

Defense Health Program  
Fiscal Year (FY) FY 2005 Budget Estimates  
Exhibit R-2, RDT&E Budget Item Justification

Date: February 2004

Appropriation/Budget Activity  
Defense Health Program/BA-2

R-2 Item Nomenclature:  
Information Technology Development - 0605013

| COST (\$ in Millions)  | FY 2003<br><u>Actual</u> | FY 2004<br><u>Estimate</u> | FY 2005<br><u>Estimate</u> | FY 2006<br><u>Estimate</u> | FY 2007<br><u>Estimate</u> | FY 2008<br><u>Estimate</u> | FY 2009<br><u>Estimate</u> |
|--|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Total PE Cost  | 91.3                     | 88.0                       | 67.4                       | 58.9                       | 58.6                       | 59.4                       | 59.7                       |
| Clinical Information Technology Prog   | 26.7                     | 23.8                       | 11.1                       | 11.6                       | 10.3                       | 10.5                       | 18.1                       |
| Executive Information/Decision Support   | 9.4                      | 1.9                        | 0.6                        | 1.6                        | 1.4                        | 4.0                        | 5.4                        |
| Defense Medical Logistics Standard Support Prog  | 2.1                      | 3.5                        | 3.8                        | 9.1                        | 13.6                       | 5.3                        | 7.0                        |
| Resources Information Technology Prog  | 6.2                      | 6.4                        | 4.5                        | 11.0                       | 13.4                       | 12.0                       | 3.0                        |
| Expense Assignment System IV   | 0.4                      |                            | 0.2                        |                            |                            |                            |                            |
| Third Party Outpatient Collections System  | 0.4                      | 4.6                        | 1.0                        |                            |                            |                            |                            |
| Theater Medical Information Prog   | 14.2                     | 14.6                       | 31.7                       | 11.9                       | 11.4                       | 17.0                       | 13.5                       |
| TRANSCOM Regulation and Command and Control Evacuation System                          | 0.0                      | 0.0                        | 4.2                        |                            |                            | 3.0                        | 3.8                        |
| Joint Plan for the Electronic Health Record (Federal Health Information Exchange only) | 2.4                      | 2.0                        | 2.0                        | 2.0                        | 2.0                        | 2.0                        | 2.0                        |
| Other Related Technical Activities   | 0.3                      | 0.4                        | 1.8                        | 1.8                        | 1.7                        | 1.2                        | 1.7                        |
| Health Insurance Portability & Accountability Act                                      |                          |                            | 2.8                        | 6.1                        | 0.9                        | 0.5                        | 1.2                        |
| CIO Support Activities   | 5.1                      | 3.6                        | 3.7                        | 3.8                        | 3.9                        | 3.9                        | 4.0                        |
| Hawaii Federal Healthcare Network  | 19.2                     | 23.0                       |                            |                            |                            |                            |                            |
| Automated Clinical Practice Guidelines   | 1.6                      |                            |                            |                            |                            |                            |                            |
| Clinical Coupler Integration   | 3.3                      | 4.2                        |                            |                            |                            |                            |                            |

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**A. Mission Description and Budget Item Justification:**

The program results from a funding realignment within the Department to fund information technology development, test and evaluation efforts with RDT&E funds. Funds have been transferred to Defense Health Program (DHP) RDT&E from DHP Operation and Maintenance and DHP Procurement appropriations.

The Military Health System (MHS) Information Management/Information Technology (IM/IT) Program incorporates the Medical Program Guidance, the MHS IM/IT Strategic Plan which is directly linked to the overall MHS Strategic Plan; to support military medical readiness and MHS optimization. The MHS IM/IT Program ensures compliance with the MHS Operational Architecture through a mapping of all system requirements to one of the four MHS core business processes (Manage the Business, Access to Care, Population Health Management, and Provision of Health Services). The enterprise strategy, which creates a prioritized Portfolio of requirements, incorporates reengineering and business process improvements, use of innovative acquisition techniques, integration of commercial off-the-shelf products as well as modular development, where necessary; and integration and/or elimination of legacy systems.

The MHS centrally-managed, IM/IT program includes the following IT initiatives: 1) Clinical Information Technology Program (CITP), to include the military Computer-based Patient Record and other clinical systems; 2) Executive Information/Decision Support Program (EI/DS), composed of a group of systems/capabilities chartered to meet multi-level healthcare management needs by providing the receipt, quality screening, and integration of data from the MHS population, clinical, financial, and other operational systems into a MHS Data repository; 3) Defense Medical Logistics Standard Support (DMLSS) Program, designed to support cataloging, customer logistics, hospital facility operations, property accounting, maintenance of biomedical devices, purchasing and contracting, and inventory management; 4) Resources Information Technology Program (RITP), designed to support "Managing the Business" core processes related to human resources management; 5) Expense Assignment System IV, a cost assignment information technology system; 6) Third Party Outpatient Collections System; 7) Theater Medical Information Program (TMIP), a seamless, interoperable medical system designed to support theater health services across all echelons of care; and 8) TRANSCOM Regulating And Command & Control Evacuation System (TRAC2ES), managed by the Air Force acquisition community, which is designed to assist in the command and control of joint, combined, and component inter- and intra-theater patient movement, including medical regulating and patient evacuation; 9) TRICARE On-Line which supports MHS optimization through development of enterprise-wide business rules and a single, common internet portal for all DoD patients, providers, and managers; and 10) the Joint Plan for the Electronic Health Record, a DoD/Veterans Affairs (VA) Sharing initiative.

Program increases from FY04 to FY05 can be predominately attributed to requirements of Block II TMIP, transactions and code sets associated with Health Insurance Portability and Accountability Act, and TRAC2ES requirements associated with full operational capability. Increases are primarily offset by decreases in development of CHCS II interfaces and the Replace Ancillary Systems capability in FY05 compared to FY04. Decreases between FY04 and FY05 are found in TPOCS and RITP for completed development associated with the Patient Accounting System and Enterprise Wide Scheduling and Registration in FY05.

**B. Program Change Summary:**

|                                   | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|-----------------------------------|---------|---------|---------|---------|
| FY04 President's Budget RDT&E     | 88.2    | 60.8    | 67.4    | 58.9    |
| FY05 President's Budget RDT&E     | 91.3    | 88.0    | 67.4    | 58.9    |
| Total Adjustments                 | 3.1     | 27.2    | 0.0     | 0.0     |
| Congressional Program actions     |         |         |         |         |
| Congressional recessions          | -0.3    |         |         |         |
| Congressional increases           | 26.7    | 27.2    |         |         |
| Internal Adjustments              | -21.0   |         |         |         |
| SBIR Transfer - year of execution | -2.3    |         |         |         |

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C. Other Program Funding Summary:

|                             | <u>FY 2003</u><br><u>Actual</u> | <u>FY 2004</u><br><u>Estimate</u> | <u>FY 2005</u><br><u>Estimate</u> | <u>FY 2006</u><br><u>Estimate</u> | <u>FY 2007</u><br><u>Estimate</u> | <u>FY 2008</u><br><u>Estimate</u> | <u>FY 2009</u><br><u>Estimate</u> |
|-----------------------------|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| DHP Operation & Maintenance |                                 |                                   |                                   |                                   |                                   |                                   |                                   |
| BA-1, PE 08077XX            | 376.1                           | 351.3                             | 449.3                             | 518.3                             | 563.0                             | 527.0                             | 541.1                             |
| DHP Procurement             |                                 |                                   |                                   |                                   |                                   |                                   |                                   |
| BA-3, PE 0807721            | 128.0                           | 159.8                             | 212.9                             | 207.5                             | 204.6                             | 202.1                             | 237.8                             |