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Defense Health Agency

2015 Defense Health Information Technology Symposium

MTF Level IT Spend--Things You Didn't Know But Should

"Medically Ready Force…Ready Medical Force"

DHA Vision

Defense Health Agency

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

Learning Objectives

Defense Health Agency

- Explain what is and is not included in local IT annual spend plans
- Describe the process and timeline for submission, review, approval and execution of local IM/IT annual spend plans
- Discuss the construct/governance process, at a high-level, by which HIT investment decisions are made & identify the requirement & process for IT portfolio rationalization
- Define and restate the requirement, process and timeline for Defense Business System (DBS) Certification submission & approval
- Discuss Zero-Based Budget Review (ZBR) process & requirements

Agenda

- IM/IT Annual Spend Plans
- Governance & Resourcing of IT Investments
- DBC Process
- Zero-based budgeting

IM/IT Annual Spend Plans

IM/IT Annual Spend Plans
Financial Management Phased Approach

Defense Health Agency

- Phased Approach to HIT Financial Management
  - Fiscal Year (FY)15 –Learn & gain visibility of current financial execution of all HIT activities at all organizational levels
  - FY16 – Headquarters (HQ) Chief Information Officer (CIO) Offices & Service IT execution commands transition to DHA HIT
    - Navy Medicine Information Systems Support Activity (NAVMISSA)
    - Air Force Medical Operations Agency (AFMOA) IT
    - US Army Medical Information Technology Center (USAMITC)
    - Services maintained small IT cell
  - FY18 & out years – Future activities proposed to transition to DHA
    - Systems/Applications with a Military Health System (MHS) Enterprise scope
    - End User Devices
    - Areas identified for consolidation/centralized management

IM/IT Annual Spend Plans
Spend Plan Approach

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- Purpose: Use HIT Spend Plans to learn & gain visibility of IT spending, beginning in FY15
  - Format: Standard Excel template for all Services
  - Scope: **All IT expenditures by Budget Activity Group (BAG) & Object Class**
  - Spend Plan Responsible Individuals: Organization CIOs submit plan upon approval from Commander (in coordination with Resource Managers & Administrators)
  - Monitoring frequency: DHA/HIT monitors spend plan against execution quarterly & by exception (beginning in FY16)
  - Timeline: initial plans due in August; final approved in September
  - Revisions: Updates to HIT Spend Plans accomplished by Services as needed (with HIT visibility)

IM/IT Annual Spend Plans

Spend Plan Approach Template

				IT SPEND PLAN REPORT Amounts in $000s				
Object Class	**EEIC (AF Only)**	**BAG**	**Program Element**	**Object Class/EEIC Description**	**Annual IMIT Requirements Projection**	**Oct**	**Nov**	**Dec**
1XXX	**1XX**			**Personnel Compensation (Civilian)**	$ -			
1XXX	**1XX**			**Personnel Compensation (Civilian)**	$ -			
21XX	**409**			**Travel/Transportation of persons**	$ -			
21XX	**409**			**Travel/Transportation of persons**	$ -			
23XX				**Rent/Communication/Utilities**	$ -			
232X	471			Leased Space	$ -			
233X	441			Dedicated Long-haul Communications	$ -			
233X	443			Wireless, Voice & Radio Operations	$ -			
233X	447			Reimbursable Communications Charges	$ -			
233X	449			Other Communication Charges	$ -			
233X	440			Network Operations	$ -			
233X	442			Purchased Communications – Voice	$ -			
233X	446			Postal & Express Mail Service	$ -			
2338/E/G/S/W	480			Purchased Commercial Utilities	$ -			

IM/IT Annual Spend Plans
FY16 Timeline

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Jun-Jul 2015
- Prepare FY16 spend plan template

Aug 2015
- Submit initial FY16 spend plan

Sept 2015
- Finalize FY16 spend plan

Jan 2016
- FY16 spend plan quarterly review

April 2016
- FY16 spend plan quarterly review

Jun-Jul 2016
- Prepare FY17 spend plan template

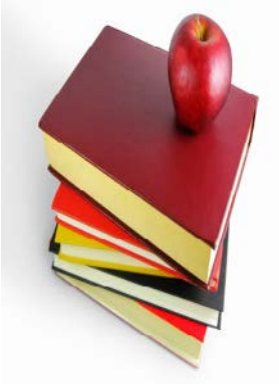
July 2016
- FY16 spend plan quarterly review

Aug 2016
- Submit FY17 spend plan

Sept 2016
- Finalize FY17 spend plan

Oct 2016
- FY16 spend plan quarterly review

IM/IT Annual Spend Plans
Lessons Learned



- Process Issues
  - ❑ Standardize nomenclature across services
  - ❑ Develop process to track & integrate unfunded requirements (UFR) into future spend plans
  - ❑ Request additional contract information to facilitate contract rationalization
  - ❑ Establish version controls & utilize SharePoint for collaboration
  - ❑ Lock template to prevent formatting, formula, or design changes
  - ❑ Simplify from monthly to quarterly data
- Training & Guidance Issues
  - ❑ Incorporate lessons learned into training for users (IT & resources)
  - ❑ Provide guidance to avoid ‘peanut butter’ spread of requirements
  - ❑ Communicate standard number format--millions, thousands or whole dollars

IM/IT Annual Spend Plans
Way Ahead

- Standardize funding within BAG 4 whenever possible
- Establish a dedicated DHA HIT Team for analysis & reporting
  - Establish working groups including Military Treatment Facility (MTF) personnel to assist in contract rationalization
- Develop process to compare spend plans to quarterly execution
  - Obtain access to the accounting system for each Service
  - Reconcile spend plans with IT53s &/or Program Objective Memorandum (POM) data
- Utilize ZBR process to obtain HIT spend plan data
  - Develop multi-purpose template for data collection & streamlined consolidation process
  - Select a system/application for data capture that is compatible, if not the same as used to capture DHA HIT programming/execution data

Governance & Resourcing IT Investments

Governance & Resourcing IT Investments
IT Governance/Expenditure Guidance

- DHA HIT is the single approval authority for HIT expenditures
  - Includes Defense Health Program (DHP) funded activities at all levels of the MHS
  - Applies to DHP funding appropriation categories irrespective of the BAG or Program Element (PE)
    - Procurement
    - Operations & Maintenance
    - Research, Development, Test & Evaluation

Governance & Resourcing IT Investments

HIT Expenditure Business Rules

- Identified capability gaps or business need
- IT Investments that are:
  - ✓ Expenditures outside of approved IT spend plan over $200K
  - ✓ Items requiring interfaces with any legacy Electronic Health Record (EHR) system
  - ✓ Items requiring DBS funds certification per Section 906 of the National Defense Authorization Act of FY13

→ **MHS Submissions Portal**

- IT Investments that are:
  - ✓ Expenditures included in approved spend plan
  - ✓ HIT expenditures less than $200K within existing scope
    - Service funds sustainment tail/programs funding
    - Item purchased does not require a new Authority to Operate or Certificate of Networthiness
  - ✓ Normal replacement items (i.e. keyboard, mouse, telephone, etc)
  - ✓ Annual refresh items included in approved spend plan
  - ✓ System software included in Enterprise License Agreement baseline desktop image (i.e. MS Office)
  - ✓ Medical equipment & devices procured/managed/tracked through Medical Logistics (FDA Certified)

→ **Managed by Component**

Note: Full consolidated list of Governance Business Rules available in back up slides

Governance & Resourcing IT Investments
Entry Process

Component (Service or DHA) business **needs** are **identified**

Identified business needs **endorsed by the Component** prior to entering into the MHS Requirements Management Process

Component-endorsed requirement entered by approved submitters with minimum criteria

Component Requirement entered & managed via MHS Submission Portal

Governance & Resourcing IT Investments

Monitoring & Tracking

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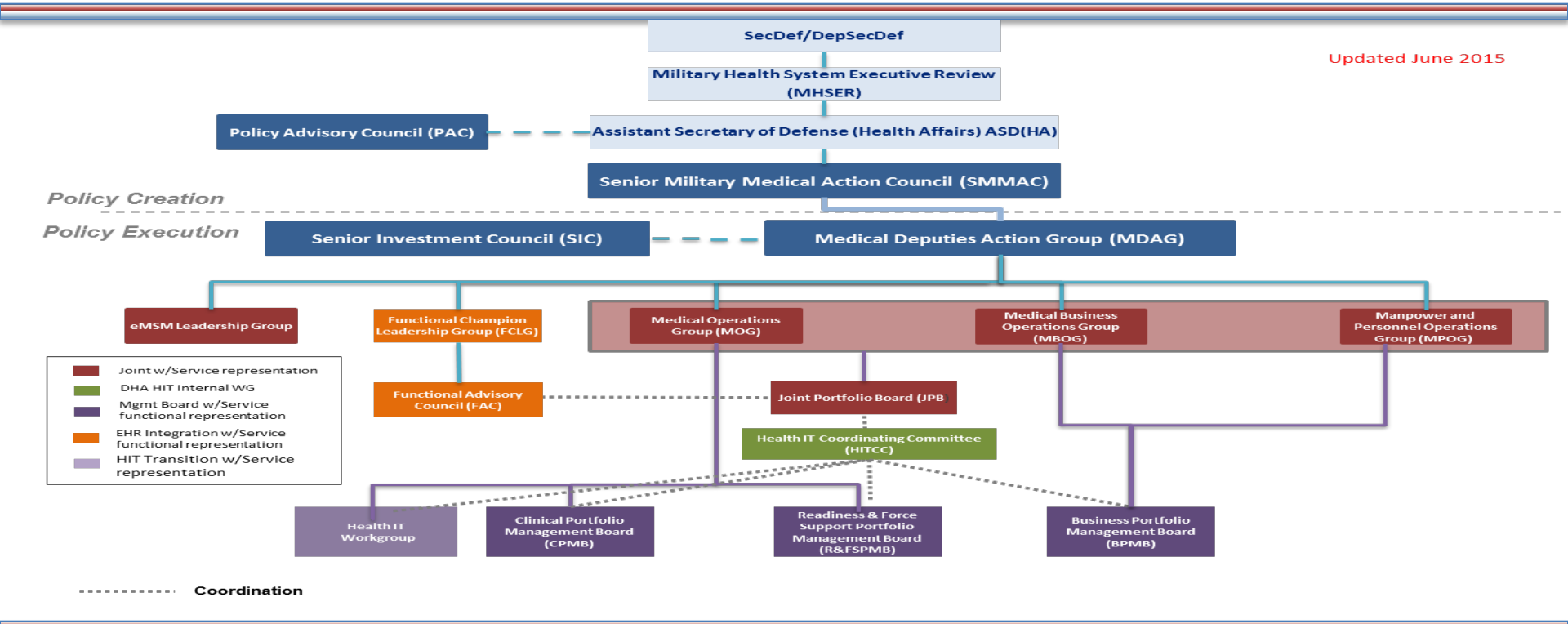
Response time dependent on type/complexity of submission

- Routine IT Decisions –7 business days
- New Capability Decisions –7 business days
  - Escalation process in place for Surgeon General critical priorities

MHS Submissions Portal *Audience*: Accessible to all *Purpose*: Central point to find status/track progress of requirements *Sharepoint Site*: MHS Submissions Portal	**Governance Facilitator Meeting Twice Weekly** *Audience*: Approved Submitters, Resource Managers, HIT Representatives, Capability Managers, Account Managers *Purpose*: Meeting to provide/obtain status updates & discuss requirement Status Tracker: HITCC Collaboration Space
HIT Account Managers *Purpose*: Resides within HIT Portfolio Management & Customer Relations (PFM&CR) Division, serving as the liaison between customer & DHA *Contact Information*: See DHA POCs slide	**Governance Boards** (*Functional Workgroups, Portfolio Mgmt Boards, Ops Groups, etc.*) *Audience*: Decisions makers/Service leads *Purpose*: Obtain information updates or endorse/approve recommendations

Governance & Resourcing IT Investments

MHS Governance Board Structure



Governance & Resourcing IT Investments

Submission Portal Items

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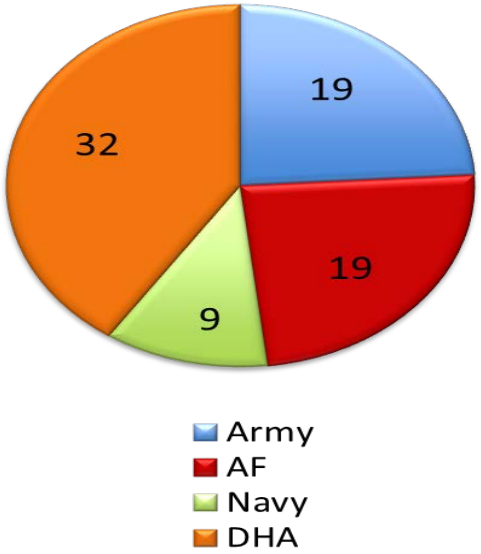
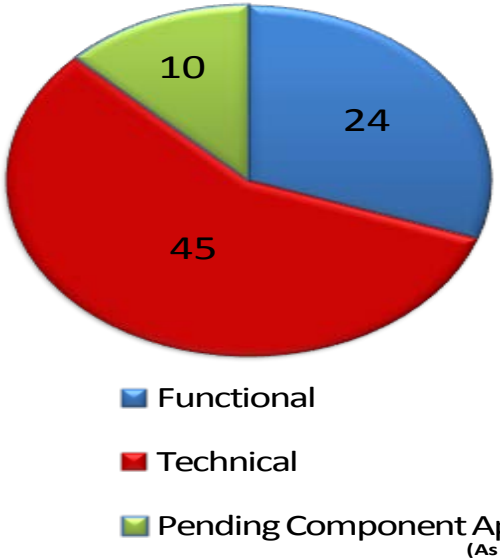
By Components



By Submission Type



(As of 24 June 2015)

Governance & Resourcing IT Investments

Rationalization Defined

- **Portfolio Rationalization** is the process for analyzing the IT inventory to identify & remove duplicative systems & applications to enable modernization & standardization
  - Identify rationalization opportunities
  - Functional & HIT community driven analysis
  - Identify transition activities

- Rationalization recommendations will be presented through MHS Governance for final decision

Governance & Resourcing IT Investments

Portfolio Rationalization Categories

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- Rationalization of EHR Initiatives
  - No additional Health IT investments to provide planned Defense Healthcare Management Systems Modernization (DHMSM) capabilities are authorized
    - No new systems/applications/ modifications duplicating EHR capabilities
    - Existing systems/applications performing EHR capabilities will be sunset
    - Exceptions by Senior Military Medical Action Council (SMMAC) & Program Executive Office Defense Healthcare Management Systems (PEO DHMS) coordination & concurrence
- Rationalization of Non-EHR Initiatives
  - Rationalization opportunities identified & prioritized by Portfolio Boards
  - ~35 week timeline for MHS Governance recommendation
  - Zero-based Budget Review (ZBR) may drive faster outcomes

Governance & Resourcing IT Investments

Non-EHR Rationalization Scope

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- Queuing
  - Recommend a standard queuing application for managing patient throughput and team-based workflow solution that eliminates existing redundant applications across the Enterprise
  - Identify existing queuing contracts for standardization opportunities & provide recommendation that reduces the number contracts and provides cost savings to the Enterprise
- Kiosking
  - Recommend a standard kiosk tool to facilitate the full scope of patient management including appointment scheduling and check-in, self-assessments, biometric readings, data validation and various other patient-reported outcomes

Governance & Resourcing IT Investments

Non-EHR Rationalization Scope(cont'd)

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- Medical Readiness System IT Integration Initiative
  - Recommend a common Department of Defense (DoD) Medical Readiness IT solution that meets Tri-Service functional requirements related to medical readiness tracking & reporting capabilities

- IT Acquisition Management Tool (IT AMT)
  - Recommend a common set of IT management tools to remove duplicative efforts & redundant tools for Requirements Management, Portfolio Management, Project Management, Contract, Compliance & System Inventory tools

Defense Business Certification (DBC)

Defense Business Certification

Value of DBS Certification

- **Cost Savings**
  - Streamlines health IT driven business costs by helping the Enterprise leverage IT systems while consistently supporting the DoD medical mission. DBS empower business owners, resource managers, & CIOs to prevent spending on non-strategic, redundant or wasteful investments

- **Visibility into all DHP IT Business Systems Spending**
  - Provides visibility into business operations (sustainment & modernizations) of all IT spending. The information helps MHS leaders make sound & timely decisions about IT spending from a holistic perspective

Defense Business Certification

Value of DBS Certification (cont'd)

- **Regulatory Compliance**
  - Ensures MHS business systems comply with internal & external regulations, 2012 NDAA, Business Enterprise Architecture (BEA), MHS Enterprise Architecture (EA) compliance, Privacy Act of 1974, Health Insurance Portability & Accountability Act (HIPAA), & Information Assurance (IA) requirements

- **Accountability**
  - Helps MHS leaders review and track progress of investments in effectively executing MHS investment strategies

Defense Business Certification

Background

- NDAA
  - 2005
    - Original requirement to certify Modernization & Development (Mod/Dev) funding >$1 million by the DBS Management Council
  - 2010
    - Added the requirement for Business Process Re-engineering (BPR)
  - 2012
    - Expanded the requirement to certify all DBS with total **funding >$1 million** across the FYDP
  - 2013
    - Added the requirement that systems requesting Mod/Dev funds >$1M across the FYDP have a DoD Deputy Chief Management Officer (DCMO) approved Problem Statement (sections 1-3 of the Business Capability Lifecycle)
  - 2016
    - For 2016 new format – Requirements Validation (within the Business Case Analysis)

Defense Business Certification

ADA Violations

- Failure to certify your Defense Business funding prior to obligating your funds results in an Anti-deficiency Act (ADA) Violation
- ADA violation consequences
  - An officer or employee who violates 31 U.S.C. § 1341(a) "shall be subject to appropriate administrative discipline including…suspension from duty without pay or removal from office"
  - In addition, an officer or employee who **"knowingly & willfully"** violates the ADA section 1341 "shall be fined not more than $5,000, imprisoned for not more than 2 years, or both

Defense Business Certification

Timeline

Defense Health Agency

IM

Feb 2015 — Requirements Validation Documentation Development

Dec 2016 — Requirements Validation Document Approval

DBC

FY17 Organizational Execution Plan (OEP) Kickoff
- November 2015

Components develop certification packages
- December 2015- April 2016

DHA develops OEP
- April-May 2016

OEP signed by Director of DHA
- May-June 2016

OEP submitted to DCMO Approval Authority
- July 2016

DCMO Approves OEP
- September 2016

"Medically Ready Force…Ready Medical Force"

Zero-Based Budget Review

Zero-Based Budget Review (ZBR)

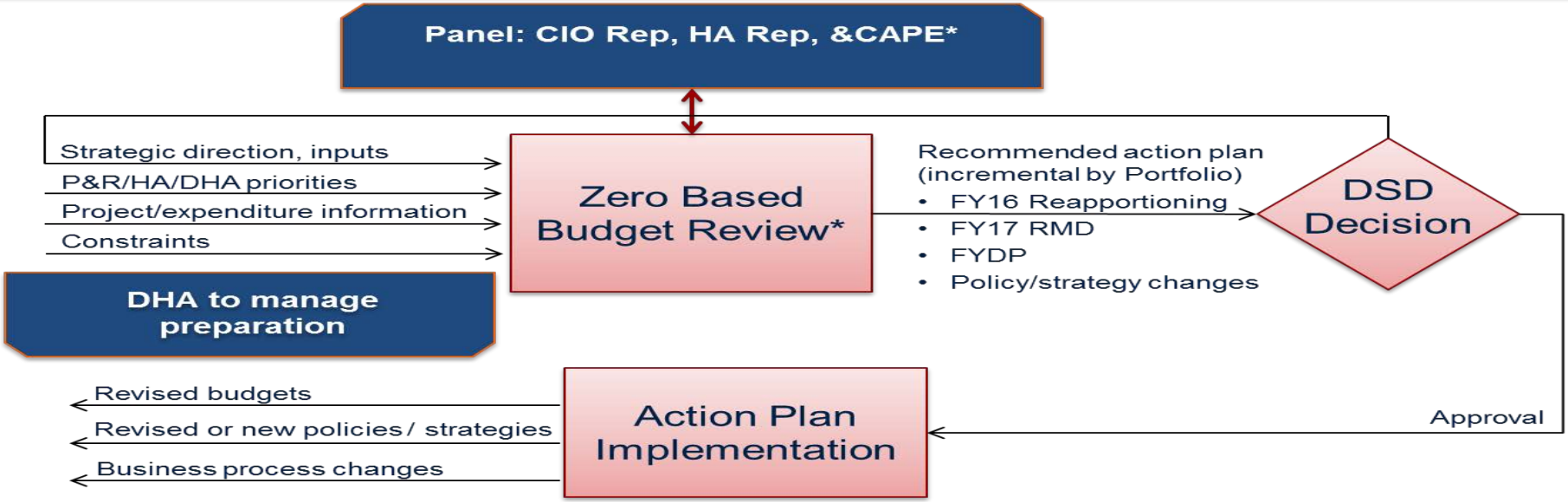
Defense Health Technology

- **DoD Chief Information Officer began the Defense Health Technology ZBR in May 2015**
  - All IT Investments supporting MHS functions - DHP funding, Non-Appropriated Funds (NAF)
  - Existing and planned IT investments in FY16, FY17 & Out years of FYDP
  - All DHP-funded organizations, to include MTF-level & non-MTF organizations
  - Will include Medical Devices (currently targeted for 1st Quarter FY16)
  - Recommended changes will impact IT budgets/plans beginning in FY16

- **Timeframe May – September 2015 & annually thereafter**

Zero-Based Budget Review

ZBR Process



- CAPE will provide decision support through SME sourcing but will not be required to recommend specific COAs for decision.

Source: DoD CIO Briefing: CIO DHA IT Zero Based Budget Review Monthly Update – Apr 03 2015

Zero-Based Budget Review

DHA Information Technology Scoping

Defense Health Agency

Problem Statement: DHA currently utilizes information technology to perform the medical mission, support the medical mission, and enable patient success. In the competitive CONUS medical environment DHA is challenged to remain economically viable as it performs its mission.

DHA HQ has a fractured view of former JTF-CAPMED, Army, Navy, Air Force, and former TMA IT spending and operations that forestall the deployment of an enterprise DHA IT capability.

- $2.48B FY16 Budget
- $1.0 B FY16 Non-System Spend
- 128 Systems

Out of Scope

- Programs under current Acquisition (DHMSM $527.6M FY16)

To Be Reviewed in FY16

- Medical Devices (~$579M FY16)

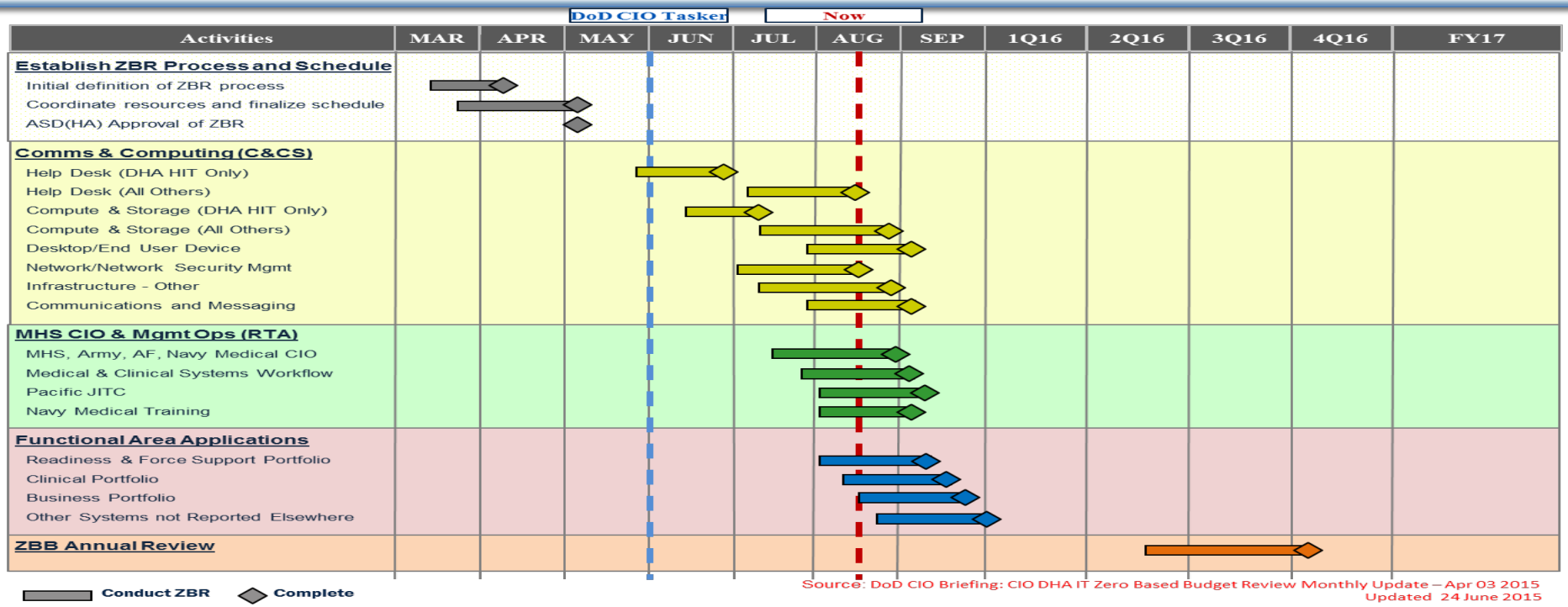
In Scope

- IT Infrastructure
- IT Services including OCIO functions
- Mobile Devices
- Application Development & Support
- IT Security Services
- DHMS items not directly tied to DHMSM

Source: DoD CIO Briefing: CIO DHA IT Zero Based Budget Review Monthly Update – Apr 03 2015

Zero-Based Budget Review

ZBR Timeline/Schedule



Source: DoD CIO Briefing: CIO DHA IT Zero Based Budget Review Monthly Update – Apr 03 2015
Updated 24 June 2015

Evaluations

- Please complete your evaluations

Questions?

Defense Health Agency

Contact Information

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BACKUPS

Defense Business Certification

Defense Business Certification
Title 10 U.S.C. section 2222

Defense Health Agency

- ‘CONDITIONS FOR OBLIGATION OF FUNDS FOR COVERED DEFENSE BUSINESS SYSTEM PROGRAMS.— Funds available to the DoD, whether appropriated or non-appropriated, may not be obligated for a defense business system program that will have a total cost in excess of $1M over the period of the current future-years defense program submitted to Congress under section 221 of this title unless—
  - the appropriate pre-certification authority for the covered defense business system program has determined that—
    - the defense business system program is in compliance with the enterprise architecture developed under subsection (c) & appropriate business process re-engineering efforts have been undertaken to ensure that—
    - the business process supported by the defense business system program is or will be as streamlined & efficient as practicable; &
    - the need to tailor commercial-off-the-shelf systems to meet unique requirements or incorporate unique requirements or incorporate unique Interfaces has been eliminated

Defense Business Certification
Title 10 U.S.C. section 2222 cont'd

Defense Health Agency

- the defense business system program is necessary to achieve a critical national security capability or address a critical requirement in an area such as safety or security; or
- the defense business system program is necessary to prevent a significant adverse effect on a project that is needed to achieve an essential capability, taking into consideration the alternative solutions for preventing such adverse effect;

- the covered defense business system program has been reviewed & certified by the investment review board established under subsection (g); &
- ''(3) the certification of the investment review board under paragraph (2) has been approved by the Defense Business Systems Management Committee established by section 186 of this title.
- ''(b) OBLIGATION OF FUNDS IN VIOLATION OF REQUIREMENTS.—The obligation of Department of Defense funds for a covered defense business system program that has not been certified & approved in accordance with subsection (a) is a Anti-Deficiency Act violation