

2016 Defense Health Information Technology Symposium

The Changing World of Health IT Budgets Using a Zero-based Budget Review Process



“Medically Ready Force...Ready Medical Force”

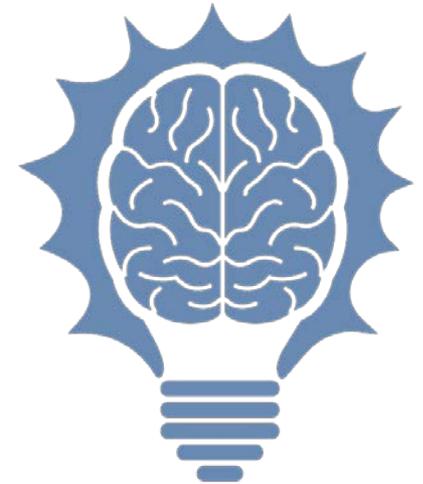
“A joint, integrated, premier system of health, supporting those who serve in the defense of our country.”



“Medically Ready Force...Ready Medical Force”

Learning Objectives

- Gain a deeper understanding of the Zero-based Budget Review (ZBR) process, requirements and analysis
- Define what is reported in ZBR
- Understand ZBR intent, outcomes and impacts



Agenda

- Panel Introductions
- Discussion Points
- Zero-based Budget Review Overview
- Lessons Learned
- Key Takeaways

Our Panelists



Defense Health Agency

2016 Defense Health Information Technology Symposium

- **Ms. Tricia Cantu**
Chief, Investment Mgmt Branch
Defense Health Agency
Health Information Technology
- **Colonel Jack R. Leech III**
Deputy CIO for Business
Office of the U.S. Army Surgeon
General & Medical Command
- **Colonel Ray S. Jeter, USAF**
Chief, Medical Information Officer
Air Force Medical Service
- **Commander Gabriel Brown**
IT Policy & Resource Management
Office of the CIO (M6)
Bureau of Navy Medicine (BUMED)

“Medically Ready Force...Ready Medical Force”

Discussion Points

What level of analysis is reported?

How are ZBR recommendations vetted?

What are the long term expectations from ZBR?

How does ZBR affect me?

What ZBR information gets reported and at what level?

How will ZBR change business process?

ZBR – Overview



Defense Health Agency

2016 Defense Health Information Technology Symposium

■ ZBR Directive

- ❑ OUSD(P&R) directed a comprehensive review of Defense Health Program Information Technology (IT) spend to examine **all** IT investments used to support MHS functions
- ❑ Zero-based budgeting is a method of budgeting in which all expenses must be justified for each new period.

■ ZBR implemented in multiple phases

- ❑ Phase I – Infrastructure, Med CIO, Cyber Security, and HIT Research (FY 2015)
- ❑ Phase II – Functional Area Applications (FY 2016)
- ❑ Phase III – Medical Devices (FY 2016)
- ❑ Additional Phases – as required (2016-2017)

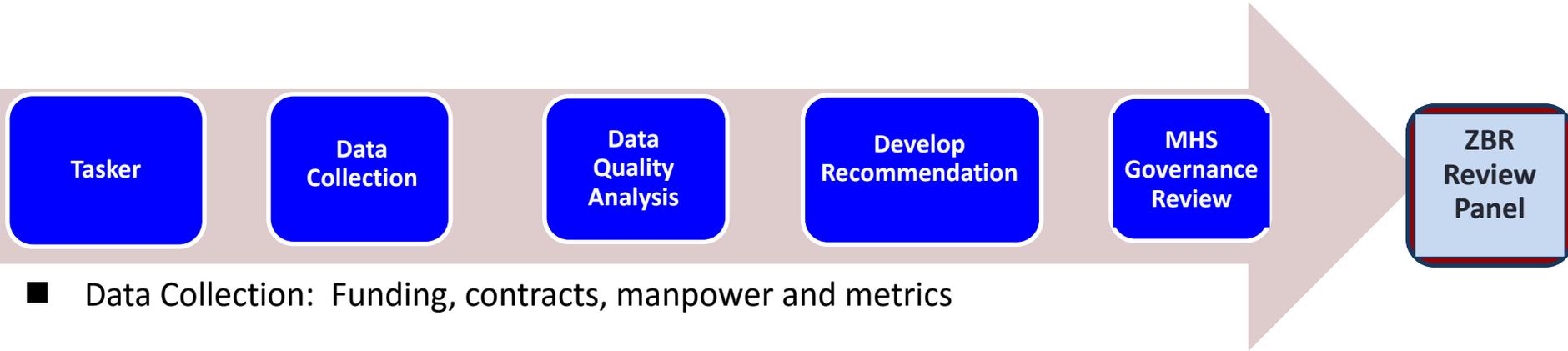
“Medically Ready Force...Ready Medical Force”

Data Collection, Analysis & Recommendations Process



Defense Health Agency

2016 Defense Health Information Technology Symposium



- Data Collection: Funding, contracts, manpower and metrics
- Analysis:
 - ❑ How does system/activity support the business?
 - ❑ What is return on investment?
 - ❑ Is system/activity duplicative within Services, DHA, DoD, or other Federal agencies?
 - ❑ What IT efficiencies, consolidations or standardization can be gained?
 - ❑ What is reported in official DoD CIO systems?

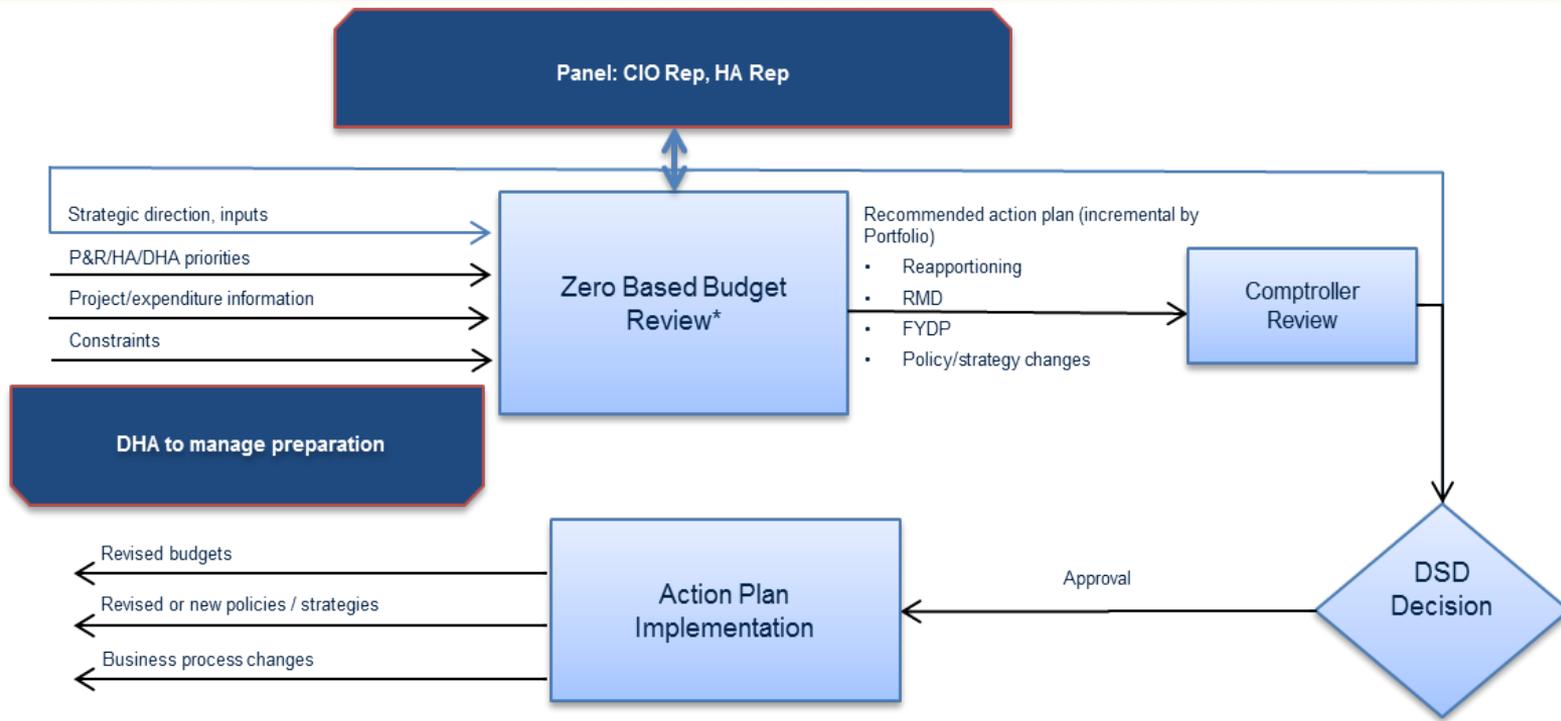
“Medically Ready Force...Ready Medical Force”

Overarching Process



Defense Health Agency

2016 Defense Health Information Technology Symposium



“Medically Ready Force...Ready Medical Force”

ZBR IT Reviews – Phase I

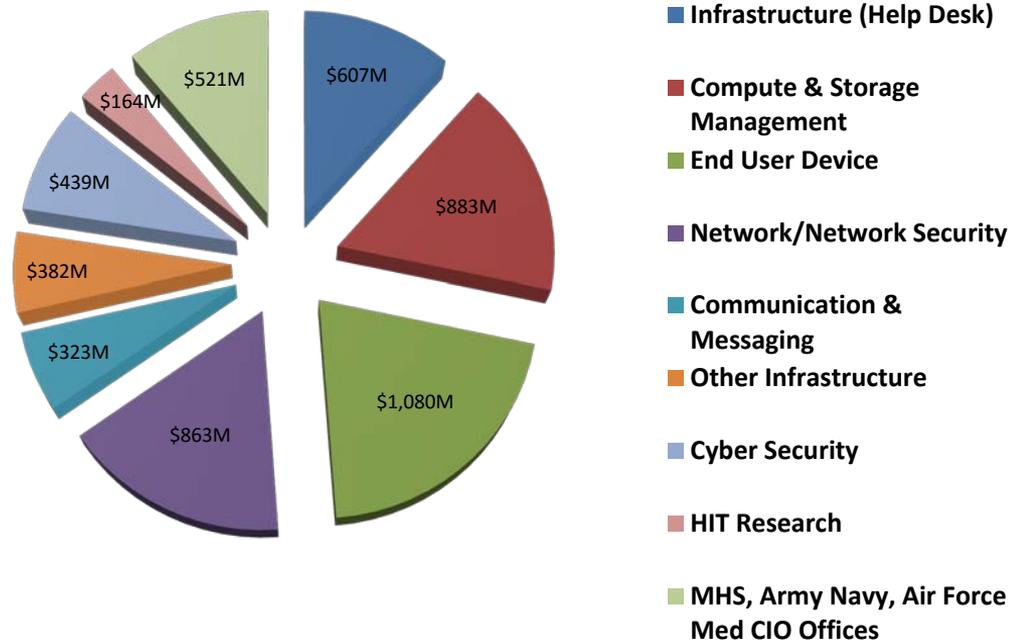


Defense Health Agency

2016 Defense Health Information Technology Symposium

■ Phase I - Infrastructure:

- ❑ 757 submissions
- ❑ \$5.3 billion reviewed FY17-21
- ❑ 9 ZBR Panels
- ❑ Resulting in \$432M IT reduction (FY17-21) in addition to HIT shared service savings



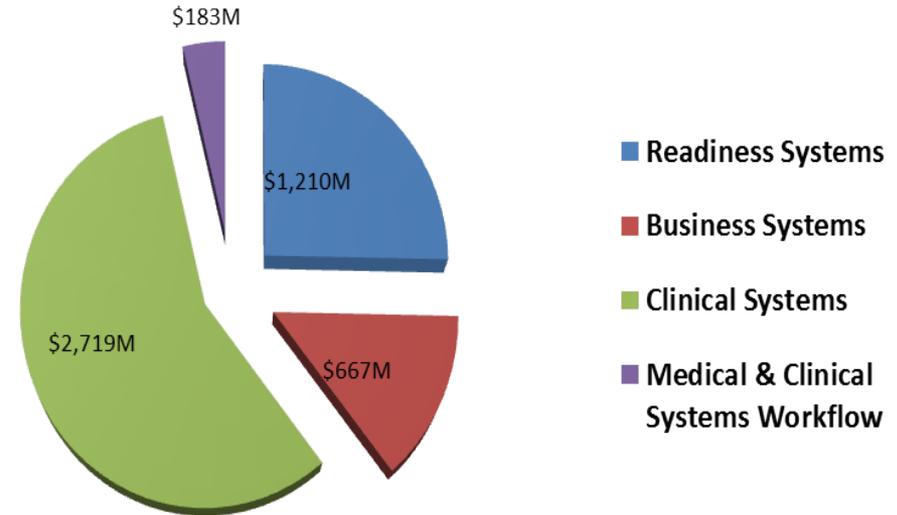
Reported As Of October 2015

“Medically Ready Force...Ready Medical Force”

ZBR IT Reviews – Phase II

■ Phase II – Systems

- ❑ 148 Submissions
- ❑ \$4.8 billion reviewed FY17-21
- ❑ 3 ZBR Panels
- ❑ Resulting in 4 directed consolidations efforts: Queuing, Grants, Registries and Enterprise Services



Reported As Of February 2016

Summary



Defense Health Agency

2016 Defense Health Information Technology Symposium

- Cost savings and standardization will drive changes to the IT portfolio
- Zero-based budget methodology will continue to be used in the future
- All levels of the MHS, to include MTFs, will be required to participate in ZBR activities

“Medically Ready Force...Ready Medical Force”

Key Takeaways



- Medical IT is not unique; considered similar to IT services offered by other DoD, Federal or Commercial entities
- Variability among MHS Components leads to challenges when performing analysis
- Resistance and/or lack of detailed reporting leads to bad decisions
- DoD CIO recommendations included site productivity analysis (Relative Value Unit (RVU)/Relative Weighted Products(RWP) for MTFs)
- MHS GENESIS will change the way Medical IT is delivered and drive further portfolio rationalization
- Reporting compliance required in official DoD systems
- Medical Devices, subject to ZBR, may be considered IT in the future

“Medically Ready Force...Ready Medical Force”

Questions?



Defense Health Agency

2016 Defense Health Information Technology Symposium

“Medically Ready Force...Ready Medical Force”

Please complete your evaluations

Contact Information



Defense Health Agency

2016 Defense Health Information Technology Symposium

Ms. Tricia Cantu

Chief, Investment Mgmt Branch
Defense Health Agency
Health Information Technology
tricia.b.cantu.civ@mail.mil

Colonel Jack R. Leech III

Deputy CIO for Business
Office of the U.S. Army Surgeon
General & Medical Command
jack.r.leech2.mil@mail.mil

Colonel Ray S. Jeter, USAF

Chief, Medical Information Officer
Air Force Medical Service
ray.s.jeter.mil@mail.mil

Commander Gabriel Brown

M63
Bureau of Navy Medicine (BUMED)
gabriel.t.brown2.mil@mail.mil

“Medically Ready Force...Ready Medical Force”