

## Market-Based Approach Driving DHA Forward in MTF Transition

The agency is aiming to complete its first objective toward the new model by the end of this year.

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As the Defense Health Agency continues to consolidate and bring military treatment facilities under its wing, the agency's market-based approach to improve and reduce redundancy across the military health system is helping DHA meet its scheduled objectives and goals in the transition.

"Markets" are groups of medical treatment facilities working together in specific geographical areas and operating as a system led by market offices that support shared patients, staff, budgets and functions across facilities "to optimize readiness and the delivery and coordination of health services," explained DHA Assistant Director of Management and Component Acquisition Executive Barclay Butler at the DHA Industry Day in San Antonio Nov. 21.

There are three steps to standing up the market construct, which will include DHA establishing market offices to oversee large groups of these facilities, then a small market and stand-alone MTF organization to manage them outside of large markets. Finally, DHA will create two defense health regions in the U.S. and in the Pacific region to manage all MTFs outside of the continental U.S.

Butler added that DHA has identified four objectives to get to the market end state, which call for DHA to:

- Build initial capabilities and capacity for a headquarters that will support four initial markets;
- Stand up direct-reporting markets;
- Establish the small market and stand-alone MTF office; and
- Establish overseas defense health regions.

DHA aims to complete its first objective by Dec. 31, and the agency will work on the final three objectives over the course of January through the end of September.

There are over 392 capacity and capability conditions Butler's team needs to meet for the first objective, Butler said, adding that he expects to meet the deadline, which is about a month away.

"We are today at 71% achieved of those conditions," Butler said. "I got a little bit more ways to go there, and I'll likely get that done around the end of this calendar year."

Butler said that DHA Director Lt. Gen. Ronald Place will review the final 392 conditions, as well as the market rates, once they are completed. When approved, that information will go to a senior medical military advisory council and the senior transition leader team for their review.

If the council and team approve, Place will sign a memo signaling external stakeholders — in this case, the service branches supporting the MTFs over the transition periods — to bring the MTFs to DHA’s market.

As the headquarter capabilities and capacity are established, the service branches will provide support to the MTFs over the transition, Butler said. Once the markets are stood up, the MTFs will then migrate from the services’ “director support relationship” over to the fully functional market office, he added.

Integrating the health IT systems will support vital elements of the military health system, including the ongoing implementation of the [universal electronic health record](#) (MHS GENESIS) since both administrative processes and electronic health records will be consolidated and less disparate.

“This transition will streamline activities and synchronize processes, meaning the real difference in our ability to care for patients and support our fighting force,” said the narrative from a video during Butler's presentation. “It’s one of the biggest changes we’ve seen in military medicine, but we’ll join forces to get there together.”

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