The Defense Health Agency & Facilities Enterprise Support Activity (ESA)

John A. Becker
Director, Facilities Division

6 April 2017

“Medically Ready Force...Ready Medical Force”
Agenda

1. Defense Health Agency (DHA) Overview
2. What is the Facilities ESA?
3. Facility Portfolio Overview
4. 2017 NDAA
How We Got Here

**DoD Task Force on MHS Governance**
- Recommended DHA model for MHS Governance
- September 2011

**DEPSECDEF Planning Memo**
- Directed planning for DHA implementation
- March 2012

**DHA Planning WG Report**
- Provided DHA and Shared Services implementation plan for DEPSECDEF approval
- November 2012

**DEPSECDEF “Nine Commandments” Memo**
- Directed implementation of DHA
- March 2013

**DODD 5136.13**
- Establishes the DHA
- September 2013

**NDAA 2017**
- Directed implementation of NDAA
- Dec 2017

“Medically Ready Force...Ready Medical Force”
DHA Vision and Mission

Vision

A joint, integrated, premier system of health, supporting those who serve in the defense of our country

Key Mission Aspects

- A Combat Support Agency supporting the military services
- Supports the delivery of integrated, affordable, and high quality health services to beneficiaries of the Military Health System (MHS)
- Executes responsibility for shared services, functions, and activities of the MHS
- Serves as the program manager for the TRICARE Health Plan, medical resources, and as the market manager for the National Capital Region (NCR) enhanced Multi-Service Market
- Manages the execution of policy as issued by the Assistant Secretary of Defense for Health Affairs
- Exercises authority, direction and control over the inpatient facilities and the subordinate clinics assigned to the DHA in the NCR Directorate

“Medically Ready Force…Ready Medical Force”
Defense Health Agency
A Global Support Operation
Medically Ready Force...Ready Medical Force
Your Military Health System

Defense Health Agency

Secretary of Defense

Policy & Oversight

Execution

MHS Governance

Defense Health Agency

Service Medical Organization

“Medically Ready Force...Ready Medical Force”
DHA Shared Services
Also known as Enterprise Support Activities (ESA)

- Pharmacy Programs
- TRICARE Health Plan
- Health Information Technology
- Budget & Resource Management
- Medical Logistics

Facilities
- Procurement/Contracting
- Research, Development & Acquisition
- Public Health
- Education & Training Directorate

Facilities Shared Service is the collaborative team made up of the DHA Facilities Division (owner) and the three Service Surgeons General facilities staffs (users). In design and acquisition, the Agents are added.
Role of the ESA

- Achieve Standardization
  - Reduce unproductive variation
  - Eliminate redundant processes

- Improve Performance
  - Enterprise-wide measurement of outcomes
  - Rapid adoption of proven practices

- Deliver Cost Savings and Better Value
  - Streamlined operations
  - Increased process efficiency

“Medically Ready Force…Ready Medical Force”
Organizational and Business Alignment

“Medically Ready Force...Ready Medical Force”
Facilities ESA
Functional Roles & Organizational Structure

PL 1: Portfolio Management
- Maintain / analyze data
- Shape demand signal
- Identify gaps
- Coordinate contracts, research, training

PL 2: Req. Planning
- MILCON requirements planning
- MILCON Prioritization Process (CIDM)
- RM Coordination

PL 3: Design, Construction, and Activation
- Design and construction on-site oversight for ROB & WRNMMC
- Program Management for MILCON
- Provide scope/cost direction and funding to Agents
- IO&T coordination
- MILCON Design Review

PL 4: Facility Operations
- Program management for sustainment, RM, DMLSS, and asset performance

DHA

Services

"Medically Ready Force...Ready Medical Force"
Accountability

“Medically Ready Force...Ready Medical Force”
Linking Planning to Mission and Goals

“Medically Ready Force...Ready Medical Force”
Key Successes

- Standardized demand signal and prioritization process for MilCon requirements
- Standardized Sustainment, Restoration, and Modernization programming models
- Standardized IO&T programming model
- Facilities support to e-MSMs for future capital requirements
- BUILDER implementation (Enterprise Facility Condition Assessment)
The MHS Facility Inventory

A large, diverse, and global portfolio
• Plant Replacement Value = $37B
• 74M square feet
  ✓ 51 Hospitals
  ✓ 381 Medical Clinics
  ✓ 248 Dental Clinics
  ✓ 251 Vet Clinics

Over $13 billion in major construction 2007-2016!

“Medically Ready Force...Ready Medical Force”
## FY 2017 Defense-Wide PB, DHA

<table>
<thead>
<tr>
<th>Service</th>
<th>State</th>
<th>Location</th>
<th>Project</th>
<th>Authorization ($000)</th>
<th>Appropriation ($000)</th>
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</thead>
<tbody>
<tr>
<td>DHA</td>
<td>MD</td>
<td>WRNMMC Bethesda</td>
<td>MEDCEN Addition/Alteration, Inc 1 of 4</td>
<td>$510,000</td>
<td>$50,000</td>
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<td></td>
<td></td>
<td></td>
<td><strong>HA Total:</strong></td>
<td><strong>$510,000</strong></td>
<td><strong>$50,000</strong></td>
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<tr>
<td>Army</td>
<td>GA</td>
<td>Ft. Gordon</td>
<td>Medical Clinic Replacement</td>
<td>25,000</td>
<td>$25,000</td>
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<tr>
<td></td>
<td>GY</td>
<td>Rhine Ordinance Barracks</td>
<td>Medical Center Rpl, Incr 6 of 7</td>
<td>-</td>
<td>$58,063</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Army Total:</strong></td>
<td><strong>$25,000</strong></td>
<td><strong>$83,063</strong></td>
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<tr>
<td>Navy</td>
<td>ME</td>
<td>Portsmouth Naval Shipyard</td>
<td>Medical/Dental Clinic Replacement</td>
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<td>$27,100</td>
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<tr>
<td>Navy</td>
<td>NC</td>
<td>MCB Camp Lejeune</td>
<td>Dental Clinic Replacement</td>
<td>$31,000</td>
<td>$31,000</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Navy Total:</strong></td>
<td><strong>$58,100</strong></td>
<td><strong>$58,100</strong></td>
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<tr>
<td>Air Force</td>
<td>TX</td>
<td>Sheppard Air Force Base</td>
<td>Medical/Dental Clinic Replacement</td>
<td>$91,910</td>
<td>$91,910</td>
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<tr>
<td>Air Force</td>
<td>JA</td>
<td>Kadena, Air Base</td>
<td>Medical Materiel Warehouse</td>
<td>$20,881</td>
<td>$20,881</td>
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<td></td>
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<td><strong>Air Force Total:</strong></td>
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<td><strong>Major Construction Projects</strong></td>
<td><strong>$705,891</strong></td>
<td><strong>$303,954</strong></td>
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<td><strong>Unspecified Minor Construction</strong></td>
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<td><strong>Total Medical MILCON</strong></td>
<td><strong>$705,891</strong></td>
<td><strong>$312,454</strong></td>
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</table>

"Medically Ready Force...Ready Medical Force"
MilCon POM FY 2017-2021
Defense-Wide, DHA

Themes

• Program priorities based on MHS Demand
  Signal and Strategic Priorities

• Significant future investment in clinics (17 projects in POM)

• 6 Hospital replacements

“Medically Ready Force...Ready Medical Force”
## FY 2017 PB Defense-Wide, DHA Medical MilCon Projects

(Approps in $000)

### PB 2017 FYDP

<table>
<thead>
<tr>
<th>Service</th>
<th>State</th>
<th>Installation</th>
<th>Project Title</th>
<th>FY 2017 ($000)</th>
<th>FY 2018 ($000)</th>
<th>FY 2019 ($000)</th>
<th>FY 2020 ($000)</th>
<th>FY 2021 ($000)</th>
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<tbody>
<tr>
<td>DHA</td>
<td>MD</td>
<td>Naval Support Activity Bethesda</td>
<td>WRNMMC Add/Alt, Incr 1 of 4</td>
<td>50,000</td>
<td>210,000</td>
<td>200,000</td>
<td>50,000</td>
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<td>zGY</td>
<td>Rhine Ordnance Barracks</td>
<td>Medical Center Replacement, Incr 6 of 7</td>
<td>58,063</td>
<td>394,872</td>
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<td>TX</td>
<td>Sheppard AFB</td>
<td>Medical/Dental Clinic Replacement</td>
<td>91,910</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Army</td>
<td>GA</td>
<td>Fort Gordon</td>
<td>Medical Clinic Replacement</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Navy</td>
<td>NC</td>
<td>MCB Camp Lejeune</td>
<td>Dental Clinic Replacement</td>
<td>31,000</td>
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<td>-</td>
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<tr>
<td>Air Force</td>
<td>zJP</td>
<td>Kadena AB</td>
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<td>ME</td>
<td>NSY Portsmouth</td>
<td>Medical/Dental Clinic Replacement</td>
<td>27,100</td>
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<td>Army</td>
<td>HI</td>
<td>Schofield Barracks</td>
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<td>134,000</td>
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<td>WA</td>
<td>NAS Whidbey Island</td>
<td>Hospital Replacement (Oak Harbor)</td>
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<td>197,000</td>
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<td>CA</td>
<td>MCB Camp Pendleton</td>
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<td>Navy</td>
<td>NC</td>
<td>MCB Camp Lejeune</td>
<td>Medical Clinic Add/Alt (French Creek)</td>
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<td>Navy</td>
<td>NC</td>
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<td>Medical/Dental Clinic (Wallace Creek)</td>
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<td>Navy</td>
<td>SC</td>
<td>NAVHOSP Beaufort</td>
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<td>Geilenkirchen AB</td>
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<td>-</td>
<td>20,094</td>
<td>-</td>
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<tr>
<td>Navy</td>
<td>MD</td>
<td>NAS Patuxent River</td>
<td>Medical/Dental Clinic Replacement</td>
<td>-</td>
<td>-</td>
<td>52,000</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Air Force</td>
<td>CO</td>
<td>Schriever AFB</td>
<td>Medical/Dental Clinic Addition/Alteration</td>
<td>-</td>
<td>6,700</td>
<td>-</td>
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<td>Army</td>
<td>GA</td>
<td>Fort Gordon</td>
<td>Blood Donor Center</td>
<td>-</td>
<td>-</td>
<td>8,200</td>
<td>-</td>
<td>-</td>
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<tr>
<td>HA</td>
<td>MD</td>
<td>Naval Support Activity Bethesda</td>
<td>Education &amp; Research Building &amp; Alt (USUHS)</td>
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<td>-</td>
<td>-</td>
<td>278,000</td>
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<td>MO</td>
<td>Fort Leonard Wood</td>
<td>Hospital Replacement</td>
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<td>-</td>
<td>-</td>
<td>100,000</td>
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<td>AZ</td>
<td>Fort Huachuca</td>
<td>Medical Clinic Replacement</td>
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<td>-</td>
<td>13,000</td>
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<td>Navy</td>
<td>CA</td>
<td>Naval Base Point Loma</td>
<td>Naval Health Research Center Replacement</td>
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<td>-</td>
<td>-</td>
<td>49,000</td>
<td>-</td>
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<td>Navy</td>
<td>CA</td>
<td>MCRD San Diego</td>
<td>Dental Clinic Replacement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33,000</td>
<td>-</td>
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<tr>
<td>Air Force</td>
<td>AZ</td>
<td>Davis-Monthan</td>
<td>Medical/Dental Clinic Replacement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>65,000</td>
<td>-</td>
</tr>
<tr>
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<td>CO</td>
<td>Fort Carson</td>
<td>Medical Clinic, Butts Field</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,000</td>
<td>-</td>
</tr>
<tr>
<td>Army</td>
<td>MO</td>
<td>Fort Leonard Wood</td>
<td>Blood Donor Center Replacement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,000</td>
<td>-</td>
</tr>
<tr>
<td>Army</td>
<td>WA</td>
<td>Joint Base Lewis-McChord</td>
<td>Hospital Add/Alt (Maternal &amp; Infant)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Army</td>
<td>OK</td>
<td>Fort Sill</td>
<td>Behavioral Health Clinic Add/Alt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,500</td>
<td>-</td>
</tr>
<tr>
<td>Army</td>
<td>WA</td>
<td>Joint Base Lewis-McChord</td>
<td>Behavioral Health Clinic Add/Alt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
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</table>

### Total MilCon TOA, Projects, UMC, and P&D

<table>
<thead>
<tr>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
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<td>312,454</td>
<td>867,363</td>
<td>540,982</td>
<td>551,734</td>
<td>562,768</td>
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</table>

### All projects

| Total | 303,954 | 824,272 | 477,294 | 486,000 | 498,500 |

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"Medically Ready Force...Ready Medical Force"
“the conferees conclude that a **single agency responsible for the administration of all MTFs** would best improve and sustain operational medical force readiness and the medical readiness of the Armed Forces, improve beneficiaries’ access to care and the experience of care, improve health outcomes, and lower the total management cost of the military health system. The conferees believe that the **current organizational structure of the military health system** – essentially three separate health systems each managed by one of the three Services – paralyzes rapid decision-making and stifles innovation in producing a modern health care delivery system that would better serve all beneficiaries. A **streamlined military health system management structure** would eliminate redundancy and generate greater efficiency, yielding monetary savings to the Department while leading to true reform of the military health system and improving the experience of care for beneficiaries.”
NDAA 2017: Improves access to quality care for warfighters, retirees, and their families, while enhancing medical readiness

- Improving and Maintaining Operational Medical Force Readiness
- Creating Health Value
- Enhancing Access to High Quality Healthcare
- Improving Beneficiaries’ Health Outcomes
- Demanding Performance Accountability
- Driving Efficiencies and Eliminating Waste
- Modernizing TRICARE Support Contracts

“Medically Ready Force...Ready Medical Force”
Multi-Service Markets:
2 or more Services, large beneficiary population, 45% direct care dollars, large GME & readiness platforms

The Eight Largest Markets (and Service/Department Leads)

- Puget Sound, Washington (Army)
- National Capital Region (DHA)
- Tidewater (Navy)
- Ft. Bragg (Army)
- San Antonio, Texas (rotate Air Force/Army)
- Colorado Springs, Colorado (rotate Air Force/Army)
- San Diego (Navy)
- Oahu, Hawaii (Army)

= eMSM
= Single Service
Multi-Service Markets

Concept of Operations

- Principal readiness platforms to train deployable medical force
- Critical test of our ability to successfully function in joint manner without command and control authorities
- Laboratories for testing/evaluation of new approaches to healthcare delivery
- Primary targets for recapturing care that has moved to civilian sector over last 15 years increasing clinical complexity in our MTFs

“Medically Ready Force...Ready Medical Force”
Potential Legislative Impacts to the MHS Facility Portfolio

- Modernization Study Update
  - SecDef to submit an update of 2015 MHS Mod Study by Sep 2017
- Implementation Plan
  - SecDef to submit a plan to restructure or realign MTFs by Dec 2018
- NDAA 2017 may affect
  - Prioritization of medical MilCon program
  - Scope and capabilities of future MilCon projects
  - Existing MHS facility infrastructure

The MHS must be cognizant of Congressional intent when requesting future MilCon funding

“The Medically Ready Force...Ready Medical Force”
Great People Are Counting On Us

Coming Together is a Beginning, Keeping Together is Progress, Working Together is Success

"Medically Ready Force...Ready Medical Force"

Henry Ford