[Categorical Listing] [Numerical Listing]

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

23 Mar 98

MEMORANDUM FOR: SURGEON GENERAL OF THE ARMY
SURGEON GENERAL OF THE NAVY
SURGEON GENERAL OF THE AIR FORCE

SUBJECT: Military Health System Commercial Activities (A-76) Program Policy

I am directing that a Military Health System Commercial Activities Program be established. This shall be a Tri-Service initiative supported by a Program Director located in the Office of the Director, Information Management, Technology, and Reengineering, (TRICARE Management Activity) and commercial activities representatives from each Service. This group will be chartered as the MHS Commercial Activities Steering Committee. Members will be held responsible for the integration of what is currently many disparate efforts by the MHS to obtain savings from the conduct of cost comparison studies as required by OMB Circular A-76.

Outsourcing efforts of non-core functionality that are not appropriate to an integrated approach shall remain the responsibility and be under the control of each Service. The Defense Reform Initiative Report (November 1997) highlights that DoD will increasingly rely on the competitive powers of the marketplace to ensure organizational efficiency. Competition between the public and private sectors offers the Department a way to infuse defense support activities with the dynamism of the market. The challenge for the MHS is to think anew about what military medical functions stand to benefit from competition and seize the opportunities that are identified. Your participation and support of this initiative is crucial. Please provide the name of your representative(s) to Mr. Christopher La Londe, Director MHS Commercial Activities Program. He can be reached by telephone at (703) 681-8833 or by e-mail at clalonde@ha.osd.mil.

Gary A. Christopherson
Acting Assistant Secretary of Defense

HA Policy 98-030

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