



*The Military Health System
Strategic Plan*

*A Roadmap for
Medical Transformation*



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Executive Summary

During 2005 and 2006, our Senior MHS Leadership crafted an enterprise wide strategic direction based on meeting our stakeholder's expectations of a fit and protected force, minimal injuries during military operations, satisfied beneficiaries, healthy communities, and a world class health benefit within reasonable costs. Our strategy focuses on the creation of a world class health system as defined by two major customer groups: Combatant Commanders and Service Members who expect that we will adapt and innovate to deliver the highest quality medical care anywhere, anytime, under any circumstance; and our beneficiaries who expect that their health system will conveniently meet their needs by delivering the highest quality health services.

Our goal is to enable the people of MHS to meet the enormous challenges of today and tomorrow. To that end our strategies are focused toward shaping an integrated and seamless military health system characterized by an agile, flexible and continually adaptable medical force – one that is joint and interoperable across all Services and can deploy anytime, anywhere on the globe. Our culture must be a culture of innovation with aligned authority, accountability and incentives to promote performance based, cost effective, customer focused services. We will constantly improve the health and fitness of our members and provide world class patient-centered evidence-based medicine. We will leverage science and technology to support the warfighter and protect the nation.

We must excel in the interdependent elements of our mission. We must shape a healthy, fit, high performance military force and support the protection of our homeland. We must deploy a medical capability that performs in a world class fashion under the harshest conditions. And we must deliver the highest quality health benefit in the world in a cost effective manner.

The MHS Strategic Plan provides a roadmap built upon a set of core values and guiding principles that will drive our collective behavior and outcomes. We have developed system wide initiatives that will result in achieving our goals through objective measurement and oversight. We have a singular opportunity to shape our healthcare system to support 21st century military operational missions while enhancing our TRICARE benefit for our beneficiaries. Each and every member of this vast and wonderful health system is asked to make a commitment to this future because it is only through our collective best efforts that we will succeed.

This is the legacy we will create for future generations.

Overview of the MHS Strategic Plan

This MHS Strategic Plan articulated in this document represents the culmination of a year long reevaluation process. Our goal has been to create a transformational plan that provides direction for the entire MHS over the next five to seven years. This strategic plan is a dynamic document, but it is built on our lasting foundation of core values and guiding principles. Our strategy map and portfolio of strategic measures and initiatives (including the QDR Roadmap for Medical Transformation) have evolved in response to a changing military and healthcare environment.

The MHS Strategic Plan begins with defining the fundamental purpose of the MHS, our mission, and is further refined by the image and aspiration of the future MHS in the context of the MHS vision statement. The next sections describe how the MHS leadership will employ the Strategic Plan to manage the enterprise and is followed by a discussion of MHS core values and guiding principles which drive our everyday individual and collective behavior. Beginning on page 8, the Strategic Plan articulates and defines value for those we serve by defining the value propositions for our stakeholders and customers, as well as our people. The next sections describe the key MHS mission elements and MHS Strategic Goals followed by a discussion of the MHS Strategy map and Balanced Scorecard. The MHS strategic objectives are found at Appendix A and at Appendix B is the Quadrennial Defense Review for Medical Transformation. The MHS Balanced Scorecard is at Appendix C.

Mission and Vision of the Military Health System

The mission and vision of the MHS is enduring and has not changed since the first MHS Balanced Scorecard was created in 2002.

Our mission: To enhance the Department of Defense and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care.

Our vision: A world-class health system that supports the military mission by fostering, protecting, sustaining and restoring health.

To accomplish our mission and achieve our vision requires a strategic process that will allow us to meet today's issues and tomorrow's challenges.

How We Use the Strategic Plan in Managing the Organization

The strategic plan employs the Balanced Scorecard (BSC) construct and methodology. The MHS senior leadership uses the BSC all aspects of strategic management including:

- ? **Performance Improvement and MHS Transformation** – Senior leadership will conduct periodic reviews of MHS performance against our strategic targets and adjust activities and resources to continuously improve. These reviews will also monitor successful completion of strategic initiatives.

- ? **Creation of business unit synergy across the Services and the TRICARE Management Activity (TMA)** – We will use the MHS strategic plan to assess current alignment of all of the components of the MHS including Service Medical Departments, TMA, and Uniformed University of the Health Sciences (USUHS). We will identify opportunities for adjustments that will increase effectiveness through increased jointness and interoperability.

- ? **Building strategic assets** – We will use the strategic plan to guide the development of our MHS investment portfolios including facilities, information management and technology (IM/IT), and Research & Development (R&D).

- ? **Developing human capital** – The strategic plan will provide focus for recruitment, training and retention of our workforce to meet evolving requirements.

- ? **Coordinating planning and budgeting** – We will compare actual versus desired performance on the BSC and use this information to make short and long-term budget adjustments via:
 - Mid-year review of obligations
 - Development of Program Objective Memoranda
 - Medical Programming Guidance
 - Business Planning Guidance

- ? **Strategic Communications** – We will use the plan to develop communications tools for stakeholders (Office of the Secretary of Defense (OSD), Service Leadership, Office of Management & Budget), and Congress), customers (beneficiaries, service members, commanders and beneficiary groups) and our people.

Core Values

We are a values-based organization. Our core values are the never changing bedrock that reflect who we are and drive our behavior every day.

? **Selfless Service**

We are honored to serve the warfighters and beneficiaries who trust us to always meet their needs, anytime, anywhere.

? **Healing and Creating Health**

We are healers who have a life-long obligation to the health and well-being of all those entrusted to our care. We are compassionate and committed to doing the right thing for our patients to eliminate disease and achieve health.

? **Courage**

Our high calling demands the courage to take risks, do what is right and go into harm's way in unison with the warfighters.

? **Leadership and Teamwork**

We lead with passion, respect, and loyalty because this is the best way to achieve our goals and meet our high expectations. We work jointly in close collaboration with line leadership to meet our operational and health support mission.

? **Professionalism**

We achieve excellence through consistent application of our knowledge, skills and high standards; therefore education, training and mentoring are a high priority.

? **Stewardship**

We know effective management and wise use of resources is necessary to achieve our goal of meeting the needs of our customers.

Guiding Principles

Although we are a complex system, there are common principles that are reflected throughout the many components of the MHS. As these principles are essential for accomplishing our mission and achieving our vision, they must be embedded into our processes and culture so they are a natural part of everything we do.

? **Flexible & agile capabilities – continually improving while adapting to change**

We will move quickly to take advantage of opportunities and stay ahead of a rapidly changing world.

? **Joint, interoperable, interdependent – anytime, anywhere**

We will select the appropriate capacities from each Service and work in synergy to efficiently and effectively provide required services wherever needed.

? **Culture of innovation with aligned authority & accountability**

We will manage resources and take calculated risks to achieve innovative advances in meeting our mission.

? **Incentives to promote performance based, cost effective, efficient, customer focused services**

We will apply sound management principles to wisely utilize resources and will reward improvements that reduce costs or increase value.

? **Continuous improvement in health and fitness**

We will work to improve health and fitness through prevention and evidence-based disease treatment – keys to operational force effectiveness and improvement in the quality of life for our beneficiaries.

? **Patient-centered care provided in partnership with the patient**

We will be patient centered and employ the best practices in health care delivery as we partner with our patients to make them a member of the team focused on improving their health.

Strategy – Creating Value for Those We Serve

Our strategy is the game plan for creating value for stakeholders by specifically meeting customers' expectations and fostering, developing, and nurturing our people.

Our STAKEHOLDERS Expect the Best Medical Support for the Warfighter

Our stakeholders include the **Secretary of Defense, Service Secretaries, Joint Chiefs of Staff, Combatant Commanders and Congress**. They value and expect us to simultaneously accomplish five interconnected outcomes:

- **A fit, healthy and protected force**
- **Reduced death, injuries and diseases during military operations**
- **Satisfied beneficiaries**
- **Creation of healthy communities**
- **Effective management of health care costs**

In 2006, we will spend 37 billion dollars to achieve these five outcomes and will continuously monitor specific performance initiatives, metrics and strategies to meet our stakeholders' expectations.

Our Two CUSTOMER Groups Have Different Expectations

We serve two major customer groups with different needs and must simultaneously employ two strategies to focus our efforts on what is most important to each group. Our customer groups are not mutually exclusive.

Commanders and Service Members partner with us to achieve individual medical readiness and enhanced performance. They expect and deserve responsive, capable, coordinated medical services anywhere, anytime. No other health system in the world can provide what the MHS must provide. Because we face a rapidly changing national security environment we must excel at developing and deploying innovative products and services that meet mission requirements. This is our “**product leadership**” strategy.

Our beneficiaries desire health services that are convenient and tailored to their individual health needs. If we provide superb, evidence based care in a seamless way across our health system of military providers and strategic partners, our beneficiaries will develop a strong partnership that will result in behavior that promotes health and conserves resources. The key success factor is our ability to do the simple things well every time. Stated simply, if

our beneficiaries are delighted with us every time they “touch” our system, they will be much more likely to help us help them manage their health over the long term. This is our “**total customer solution**” strategy.

Our PEOPLE: Unleashing the Potential of Our Most Valuable Asset

Our people value the opportunity to serve the warfighter – to do meaningful work and to make a difference. They are the key to our success, and therefore our most precious asset.

To achieve our shared goals and fully develop our people, the MHS has aligned with the three strategic objectives of the DoD Human Capital Strategy: 1) maintaining a decisive force; 2) aligning the total force which includes active duty, reserves, government civilians and contract employees; and 3) enhancing agility. These initiatives will enable our transformation to a performance based culture where leaders inspire, managers improve processes and all of our people are encouraged and empowered to come up with innovative solutions everyday.

One Mission: Three Themes

There are three pillars in our strategic plan. They work synergistically to create value for our stakeholders and customers and must work together for the MHS to be successful as a whole. They are:

1. **Provide a medically ready and protected force and medical protection for communities** – We continuously monitor health status, identify medical threats and find ways to provide protection and improve health for individuals, communities and the Nation. These surveillance activities focus our delivery of Individual Medical Readiness services to improve health and enhance human performance and make the environment safer so service members can withstand health threats in hostile settings. We develop countermeasures to protect against medical threats for the military force and the nation.
2. **Create a deployable medical capability that can go anywhere, anytime with flexibility, interoperability and agility** – We monitor globally accessible health information and rapidly develop and deploy innovative medical services, products and superbly trained medical professionals. Our involvement in the full range of military operations includes assistance in civil support and homeland defense.
3. **Manage and deliver a superb health benefit** – We build partnerships with our beneficiaries in an integrated health delivery system that encompasses military

treatment facilities, private sector care and other federal health facilities including the Department of Veterans Affairs (VA). Globally accessible health and business information enables patient centered evidence-based processes that are both effective and efficient. Our professionalism engenders beneficiary trust resulting in a partnership with shared responsibility for promoting health.

GOALS

Over the next three years, MHS Leadership will concentrate resources and management effort on achieving the following six goals.

1. Enhance deployable medical capability, force medical readiness and homeland defense by reducing the time from “bench to battlefield” for more effective mission focused products, processes and services.

Our strategy of product leadership for our Commanders and Service member requires us to anticipate their needs and rapidly respond with innovative solutions. We will identify new opportunities and provide high performance services and products. We will have a strong medical surveillance system to detect emerging medical challenges. We will focus and coordinate our research and development infrastructure to rapidly design, develop and deploy “bench to battlefield” solutions for the warfighter. We will employ synergistic partnerships with the VA and other federal, academic and private sector partners to create mission-focused health care solutions and extend them into new applications. These capabilities require a culture of innovation that rewards creativity.

2. Sustain the Military health benefit through cost effective, patient centered care and effective long-term patient partnerships

The current rate of increase in the cost of healthcare is unsustainable and we will ensure that our stakeholders and customers understand the challenges we face together in continuing to deliver the best health benefit in the world. We will create a close partnership with our beneficiaries to improve their health, not just treat illness as wellness and preventive services, effective early intervention and disease management will conserve critical resources over the long term. Since our stakeholders and our beneficiaries care deeply about preserving the benefit, they will work with our elected leaders and our MHS leadership to shape the benefit and achieve the appropriate balance between personal and governmental contributions to the cost of delivering a world class health benefit.

3. Provide globally accessible health and business information to enhance mission effectiveness

We will deploy the most advanced electronic health record in the world along with human resources, financial, logistics and other systems to create an integrated information network for the entire MHS. Our core business is DoD medical mission support so we must lead the deployment of systems that can provide globally accessible information about the health of Service members, other beneficiaries and entire communities. Our system must enable early detection of medical threats by identifying patterns of symptoms before they are even identified as a disease and it must provide real time evidence-based decision support for our providers. Finally, our systems must provide readiness, clinical, business, customer, financial and other performance information to support performance based management and continuous process improvement.

4. Transform to performance based management for both force health protection and delivery of the health care benefit

We will provide our leaders and managers with:

- Clear direction and performance objectives to achieve both force health protection and beneficiary health care
- Alignment of authority and accountability
- A culture that promotes jointness and interagency cooperation
- Accurate transparent measurement of performance and cost
- The incentives, development and training needed to succeed in a dynamic environment

Concurrently, we will begin replacing regulatory based controls with performance based incentive systems and accountability processes that guide and control operations, and provide leaders with increased local flexibility to manage and allocate resources. This leads to creating a culture of continuous improvement consistently doing the simple things very, very well. It frees us from the bounds of excessive rules and promotes operational excellence through customer focused front line innovation.

5. Development of our most valuable asset – our people

We will ensure that our medical professionals meet specific capability requirements to allow us to respond with the right people at the right time to support the warfighters. Utilizing the National Security Personnel System (NSPS), we will reward performance linked to strategic and operational goals. By seeking opportunities for our personnel to work in civilian and other federal facilities we will more effectively maintain skills and mission essential capabilities while optimizing opportunities for professional development. And our retention and recruiting efforts will focus on needed capabilities identified in the annual medical readiness review. We will make personnel information readily available for managers at all levels by implementing the Defense Medical Human Resource System (DMHRSi).

6. Align, Manage and Transform the MHS Infrastructure

BRAC provides us a singular opportunity to align critical facilities infrastructure with MHS strategic goals and objectives and will lead to improved health service delivery, increased jointness and interoperability. The consolidation of medical centers in the National Capital Area and San Antonio will improve operations by reducing unnecessary infrastructure, rationalizing staff, and providing focused and tailored environments to support Graduate Medical Education (GME). The elimination of inpatient services at smaller facilities in communities with adequate civilian health care resources will produce a stronger and more efficient MHS. By bringing most medical enlisted training programs to Fort Sam Houston we will reduce the overall technical training infrastructure while strengthening the consistency and quality of training across the Services. BRAC implementation also mandates the co-location of the Service medical headquarters, reinforcing the transformation toward increased jointness.

Translating Strategy into Action: the MHS Balanced Scorecard

The Balanced Scorecard (BSC) approach has been used for strategic management in the MHS since 2002. The BSC is an organizational framework and a tool for describing, implementing and managing strategy at all levels of an organization. It is a technique to translate an organization's strategy into terms that can be easily understood, communicated and acted upon. The BSC methodology provides a view of the organization from a range of perspectives that show how we create value for our stakeholders and meet our customer's requirements. It helps us focus on those processes that are central to our mission and build capacity for our future. It lays out a systems approach visualizing cause-effect relationships, allowing us to balance short and long term goals. Achieving this balance enables us to achieve near term performance gains while ensuring the long-term vitality of the organization.

There are two major components of this process. The **Strategy Map** is a device for developing a logical understanding of the key components of the future enterprise. It allows us to take high level goals and break them down into a set of more tangible objectives with corresponding actionable initiatives. The MHS Senior Leadership identified critical attributes for the future MHS as viewed through the eyes of our stakeholders and our customers. Then they determined those internal processes that we must excel at to achieve those ends. Finally they identified objectives to grow and develop the MHS to achieve world class performance. The objectives are written as statements of what the MHS is going to look like and how it is going to function in the future.

The **Balanced Scorecard** is a structured approach for the ongoing process of measuring performance of specific objectives, defining performance targets, developing initiatives to achieve improvements in individual objectives, monitor success of the initiatives and assigning resources to systematically support the elements of the improvement process. The BSC is constantly updated and gives a complete picture of the status of objectives, initiatives and measurements in the quest to achieve the MHS vision. It can be accessed via the MHS Strategic Management System link from the MHS Strategy website at http://www.ha.osd.mil/strat_plan/default.cfm.

The MHS Strategy Map

The **Strategy Map** is the heart of the strategic plan as it portrays all the pieces of the MHS enterprise and how they fit together. It is a picture of the logic of the strategy for achieving the MHS vision and clearly defines all the objectives which must be achieved for success. It was developed through a structured process to consider the perspectives and expectations of stakeholders, needs of customers, important internal processes to meet customers' needs,

intangible assets essential for effective operations and the underlying resources necessary to maintain the MHS. Strategic Objectives were developed for the MHS to pursue the creation and sustainment of a well functioning enterprise. The strategy map enables us to visualize the interconnected cause and effect relationships between the objectives (bubbles).

This section provides a discussion across four major perspectives; stakeholders and financial, customer, internal perspective, and learning and growth. Each perspective will be described followed by the complete strategy map that will provide a systemic visualization of the perspectives and the relationships between and among the objectives and perspectives.

Stakeholder Perspective

The top tier of the Strategy Map depicts the MHS’s top priorities for creating shareholder value (Figure 1). To meet the needs of our **Stakeholders (Secretary of Defense, Service Secretaries, Joint Chiefs of Staff, Combatant Commanders and Congress)** we must simultaneously excel in five areas:

1. Creating a medically ready and protected force and protected communities (S1)
2. Reducing death, injuries and diseases during military operations (S2)
3. Satisfying beneficiaries (S3)
4. Creating healthy communities (S4), and
5. Efficiently managing DoD health care costs (F1).

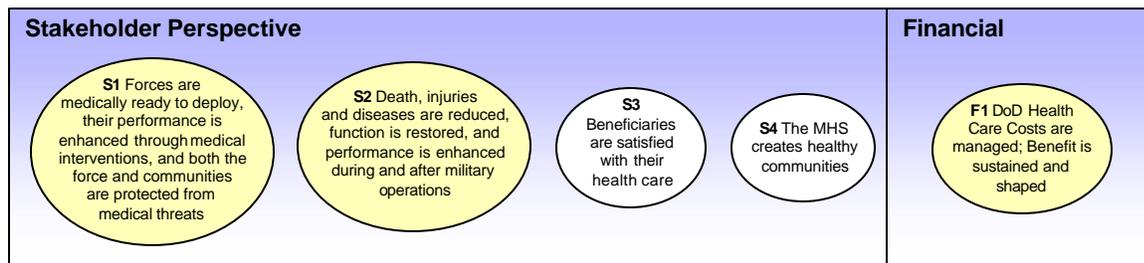


Figure 1 - Stakeholder and Financial Perspective

It is apparent that the mission of military medicine goes far beyond what is expected of the usual health system as our warfighters must be at a high state of health and enhanced performance to reduce death, injuries and disease during and after military operations. To be successful, we need to manage these five critical priorities in balance – it is not which one is most important as they all are essential for excellence.

Customer Perspective

We will only create value for stakeholders if we satisfy the requirements of our customers. The second tier of the strategy map articulates our customer’s expectations of the MHS, from their

perspective (Figure 2). Our strategy is dependent upon forming effective partnerships with our two customer groups, commanders and service members, and DoD beneficiaries. The way we form partnerships with our commanders and service members is to provide them the most innovative solutions for their unique operational problems. For our beneficiaries, we develop partnerships by providing them with comprehensive, convenient and personalized health services.

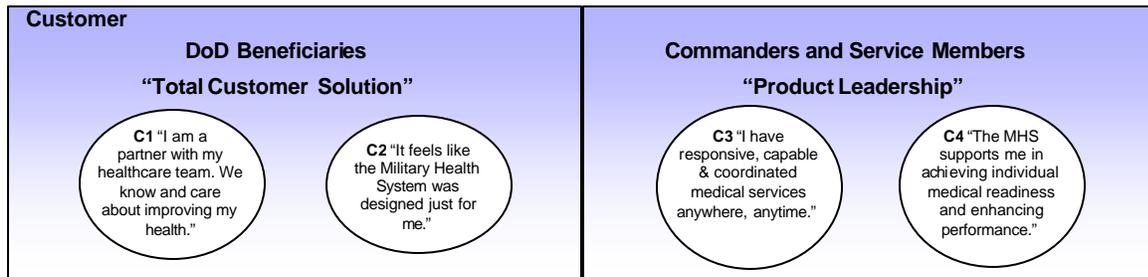


Figure 2 – MHS Customer Perspectives and Expectations

Commanders and Service Members want our support in achieving individual medical readiness and enhancing performance (C4). They also expect that the MHS will provide responsive, capable and coordinated medical services anywhere, anytime (C3). Commanders and service members consider us trusted partners because they recognize that the MHS, by serving their medical needs, is critical to their mission effectiveness. We earn this partnership status through a **“product leadership” strategy**, meaning that we continuously develop and deploy distinctive new products and services (e.g. fibrin bandage to stop bleeding) to meet the unique requirements of our operational customers.

We utilize a **“total customer solution” strategy** to provide our other customer group, **DoD Beneficiaries**, health services that are easy to access and tailored to their individual health needs (C2). We provide superb care, thereby earning trust so our beneficiaries partner with us to improve their health. The key to our success lies in having a strong partnership with each beneficiary so they will accept evidenced-based recommendations and take actions to promote their health (C1).

Internal Process Perspective

Internal processes specifically reflect the strategies we have adopted to meet the distinctive needs of our two customer groups. Through innovation we will achieve product leadership in **Mission Centered Care** for our commanders and service members. Through customer relationship management and highly effective health delivery processes, we will achieve total customer solutions in **Patient Centered Care** for our beneficiaries (Figure 3).

The internal process perspective consists of three overarching strategic themes with nine highly interdependent objectives. Reading across Figure 3: We manage and deliver a world

class health benefit for 9.2 million beneficiaries to ensure a robust and fully trained deployable medical capability in support of the operational mission. Because we work with our commanders, service members and all other beneficiaries in delivering services, we understand what is necessary to ensure a medically ready and protected force, and homeland defense.

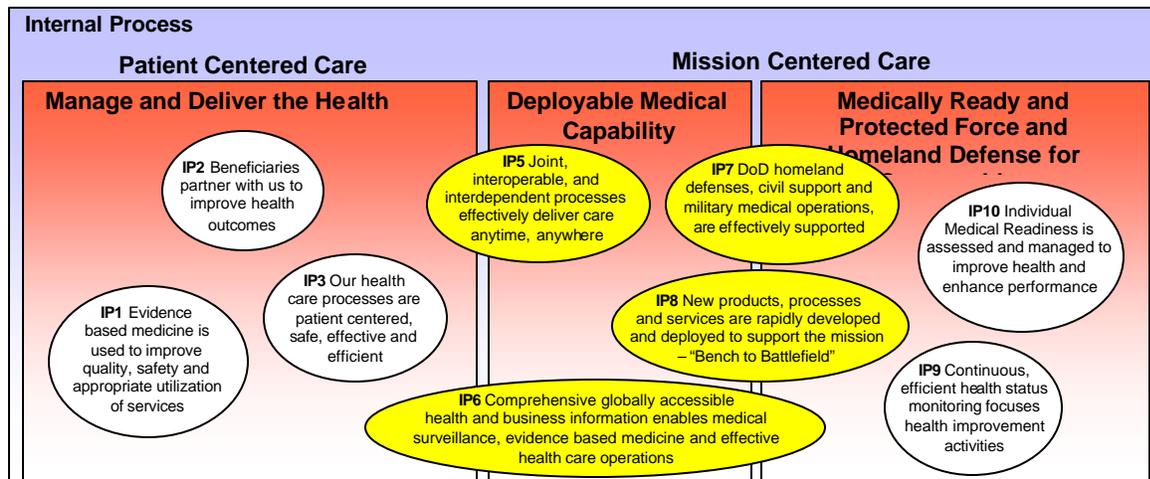


Figure 3 – Internal Process Perspective

Mission Centered Care is accomplished in close partnership with the warfighters. The operational environment is constantly changing so we must anticipate new requirements, develop solutions and then rapidly deploy them. To do this we continuously gather and make available comprehensive health and threat information (IP6), and then use that information to support a robust and integrated research and development (R & D) "bench to battlefield" capability (IP8). These foundational objectives support the two themes of mission centered care.

The first theme is a **Medically Ready and Protected Force and Homeland Defense for Communities**. We continuously monitor health status to identify medical threats and find ways to provide protection and improve health (IP9). This focuses our delivery of Individual Medical Readiness services to improve health and enhance performance (IP10) so service members can withstand health threats in hostile environments.

When we apply knowledge gained through health monitoring and surveillance and deploy medical countermeasures for an entire population we directly contribute to homeland defense, civil support and military medical operations (IP7).

The second theme within **Mission Centered Care** is **Deployable Medical Capability**. To meet the needs of operational commanders we must be able to deploy anywhere, anytime with flexibility, interoperability and agility (IP5). Again, this capability is dependent on globally accessible health information (IP6) and rapid development and deployment of innovative medical services and products. Since we support the full range of military operations we must

be ready to assist in civil support and homeland defense operations such as disaster relief and management of pandemic flu (IP7).

Manage and Deliver the Health Benefit is the strategic theme for **Patient Centered Care**.

To effectively accomplish Patient Centered Care we must build partnerships with our beneficiaries and an integrated health delivery system that encompasses MTFs, private sector care, and other federal health care facilities, including the Veterans Administration. This is particularly important as 70% of care for DoD beneficiaries is now delivered by our civilian partners through Managed Care Support Contracts. Comprehensive globally accessible health and business information (IP6) allows us to create health care processes that are patient centered, effective and efficient (IP3). It also helps us to employ evidenced based medicine to improve quality, safety, and appropriate utilization of services (IP1). The combination of evidenced based medicine and effective health delivery processes creates an atmosphere that engenders trust and results in a partnership with a shared responsibility to promote health (Figure 4).

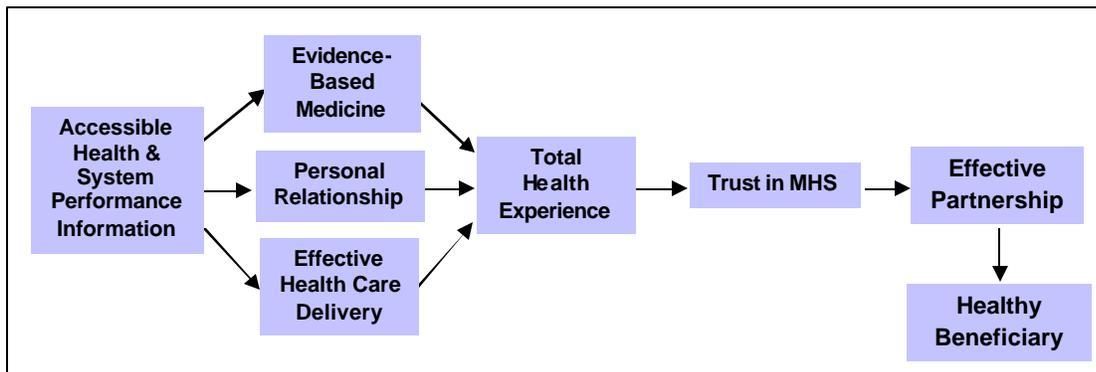


Figure 4 – Earning trusting relationships for better health

Since the integrated health system must support an escalating operational tempo, partnerships with civilian and other federal providers must also buffer the effects of changes in MTF operations due to operational deployments by enabling focused backfill of personnel when appropriate.

Learning and Growth Perspective

The BSC shows us how we will balance between long- and short-term results, financial and non-financial measures of performance, and value creation for stakeholders, customers, and our people. The Internal Process Perspective identifies the core processes at which we must excel in order to achieve our strategic goals in the near term. The Learning & Growth Perspective specifies how we will develop intangible assets necessary for our long-term organizational vitality.

Intangible assets are the ultimate source of sustainable value creation. Learning and growth objectives describe how the people, technology, and organizational climate combine to support our strategy¹ (Figure 5). We will transform our **Organization and Culture** so that the MHS achieves performance based management, innovation and a clear focus on results (L2). Since teamwork is one of our core values and we are part of the larger DoD transformation to a joint, interoperable and interdependent military capability, we embrace a culture of jointness and cooperation (L3). In the past, our ability to create relevant incentives and hold people accountable has been limited by the scarcity of reliable performance data. We will ensure that we have high quality data, relevant measures of performance and aligned incentives. To foster innovation and optimal performance our leaders and managers must have authority to control resources and take risks to achieve excellence, but this must be balanced with accountability for mission effectiveness (L4). To a great degree, the attitude and behavior of our people is a function of the culture of the MHS. We are striving to transform our culture to encourage and empower our people to “create success for our customers” (L1), meaning easy access to superb health care.

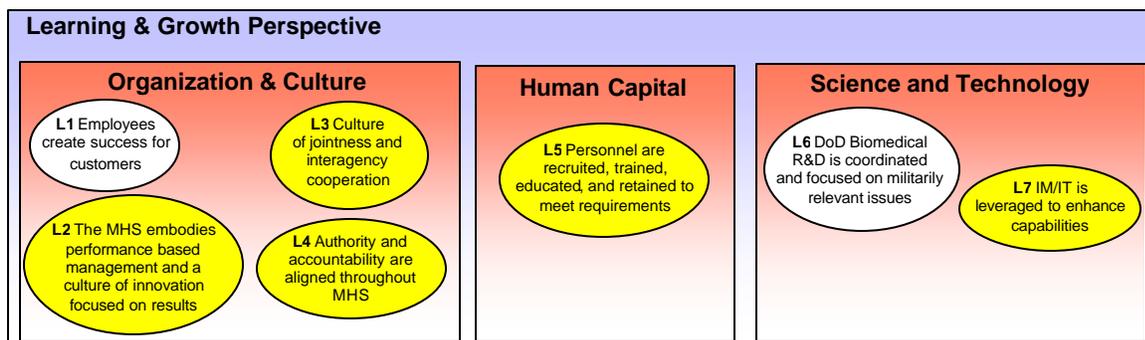


Figure 5 – Learning and Growth Perspective

By describing employees as **Human Capital** we acknowledge that people are our most valued asset. We focus on recruiting, educating, training and retaining the optimal mix of military, civilian, and contract personnel to make up our total force (L5). Our challenge is to shape our force to enhance their individual capability to adapt to changing mission requirements. We must shape our force to include critical job families that specifically support our strategies of product leadership and a total customer solution.

Science and Technology in the form of biomedical research and development is coordinated and leveraged to create rapid solutions for our unique operational health challenges (L6). Military medical research and development is a specialized capability that must be integrated within DoD for it to be a successful engine for innovation. Well leveraged information technology and information management are critical for success of our entire strategy. We must ensure through effective IT governance that our IT solutions serve the business and result in improvements in mission effectiveness (L7).

¹ Kaplan R, Norton D. Strategy Maps. Harvard Business School, 2004, p7.

Resource Perspective

A predictable stream of financial resources managed in a transparent manner is essential for supporting all the other tiers in the strategy map to meet our customer’s requirements and build value for our stakeholders (R1). We are accountable for aligning and allocating resources to outputs and outcomes so that the MHS has a system which can articulate how resources were used and what value was received. Being completely transparent in our financial behavior and able to demonstrate wise use of resources will engender continued support from our stakeholders. That support will ensure that resources are predictably available. We also need a culture that wisely uses resources so we can provide more care with the resources we have. We must ensure the ability to sustain and recapitalize our facility infrastructure to optimize our performance across the entire MHS enterprise (R2).

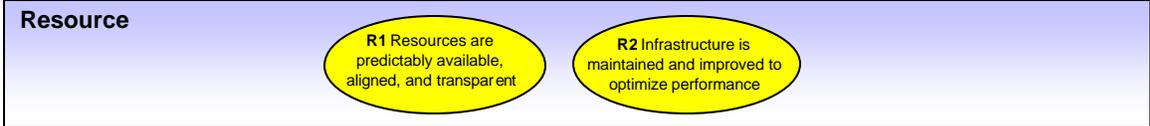


Figure 6 – Resource Perspective

The complete strategy map is found on the next page consists of 27 objectives in five perspectives. The six high priority goals described in the last section have been mapped to specific objectives in the strategic plan in the following table:

Goals	Strategy Map Objectives
1. Enhancing deployable medical capability, force medical readiness and homeland defense by reducing the time from “bench to battlefield” for more effective mission focused products, processes and services	IP5, IP7, IP8, IP9, IP10, L6
2. Sustaining the Military health benefit through cost effective, patient centered care and effective long-term patient partnerships	F1, IP1, IP2, IP3
3. Providing globally accessible health and business information to enhance mission effectiveness	L7, IP6
4. Transformation to performance based management for both force health protection and delivery of the health care benefit	F1, L1, L2, L3, L4, R1
5. Development of our most valuable asset – our people	L5
6. Align, Manage and Transform the Infrastructure	R2

The Complete MHS Strategy Map

MHS Mission: To enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care.

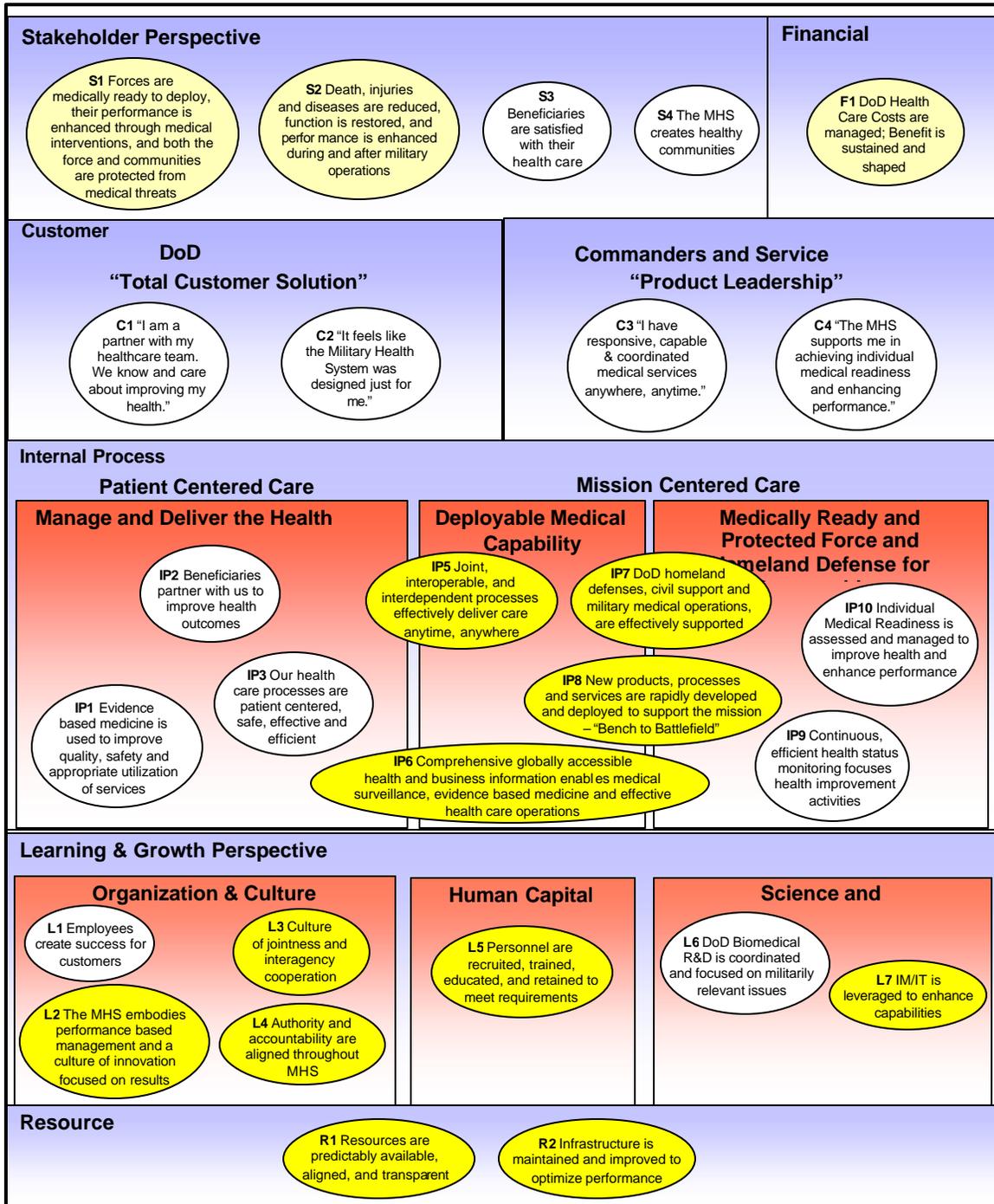


Figure 7 – The complete MHS Balanced Scorecard Strategy Map

The Balanced Scorecard

In the previous section, we translated our high level vision, mission and goals into a strategy map that demonstrates how we will create value for our stakeholders and customers by achieving the strategic objectives contained in the internal process and learning and growth perspectives of our strategy map.

We have described a set of hypotheses but we also need a method for translating the plan into action. The tool we have chosen to enable the management of this complex project is the **Balanced Scorecard (BSC)**.

The BSC is a rigorous method designed to force us to specify more clearly what we are trying to accomplish in each one of our objectives so that we can develop a measure of success. Then we must compare our current performance to a target that would indicate success. If there is a gap we must develop an initiative or a set of initiatives designed to close the gap.

During the implementation of the 2002 MHS Strategic Plan three major studies were carried out to identify gaps and develop initiatives to address them: the **Local Authorities Work Group** study of MTF efficiencies, the **Medical BRAC Report** and the **Medical Readiness Review** of required medical capabilities. Together, these three reports informed the work that resulted in the **QDR Roadmap for Medical Transformation**. (Appendix B)

The MHS BSC (Appendix C) includes all of the QDR Roadmap initiatives along with other high priority strategic initiatives that were already underway. The BSC shows how each initiative will support either an improvement in internal processes or will help us develop the MHS to achieve world class performance over the long run.

As you view the most current version of the balanced scorecard, you will note the objectives are grouped according to perspectives. Beside each objective you will find the measures and targets that have been developed to track our success in reaching our objectives. Over the life of this plan, we will be adding measures and refining targets as we improve the availability and accuracy of data.

To the right of the measure you will see the initiatives that are associated with each objective. It is important to note success in accomplishing an initiative may relate directly or indirectly to improvement in a measure for the objective. For instance, the initiative entitled "Restructure Defense Medical Standardization Board" supports the objective entitled "IP5 - Joint, interoperable, and interdependent processes effectively deliver care anytime, anywhere". Our hypothesis is that by having an effective group to ensure that medical equipment is joint and

interoperable we will improve the performance of joint care processes. By monitoring both our success in achieving the initiative and our success in jointly delivering care, we should be able to verify or refute our hypothesis.

The current MHS BSC contains 27 objectives across five perspectives. After a careful analysis, the senior leaders determined that 14 of those objectives needed immediate and focused attention over the next one to two years. The higher priority objectives are highlighted in yellow on the strategy map (see Figure 7). It is important to note that we must continue to work on all of the objectives, but we will place special emphasis and management energy in achieving improved performance in the highlighted areas.

A strategy focused organization must achieve alignment of action throughout the organization. Each member of the MHS will be encouraged to review the MHS Strategic Plan and identify how they are contributing to achieving the MHS vision by familiarizing themselves with the outcomes that we all desire for our stakeholders and our customers. Our people will view the objectives within the internal process and stakeholder perspectives to see how they fit into the big picture and look at the measures of success for those objectives to link them to similar measures in the area where they work. Finally, by reviewing the initiatives they will identify areas where they are contributing to the MHS Transformation. For instance, a front desk clerk in a clinic may fit closely with objective “IP3 - Our health care processes are patient centered, safe, effective and efficient” because they are working on open access as part of their MTF business plan initiative “Access to Care.”

Many staff members will be contributing to the transformation by working on initiatives tied to the Learning and Growth Perspective. If someone is involved in training, they are aligned with the objective “L5 - Personnel are recruited, trained and retained to meet requirements.” If this is the case, they would read about the initiatives that are underway to transform the force and ensure that they understand the rationale for these initiatives.

In Summary, the (BSC) is the tool we use to translate our strategy into tangible actions needed for success. It specifies where we intend to go, how we will get there and how we will know that we have arrived. It is a public document readily available on line which will be constantly updated so all members of the MHS can monitor our progress in reaching our vision as a world class military health system.

Appendix A – MHS Strategic Objectives

This is a list of the MHS Strategic Objectives starting at the top of the Strategy Map and working down.

Stakeholder Perspective

S1 Forces are medically ready to deploy, their performance is enhanced through medical interventions, and both the force and communities are protected from medical threats

The MHS will identify and make available relevant information and methods necessary to promote health and improve performance so that service members are fit and mission ready. Appropriate medical countermeasures will be delivered to service members and communities ensuring maximal protection and homeland defense.

S2 Death, injuries and diseases are reduced, function is restored, and performance is enhanced during and after military operations

The MHS will ensure that when service members are sick or injured, they will be treated and returned to duty, or stabilized and safely evacuated in a timely manner. Continuing care will maximally restore function and ensure seamless transition to ongoing support (e.g., VA or Reserve). This system will maximize fighting/training strength.

S3 Beneficiaries are satisfied with their health care

The medics will get it right the first time by having an efficient and effective medical system that is user-friendly to the beneficiaries. The system will self-solve problems that arise at the lowest level and minimize administrative burdens for the beneficiaries.

S4 The MHS creates healthy communities

The system will promote health through education and partnership with beneficiaries, protect communities from environmental and industrial hazards, and provide high quality care.

Financial Perspective

F1 DoD Health Care costs are managed; Benefit is sustained and shaped

The MHS health care delivery system will be engineered to achieve optimal efficiency and mission effectiveness. The TRICARE benefit will reinforce appropriate use of resources and demand for services, and will engage the individual to actively manage his/her health.

Customer Perspective

C1 "I am a partner with my healthcare team. We know and care about improving my health."

My provider will listen to me, treat me with dignity and provide me with the information I need to manage my health. My healthcare team will be available to me when I need them.

C2 "It feels like the Military Health System was designed just for me."

I will be able to get care when I need it, the facility will be easy to get around and when I need a specialist I will be able to get in. My health team will help me maximize my health.

C3 "I have responsive, capable and coordinated medical services anywhere, anytime."

I will know how to get medical care for myself and my troops anywhere, anytime, and I know it will be high quality. Any Service, or approved provider, will meet my medical needs.

C4 "The MHS supports me in achieving individual medical readiness and enhancing performance."

We will have a streamlined process for assuring IMR takes the least amount of time away from other mission priorities, and the customer will understand the value of IMR as part of the mission. The customer will support it because the information is available to he/her and the measures will be relevant to him/her as a warfighter.

Internal Processes Perspective

IP1 Evidence based medicine is used to improve quality, safety, and appropriate utilization of services

All medical staff will know what most likely will produce the best health outcomes for beneficiaries. This knowledge will be shared with the beneficiaries to develop individual health plans that manage utilization and maximize patient self-care.

IP2 Beneficiaries partner with us to improve health outcomes

Through patient education and individualized care (PCMBN), we will work with beneficiaries to improve their understanding of their individual health needs. Together we will change behaviors to promote better health.

IP3 Our health care processes are patient centered, safe, effective and efficient

We will treat every patient with dignity and respect and provide the care that the patient wants, delivered when he/she desires it, in a way that is convenient and comfortable. This will be accomplished in the appropriate setting using the appropriate resources – "Right setting, Right resources, Reasonable cost".

IP5 Joint, interoperable, and interdependent processes effectively deliver care anytime, anywhere

Staff will be trained and postured to provide world class operational health care in theater, en route, in garrison and in partnerships. All deployable medical equipment and training will be interoperable and support mission requirements. Patients will move from the area of operations to a definitive care setting while continuously receiving full spectrum medical care.

IP6 Comprehensive, globally accessible health and business information enables medical surveillance, evidence based medicine, and effective healthcare operations

A globally accessible electronic health record (EHR) containing situationally relevant medical information supporting continuity of care across the theater locale and the spectrum of medical settings will be supported by the MHS. The EHR will support the effective, efficient delivery of health care while capturing data to support medical surveillance, evidence based medicine and better decision-making capabilities.

IP7 DoD homeland defenses, civil support and military medical operations, are effectively supported

Environmental surveillance, combined with development of effective medical countermeasures will support homeland defense, civil support and military medical operations.

IP8 New products, processes and services will be rapidly developed and deployed to support the mission – “Bench to Battlefield”

The MHS will lead and coordinate DoD efforts to rapidly deploy advances in biomedical science and technology that support mission requirements.

IP9 Continuous, efficient health status monitoring focuses health improvement activities

Throughout the life cycle of a Service member, the system will capture and analyze health information and identify health hazards associated with the military environment enabling focused health promotion and disease prevention.

IP10 Individual Medical Readiness is assessed and managed to improve health and enhance performance

Each time medical sees Service members, their IMR requirements will be checked and updated so that they are deployable-ready while minimizing the amount of time taken from duty.

Learning and Growth Perspective

L1 Employees create success for customers

Through incentives, staff will be developed who place customer requirements first when designing processes and accomplishing business activities.

L2 The MHS embodies performance based management and a culture of innovation focused on results

Local activities will have the capability and authority to manage to achieve results according to standard measures of success. Incentives will be aligned with desired performance.

L3 Culture of jointness and interagency cooperation

Tri-Service or interagency interdependence will take precedence over independence; cost effective partnerships with other federal or commercial entities will be encouraged. All new processes will be designed for interoperability.

L4 Authority and accountability are aligned throughout MHS

Alignment of responsibility and accountability will be achieved through streamlined organization and governance in an increasingly joint environment.

L5 Personnel are recruited, trained, educated, and retained to meet requirements

The MHS will accurately forecast the demand for people based on mission and market requirements. Through the use of appropriate incentives, people will be recruited, selected, trained, developed, promoted, compensated, retained, transitioned to another element of the Total Force, let go, or retired. Incentives will reward innovation and improved performance.

L6 DoD Biomedical R&D is coordinated and focused on militarily relevant issues

Biomedical research and development has special requirements; the MHS will lead and coordinate all military bio-medical R&D to best serve the military mission.

L7 IM/IT is leveraged to enhance capabilities

Requirements for new information technology will be tied to performance improvement; effective business process redesign will maximize the effectiveness of new IT systems and will precede their implementation.

Resources Perspective

R1 Resources are predictably available, aligned and transparent

1. Our Business Planning and Budget Processes will work seamlessly to predict and justify our true needs. 2. We will maintain effective relationships with our stakeholders ensuring their continued financial support. 3. Funds will be made available to MHS activities in a timely and predictable manner. 4. The use of those funds will be tracked and monitored to ensure accountability for financial management.

R2 Infrastructure is maintained and improved to optimize performance

Facilities will be sized to meet mission and market requirements. State of the art designs will enable efficient joint operations. Sufficient resources will be available for construction and maintenance.

Appendix B Quadrennial Defense Review Roadmap for Medical Transformation

[See separate document]

Appendix C MHS Balanced Scorecard

[See separate spreadsheet]