

BRAC 2005 Infrastructure Steering Group (ISG)

Meeting Minutes of August 29, 2003

The Acting Under Secretary of Defense (Acquisition, Technology, and Logistics) chaired this meeting. The list of attendees is attached.

The Chair opened the meeting and asked the Director of the OSD BRAC office to begin the briefing.

The OSD BRAC Director, using the attached slides, stated that the meeting would cover the following subjects:

- JCSG update
- Medical JCSG capacity analysis briefing
- Status of BRAC implementation funding rules
- Transformational options progress

The OSD BRAC Director reviewed the schedule of the upcoming JCSG briefings to the ISG. He added that all of the groups are making progress in developing their approach to capacity analysis. The Chair of the ISG then stated that he appreciated the willingness of Lt Gen Taylor, the Chair of the Medical JCSG, to be the first JCSG to brief. The ISG Chair and then turned the meeting over to Lt Gen Taylor.

Lt Gen Taylor briefed the ISG on the Medical JCSG's approach to capacity analysis using the attached slides. When discussing the Medical JCSG's organization, he stated that the military and civilian personnel listed on slide 3 were all subject matter experts who were dedicating about five to fifteen percent of their time to the effort. In response to a question, he stated that the two contractors were full time--one an expert in medical financing and the other in healthcare management.

Lt Gen Taylor, his fellow Medical JCSG members, and the ISG then discussed the Medical JCSG's "Battle Plan" (slide 4). The ISG agreed that it was important for the Medical JCSG to define clearly its requirements and ensure that all aspects of military healthcare are analyzed. The Chair of the ISG stated that he believed a prudent approach to the analysis that assumed a "Spartan" set of requirements which would then be expanded within the military value analysis. For example, reliable healthcare for military members and their dependents is a quality of life issue that becomes an expected benefit of military service. Quality of life affects retention, therefore, having access to reliable medical care is important to military value.

The Medical JCSG and the ISG also agreed that the scenario step of the BRAC process will be the point at which the Medical JCSG will examine concepts such as

contracting out more care, relying on the Veterans Administration, or creating a military medical defense command.

The ISG asked a number of clarifying questions about the functional and capacity analysis methodology slides (slides 5 through 9). Among the issues clarified were the following:

- While the majority of military physicians come from civilian medical schools, the Uniformed Health Services School physicians make up the bulk of the career military physicians cadre
- Definitions of each of the functions is critical to the data call analysis (e.g., the parameters for medical and dental research, development and acquisition)
- Except for those Homeland Security missions defined by Northern Command, the Department has not acquired a large Homeland Security mission; therefore, the Medical JCSG will not assume an expansive Homeland Security mission

The ISG approved the Medical JCSG minor refinements to the names of its functions (slide 10).

The Medical JCSG Chair stated its annual resource needs are 22 Full-Time Equivalents and \$560,000 for administration, travel and operational costs (see slide 12). He stated that the Medical JCSG believed there were two options to fund the costs, either through the existing defense healthcare program or through central OSD BRAC funding. The Chair of the ISG stated unequivocally that responsibility for funding the JCSGs lies with the Services.

The ISG agreed that the Medical JCSG must ensure that both the Technical JCSG and the Supply and Storage JCSGs are addressing the Medical JCSG's requirements when developing their data calls. The ISG Chair stated that he should be apprised of any problems that may arise.

At the conclusion of the Medical JCSG briefing, the ISG Chair asked the ISG members for final comments on the Medical JCSG approach. The ISG agreed to the following points:

- The Medical JCSG is off to a good start
- The Medical JCSG must agree to common definitions for its functions and metrics
- The Medical JCSG is using BRAC to examine ways to reshape the department's healthcare system, but in the end must develop recommendations that realign and close installations
- The Secretary has given the JCSGs the ability "to cast a wide net" when examining options to transform their functions

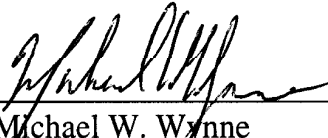
- The Medical JCSG must balance its broad decisions with local requirements
- The Medical JCSG should examine service unique requirements (having uniformed officers provide medical care to service members or establishing a single medical defense agency)
- The Services need to ensure there is proper support for the JCSGs

Following the conclusion of the Medical JCSG briefing, the Chair asked the BRAC OSD Director to address status of BRAC implementation funding rules and transformational options progress (see slides at attachment 2). The OSD BRAC Director reiterated the importance of having BRAC implementation funding set aside. The ISG agreed to be briefed on allocation rules for this funding on November 21, 2003.

The BRAC OSD Director then briefly discussed the transformational options received to date. He stated that the organizations listed on slide 7 had submitted 86 transformational ideas. He also stated that the JCSGs had recommended 42 organizations as potential candidates for soliciting additional options. The ISG agreed with the recommendation that sufficient transformational ideas have already been received to ensure a comprehensive analysis and, therefore, no more organizations would be formally requested to provide information.

The meeting concluded with the ISG agreeing to the next steps as outlined in slide 10.

Approved: _____


Michael W. Wynne
Acting USD (Acquisition, Technology & Logistics)
Chairman, Infrastructure Steering Group

Attachments:

1. List of Attendees
2. Briefing slides entitled “BRAC 2005 Issues” dated August 29, 2003
3. Briefing slides entitled “Medical JCSG Capacity Analysis” dated August 29, 2003

**Infrastructure Steering Group Meeting
August 29, 2003**

Attendees

Members:

- Hon. Michael Wynne, Acting Under Secretary of Defense (AT&L), Chair
- Hon Mario Fiori, Assistant Secretary of the Army (Installations and Environment)
- Mr. Raymond DuBois, Deputy Under Secretary of Defense (Installations & Environment)
- General Michael Moseley, Vice Chief of Staff of the Air Force
- Hon H.T. Johnson, Assistant Secretary of the Navy (Installations and Environment)
- Hon Nelson Gibbs, Assistant Secretary of the Air Force (Installations, Environment and Logistics)

Alternates:

- Major General Larry Lust, Assistant Chief of Staff for Installation Management, for General John Keane, Vice Chief of Staff, Army
- Lieutenant General James Cartwright, Director, Force Structure, Resources and Assessment, Joint Staff for General Peter Pace, Vice Chairman, Joint Chiefs of Staff
- Vice Admiral Charles Moore, Deputy Chief of Naval Operations for Logistics, for Admiral William Mullen, Vice Chief of Naval Operations
- Mr. Paul Hubbell, Deputy Director Facilities and Services Division United States Marine Corps for General Nyland, Assistant Commandant of the Marine Corps

Medical JCSG

- Lieutenant General Peach Taylor, Surgeon General of the Air Force
- Vice Admiral Michael Cowan, Surgeon General of the Navy
- Mr. Nelson Ford, Deputy Assistant Secretary (Health Budgets and Financial Policy), Office of the Assistant Secretary of Defense (Health Affairs)
- Major General Porr, Joint Staff Surgeon
- Major General Ken Farmer, Deputy Surgeon General of the Army
- Rear Admiral R. Hufstader, Medical Officer of the Marine Corps

Others:

- Ms. Anne Davis, Deputy Assistant Secretary of the Navy (Infrastructure Analysis)
- Mr. Mike Aimone, Deputy Assistant Secretary of the Air Force (Basing and Infrastructure Analysis)
- Dr. Craig College, Deputy Assistant Secretary of the Army (Infrastructure Analysis)
- Major General Gary W. Heckman, Assistant Deputy Chief of Staff of the Air Force for Plans and Programs
- Mr. Pete Potochney, Director, OSD BRAC
- Mrs. Nicole Bayert, Associate General Counsel, Environment and Installations, DoD

- CDR John Lathroum, Force Integration Branch Officer, Forces Division, J-8
- Mr. Andrew Porth, Assistant Director, OSD BRAC
- Ms. Dawn Hemming-Rich, Administrative Assistant, OSD BRAC
- Col. Duane Jones, Executive Officer for the Vice Chief of the Air Force
- Col. John Medlin, Military Assistant to Assistant Secretary of the Air Force (Installations, Environment and Logistics)
- Deborah Culp, Program Director, Contract Management Directorate, Office of the Inspector General



BRAC 2005 Issues

Briefing to the
Infrastructure Steering Group

August 29, 2003



Purpose

- JCSG update
- Medical JCSG capacity analysis briefing
- Status of BRAC implementation funding rules
- Transformational options progress



JCSG Update

- All groups working on defining capacity analysis for ISG briefings
 - **September 16 @ 3:00 (Tuesday) - New meeting**
 - ❑ Headquarters and Support Activities JCSG briefing
 - **September 19 @ 10:30 (Friday)**
 - ❑ Industrial JCSG briefing
 - ❑ Technical JCSG briefing
 - **September 24 @ 4:00 (Wednesday) - New meeting**
 - ❑ Supply and Storage JCSG briefing
 - ❑ Education and Training JCSG briefing
 - **October 10 @ 10:30 (Friday)**
 - ❑ Education and Training JCSG spill-over (if required)
 - ❑ Intelligence JCSG briefing



Medical JCSG Capacity Analysis

Briefing to the
Infrastructure Steering Group
Lt Gen Peach Taylor
Chair

29 August 2003

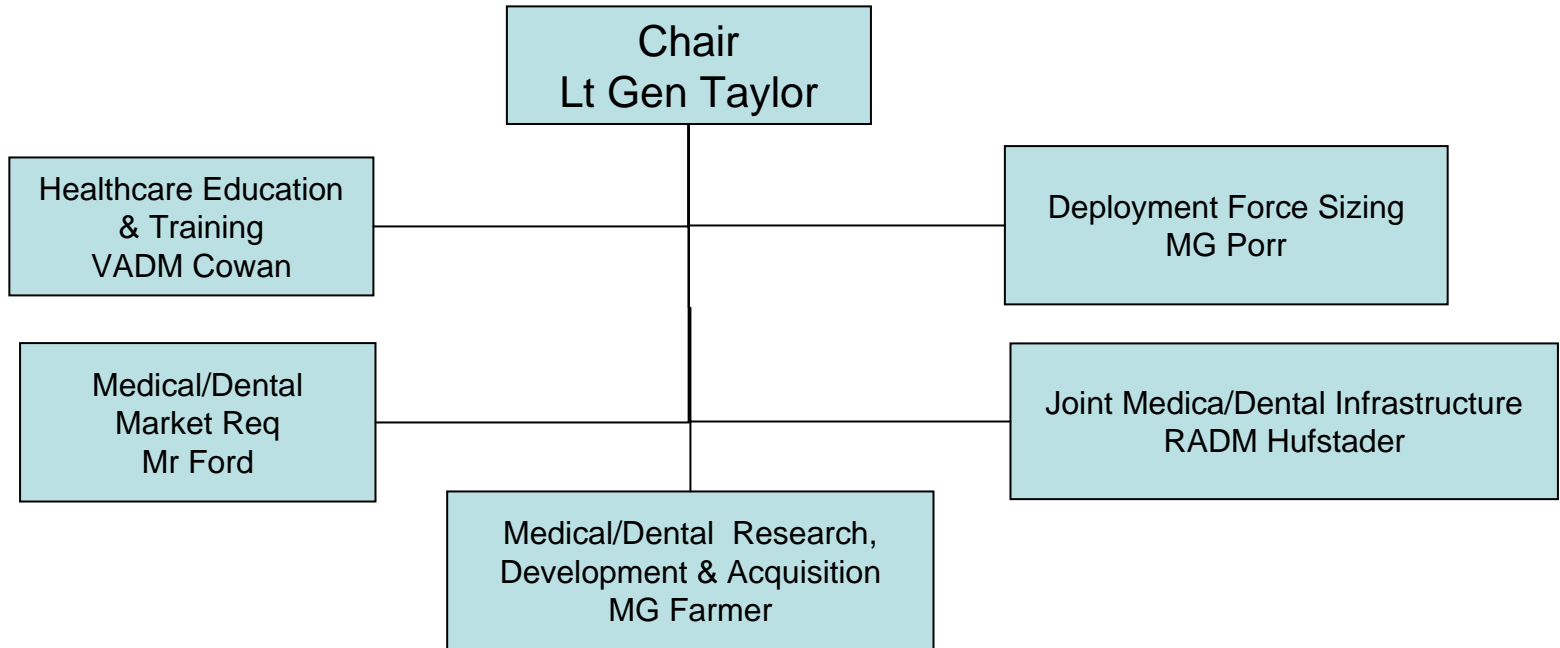


Overview

- Organization
- Functions
- Examples of Capacity Analysis Methodology
- Issues Impacting Analysis



Organization

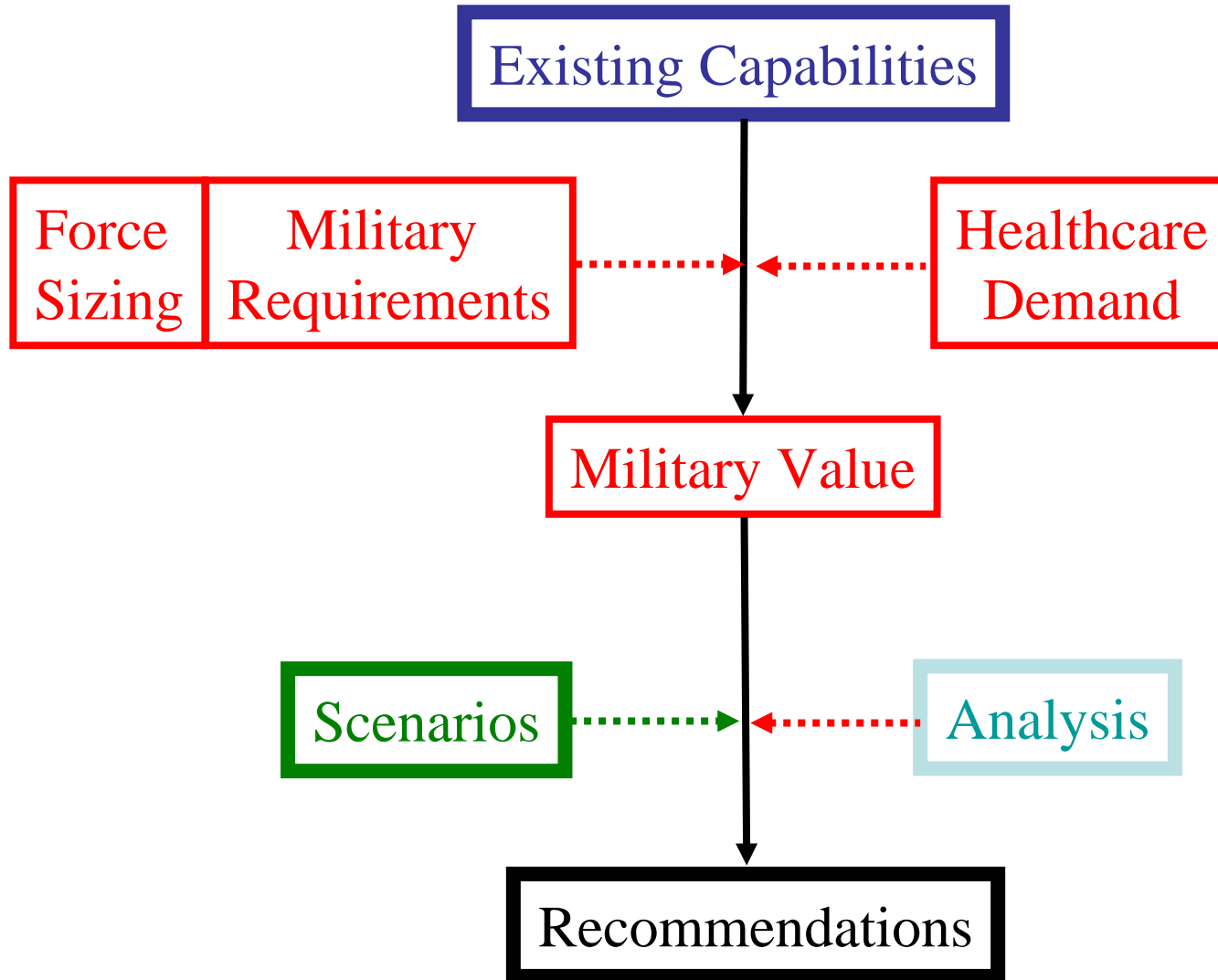


Personnel Currently Working JCSG Matters

Military	Civilian	Contractor
84	21	2



Battle Plan





Functions to be Analyzed

- Healthcare Education & Training*
 - Health Professions Entry Level Education
 - Health Professions Advanced Education
 - Health Professions Continuing Education
 - Health Professions Executive/Readiness Trng
- Medical/Dental Market Requirements
 - Healthcare Market Requirements
 - Service Specific Med/Dental Market Requirements

***Synchronized with Education and Training JCSG**



Functions to be Analyzed

- **Joint Medical/Dental Infrastructure***
 - Investment Equipment Management
 - Med/Dental Information Systems
 - Military Const & Facility Management
 - Pharmacy Services
 - Med/Dental Staff Contracting

***Synchronized with Supply and Storage JCSG**



Functions to be Analyzed

- Medical & Dental Research, Development, and Acquisition*
 - Science & Technology
 - Medical Acquisition
- Deployment Force Sizing
 - Medical & Dental Warfighting Requirements
 - Patient Transport and Evacuation Systems
 - Homeland Defense Requirements

***Synchronized with Technical JCSG**



Capacity Analysis Methodology

Function: Healthcare Market Requirements

■ Attributes

- Demand
- Military Staffing Levels

■ Describe metrics of attributes

- Clinical Workload
- Manpower
- Costs
- Service-specific, non-clinical Req'ts
- Civilian Network capacity

■ Measuring Capacity

- Population: eligible and enrolled populations
- Inpatient Services: Relative Weighted Products
- Outpatient Services: Relative Value Units
- Pharmaceuticals: Number of Prescriptions
- Manpower: Assigned and Available
- Costs: Medical Expense and Performance System



Capacity Analysis Methodology

Function: Medical Research, Development and Acquisition*

■ Attributes

- Mission and Funding
- Location, Facilities and Equipment
- Personnel
- Output and Accomplishment

■ Describe metrics of attributes

- Actual/programmed Funding Streams
- Requirements Documents
- Licenses, permits, environmental issues
- Manpower: size, age, education levels, certifications
- Laboratory capabilities, size and location
- Publications, patents, trials, material transfer agreements, consultations
- Civilian Network capacity

■ Measuring Capacity

- Lab Workload
- Products Delivered
- Scientific Brainpower
- Weighted to investment
 - Manpower
 - Infrastructure

***Synchronized with Technical JCSG**



Refinements to SecDef Approved Functions

- Reduce Med/Dental Market Requirements to
 - Health Care Market Requirements
 - Service Specific Medical & Dental Market Requirements

- Healthcare Education and Training Function
 - Rename “Graduate Medical & Dental Education” to “Health Profession Education”

- Rationale: Better data definition, no change in scope



Issues Impacting Analysis

- Support Staff Resourcing
- ISG Decision in the Functional Transfer of Certain Medical Activities to other JCSGs



Issues Impacting Analysis: Support Staff Resourcing

- Funds are needed to support growing analytical and administrative workload.
 - Annual estimate established by group:
 - 22 FTE (\$2.7M)
 - \$560K (Admin/travel/OMA)

- Options:
 - Continue with non-budgeted funding
 - DHP activity?
 - OSD provide funding support

- Recommendation: OSD provide funding support through BRAC office



Issues Impacting Analysis: Function Transfer to other JCSGs

- ISG decision placed Human Systems Research in Technical JCSG and Class VIII Supply (Medical supplies and Blood) in Supply & Storage JCSG
 - Medical JCSG members cross-flowing expertise
 - Concern over pace and representation in other JCSGs

- Options:
 - Continue functional assignments
 - Return subfunctions to MJCSG

- Recommendations:
 - Continue current assignments, but closely monitor pace



BRAC Implementation Funding – Background

- Funding in previous BRAC rounds competed with operational requirements
- DoD programmed funding to pay for BRAC 2005 implementation
 - Based on budgeted costs/savings reported in BRAC 93 and 95
 - Assumed a 20% reduction in infrastructure

- Costs – savings directly programmed; savings exceed costs after year three

(TY \$B)	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>
Costs	\$4.7	\$7.6	\$7.1
Savings	\$1.7	\$2.2	\$4.8
Net (wedge)	\$3.0	\$5.4	\$2.3

- June 6th ISG tasked BRAC DASs to recommend allocation rules
 - Status report in August
 - Brief recommendations in Fall



Status of BRAC Implementation Funding Rules

- **Baseline assumptions:**
 - This funding will be maintained
 - Allocation will not be an historical BRAC or TOA-based “fair share”
 - If estimated costs to implement all recommendations are equal or lesser than the implementation funding wedge, then all recommendations are funded and implementation accelerated
 - Allocation rules should be based on best value, as seen by the ISG. Reward criteria include transformation, military value impacts, payback (scale/pace), jointness
 - Services fund any implementation cost shortfalls
- **Currently arraying alternative allocation systems**
- **Briefing of recommendations scheduled for 21 Nov ISG**



Transformational Options Approach

■ Background

- We asked for “ideas” from OSD, MilDeps, Joint Staff, BENS, DSB members, JCSGs
- Also asked JCSGs to nominate other outside organizations

■ Status – Organizations Submitted

- OSD: OUSD(C)
- Joint Staff: Chairman JCS
- MilDeps: Navy, Air Force
- Def Agencies: DFAS, NIMA, NSA/CSS
- JCSGs: E&T, H&SA, S&S, Technical
- Combatant Commands: SOUTHCOM, STRATCOM, CENTCOM
- Outside Organization: BENS



Assessing Transformational Options

- Objective: Forward most worthy “ideas” to SecDef for approval
- Use a five-step process for identifying most worthy candidates
 - Functionally categorize options: Operational, Training, Support, and Other
 - Filter options that are already being considered or implemented within DoD or are unreasonable due to timing or scope
 - Use military judgment to score remaining options within each category by jointness, payback, facility impact, and BPR
 - Assess feasibility of high value ideas
 - ❑ Can analyze in BRAC as is
 - ❑ Analyze option but implementation may require policy decision
 - ❑ Analyze option but implementation may need legislative change
 - Assign ideas to MilDepts/JCSGs as appropriate



JCSG Recommended Outside Organizations

- JCSGs asked to recommend outside organizations from which additional ideas can be solicited
- Nominations included a variety of 42 trade associations, commercial firms, and Federal agencies
 - RAND and National Defense Industrial Association recommended more than once
 - Commercial organizations may introduce legal or conflict of interest issues if ideas were adopted
 - Input already received appears sufficient to ensure a comprehensive set of options for BRAC analysis

Recommend ISG Seek No Additional Transformational
Options from Outside organizations



Next Steps

- Continue JCSG presentations
- Industrial issues
- Interim force structure plan
- Overseas basing
- Approach to February 04 Report
- Draft selection criteria for publication
- BRAC implementation funding allocation rules