization (DHMSM) program and a newly defined iEHR, Defense Medical Information Exchange (DMIX). focused on providing seamless integrated sharing of electronic health data between the DoD and VA. The remaining iEHR Increment 1 (iEHR Inc 1) was significantly de-scoped to only the Medical Single Sign-on/Context Management (MSSO/CM) implemented at James A. Lovell Federal Health Care Center (JAL FHCC).

Information Technology Deployment and Sustainment - DoD Healthcare Management System Modernization (DHMSM) will acquire and support deployment, implementation, and sustainment of an electronic health record (EHR) system that replaces the DoD legacy MHS inpatient and outpatient EHR systems. Overarching goal of the program is to enable healthcare teams to deliver high-quality, safe care and preventive services to patients through the use of easily accessible standards-based computerized patient records resulting in: improved accuracy of diagnoses and impact on health outcomes; increased patient participation in the healthcare process; improved patient-centered care coordination; and increased practice efficiencies in all settings, including operational environments.

DoD Medical Information Exchange (DMIX) Program will acquire the capabilities necessary to securely and reliably exchange standardized, normalized, and correlated health data with all partners through standard data/information exchange mechanisms. This allows users in different places and different organizations to access, use, and supplement health data (technical interoperability) that has a shared meaning so users (assisted by computers) are able to make care decisions (Semantic Interoperability - Level 4). DMIX manages the data exchange capability from legacy data stores in order to prepare for the transition to the modernized Electronic Health Record platform being acquired by DoD Healthcare Management System Modernization (DHMSM). DMIX consists of a family of capability initiatives supporting the seamless exchange of standardized health data among DoD, VA, other Federal agencies, and private providers as well as benefits administrators. The DMIX program provides the capability for health care providers to access and view complete and accurate patient health records from a variety of data sources thereby allowing healthcare providers to make faster and higher quality care decisions. DMIX was established in accordance with the joint memo from Under Secretary of Defense (Comptroller) and USD(AT&L) titled "Joint Memorandum on Major Defense Acquisition Program and Major Automated Information System Program Resource Transparency in Department of Defense Budget Systems" dated June 27, 2013.