| Exhibit R-2, RDT&E Budget Item Justification: PB 2019 Defense Health Agency | | | | | | | | | | **Date:** February 2018 | |

| Appropriation/Budget Activity
0130: *Defense Health Program I* BA 2: *RDT&E* | R-1 Program Element (Number/Name)
PE 0605026DHA *I Information Technology Development - DoD Healthcare Management System Modernization (DHMSM)* |

COST ($ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
Total Program Element	451.532	287.723	42.549	28.326	-	28.326	15.771	14.943	13.678	0.300	Continuing	Continuing
483A: *Information Technology Development - DoD Healthcare Management System Modernization (DHMSM) at DHA*	451.532	287.723	42.549	28.326	-	28.326	15.771	14.943	13.678	0.300	Continuing	Continuing

| Program MDAP/MAIS Code:
Project MDAP/MAIS Code(s): 496 |

A. Mission Description and Budget Item Justification

DHMSM will replace the DoD legacy healthcare management systems with a commercial off-the-shelf capability that is open, modular, and standards-based with non-proprietary interfaces. DHMSM will support the Department's goals of net- centricity by providing a framework for full human and technical connectivity and interoperability that allows DoD users and mission partners to share the information they need, when they need it, in a form they can understand and act on with confidence, and protects information from those who should not have it. Once fielded, the EHR will support the following healthcare activities for DoD's practitioners and beneficiaries:
- Clinical workflow and provider clinical decision support;
- Capture, maintain, use, protect, preserve and share health data and information;
- Retrieval and presentation of health data and information that is meaningful for EHR users regardless of where the patient's records are physically maintained; and
- Analysis and management of health information from multiple perspectives to include population health, military medical readiness, clinical quality, disease management, and medical research.

B. Program Change Summary ($ in Millions)

	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total
Previous President's Budget	298.623	42.549	28.326	-	28.326
Current President's Budget	287.723	42.549	28.326	-	28.326
Total Adjustments	-10.900	0.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-10.900	-			
• Other	0.000	0.000	0.000	0.000	0.000

Exhibit R-2, **RDT&E Budget Item Justification:** PB 2019 Defense Health Agency		**Date:** February 2018
Appropriation/Budget Activity 0130: *Defense Health Program I* BA 2: *RDT&E*	**R-1 Program Element (Number/Name)** PE 0605026DHA *I Information Technology Development - DoD Healthcare Management System Modernization (DHMSM)*	

Change Summary Explanation

Funding added for the implementation of the Cerner Patient Accounting Module (CPAM) and the 3M 360 Encompass coding application necessary to provide integrated patient level billing in the MHS GENESIS EHR system (FY 2019, $+34.4M; FYDP, $+89.1M).

Exhibit R-2A, **RDT&E Project Justification:** PB 2019 Defense Health Agency		**Date:** February 2018
Appropriation/Budget Activity 0130 *I* 2	**R-1 Program Element (Number/Name)** PE 0605026DHA *I Information Technology Development - DoD Healthcare Management System Modernization (DHMSM)*	**Project (Number/Name)** 483A *I Information Technology Development - DoD Healthcare Management System Modernization (DHMSM) at DHA*

COST ($ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
483A: *Information Technology Development - DoD Healthcare Management System Modernization (DHMSM) at DHA*	451.532	287.723	42.549	28.326	-	28.326	15.771	14.943	13.678	0.300	Continuing	Continuing

Project MDAP/MAIS Code: 496

A. Mission Description and Budget Item Justification

The DHMSM program acquired an integrated inpatient/outpatient Best of Suite (BoS) electronic health record (EHR) solution, augmented by the Best of Breed (BoB) product(s). The 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. The anticipated benefits include: improved accuracy of diagnoses and medication; improved impact on health outcomes; increased patient participation in the healthcare process; improved patient-centered care coordination; and increased practice efficiencies in all settings, including all DoD operational environments.

B. Accomplishments/Planned Programs ($ in Millions)	FY 2017	FY 2018	FY 2019
Title: DoD Healthcare Management System Modernization (DHMSM) Program	287.723	42.549	28.326
Description: DHMSM will replace the DoD legacy healthcare management systems with a commercial off-the-shelf capability that is open, modular, and standards-based. DHMSM will support the Department's goals of net- centricity by providing a framework for full human and technical connectivity and interoperability that allows DoD users and mission partners to share the information they need, when they need it, in a form they can understand and act on with confidence, and protects information from those who should not have it. Once fielded, the EHR will support the following healthcare activities for DoD's practitioners and beneficiaries: • Clinical workflow and provider clinical decision support; • Capture, maintain, use, protect, preserve and share health data and information; • Retrieval and presentation of health data and information that is meaningful for EHR users regardless of where the patient's records are physically maintained; and • Analysis and management of health information from multiple perspectives to include population health, military medical readiness, clinical quality, disease management, and medical research. **FY 2018 Plans:** FY18 RDT&E:			

Exhibit R-2A, RDT&E Project Justification: PB 2019 Defense Health Agency		Date: February 2018
Appropriation/Budget Activity 0130 *I* 2	**R-1 Program Element (Number/Name)** PE 0605026DHA *I Information Technology Development - DoD Healthcare Management System Modernization (DHMSM)*	**Project (Number/Name)** 483A *I Information Technology Development - DoD Healthcare Management System Modernization (DHMSM) at DHA*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2017	FY 2018	FY 2019
• Conduct Test Planning and execute Developmental Test & Evaluation (DT&E) of Segment 2, of new interfaces, patches, and of semi-annual releases. • Support continued configuration efforts for interfaces with legacy systems, engineering and configuration at the Initial Operational Capability (IOC) sites, completing system updates, testing, integration and deployment in response to the results of the Initial Operational Test & Evaluation (IOT&E), and addressing additional configurations identified for the modernized DHMSM Electronic Health Record (EHR) during limited fielding for IOC. FY18 Procurement: • Purchase required commercial software licenses and multiple deployments of the modernized DHMSM EHR to Military Treatment Facilities (MTFs) after the scheduled Full Deployment Decision is approved by the Milestone Decision Authority (MDA). • Support Deployment activities to include site visits, localized configuration, deployment activities and on-site deployment support for multiple Wave Deployments (each containing multiple MTFs and Clinics). FY18 O&M: • Operate and maintain DHMSM system, including recurring configuration, integration, and test activities, software license maintenance, hardware refresh, system hosting, and recurring change management and training as applicable. • Continue business management operations and contract management oversight. ***FY 2019 Plans:*** FY19 RDT&E: • Conduct Test Planning of new interfaces, patches, and of semi-annual releases. • Configure and test the Cerner Patient Accounting Module (CPAM) and 3M 360 applications to provide integrated patient level billing in the MHS GENESIS Electronic Health Record System. FY19 Procurement: • Purchase required commercial software licenses and multiple deployments of the modernized DHMSM Electronic Health Record (EHR to Military Treatment Facilities (MTFs) to include 3M 360. • Support Deployment activities to include site visits, localized configuration, deployment activities and on-site deployment support for multiple Wave Deployments (each containing multiple MTFs and Clinics). FY19 O&M:			

Exhibit R-2A, RDT&E Project Justification: PB 2019 Defense Health Agency		Date: February 2018
Appropriation/Budget Activity 0130 *I* 2	**R-1 Program Element (Number/Name)** PE 0605026DHA *I Information Technology Development - DoD Healthcare Management System Modernization (DHMSM)*	**Project (Number/Name)** 483A *I Information Technology Development - DoD Healthcare Management System Modernization (DHMSM) at DHA*

B. Accomplishments/Planned Programs ($ in Millions)	FY 2017	FY 2018	FY 2019
• Operate and maintain DHMSM system, including recurring configuration, integration, and test activities, software license maintenance, hardware refresh, system hosting, and recurring change management and training as applicable. ***FY 2018 to FY 2019 Increase/Decrease Statement:*** The decrease is in compliance with the life cycle cost estimate to go from development to testing and evaluation.			
Accomplishments/Planned Programs Subtotals	287.723	42.549	28.326

C. Other Program Funding Summary ($ in Millions)

Line Item	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
• BA-1, PE 0807787: *DoD Healthcare Management Systems*	129.969	203.961	308.273	-	308.273	317.512	340.362	354.807	376.701	Continuing	Continuing
• BA-3, PE 0807787: *Information Technology Development and Sustainment - DoD Healthcare Management System Modernization*	29.468	499.193	486.680	-	486.680	532.476	474.888	266.526	0.000	Continuing	Continuing

Remarks

D. Acquisition Strategy

Evaluate and use the most appropriate business, technical, contract and support strategies and acquisition approach to minimize costs, reduce program risks, and remain within schedule while meeting program objectives. Strategy is revised as required as a result of periodic program reviews or major decisions.

E. Performance Metrics

Each program establishes performance measurements which are usually included in the MHS IT Annual Performance Plan. Program cost, schedule and performance are measured periodically using a systematic approach. The results of these measurements are presented to management on a regular basis in various as part of the Integrated Product and Process Development (IPPD) process, In Process Reviews (IPRs), or other reviews to determine program effectiveness and provide new direction as needed to ensure the efficient use of resources are also used.