

# Military Health System Innovation Investment Process

---

*“A Call for Good Ideas”*



# Innovation Investment Process (IIP)

---

- What is it?
  - IIP is a “corporate driven” process that will expeditiously provide funding for large-scale MHS innovations or projects (IIP initiatives) that will reduce the costs in the Military Health System (MHS).
- Why are we doing it?
  - Show Congress and stakeholders that the MHS is doing everything possible to reduce health care costs as part of overall “Sustain the Benefit” initiative.
  - Reduce impact of increasing health care costs on overall MHS and DoD operations
  - Encourage corporate-level innovation

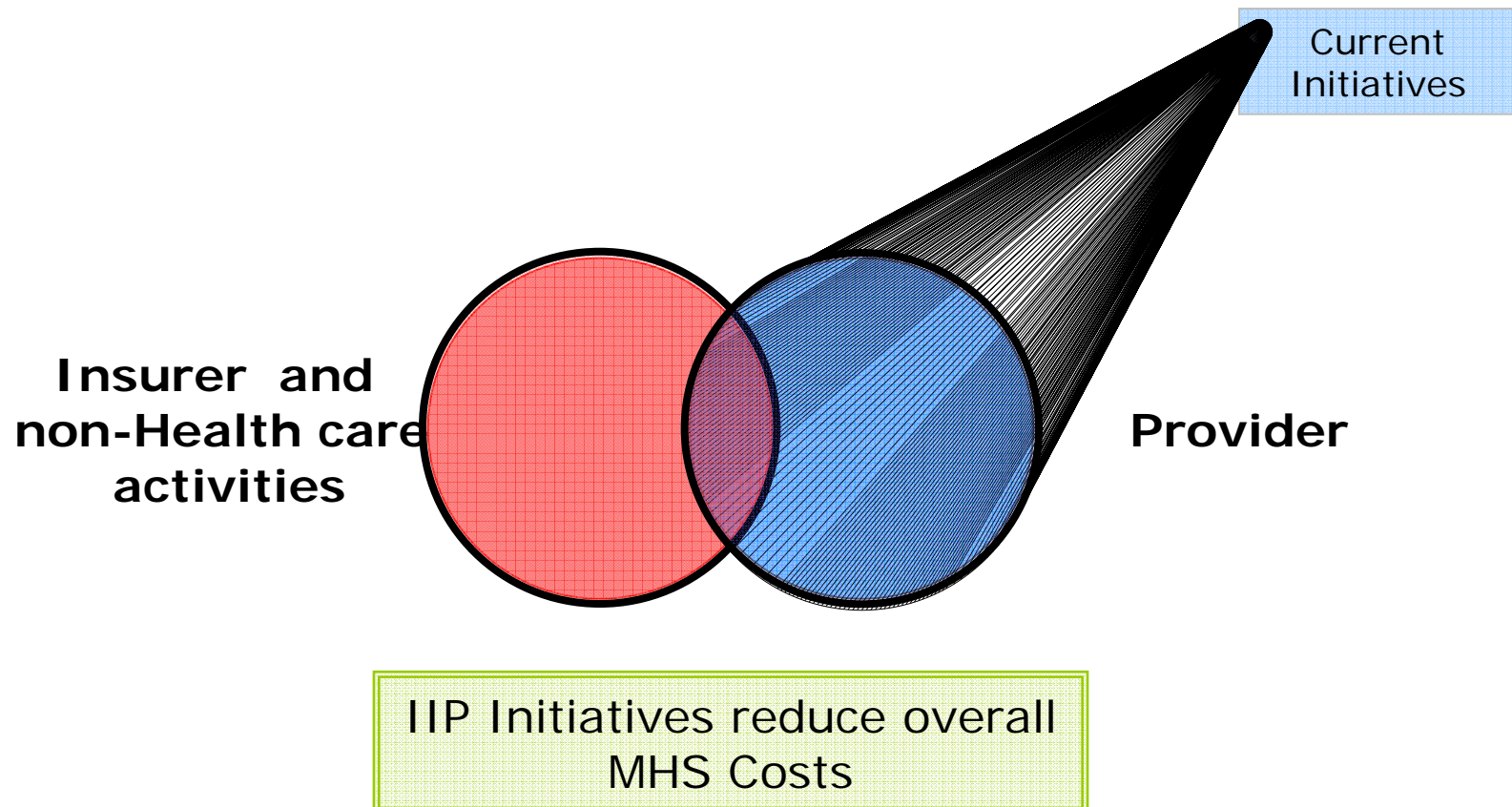
# Innovation Investment Process (IIP)

---

- Will fund initiatives that:
  - **Reduce MHS costs and provide a positive return on investment**
  - **Do no harm to:**
    - Medical readiness
    - Quality of care
    - Access to care
- Other attributes:
  - The Board of Directors (BoD) is “corporate level” decision making body which includes the DoD Comptroller and the Office of Management and Budget
  - Leverages private sector methodologies with MHS perspective

# Broader Perspective

- Current initiatives have focused largely on provider perspective
- IIP takes into account MHS' dual perspective as both provider and insurer as well as other administrative and overhead costs

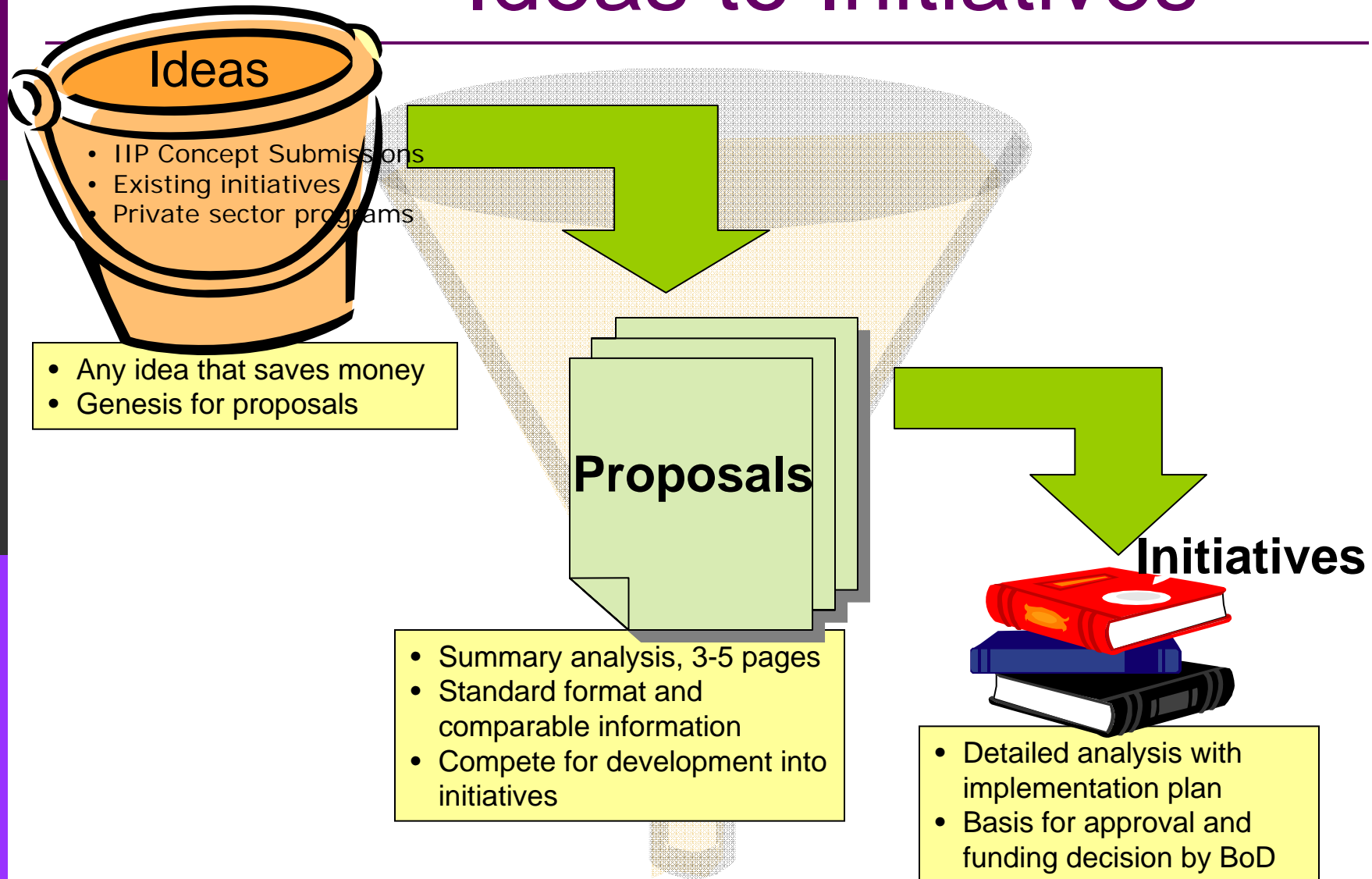


## Possible Range of Initiatives

---

- Reduce the cost of delivering health care in the military medical system or the private sector
  - Might focus on clinical product lines, medical management, or overhead costs associated with providing care (e.g. tele-radiology, aggressive disease management, national contracts for linen service)
- May include cost saving non-health care initiatives
  - e.g. readiness, deployment processes, training, contracting
- Partner with the VA or other federal, state or private sector entities
- Initiatives may require additional legislative authority

# Ideas to Initiatives



# Good Ideas Make for Good Initiatives

---

- New ideas - **We need your help!!!**
  - Submitted by **HA/TMA, other DoD offices, Services Medical Personnel, Service Line, Beneficiaries, Stakeholders, other Federal Agencies, etc.** **We want to ensure the broadest possible submission base.**
  - A website has been set up for submission of concepts
- Review existing initiatives for possible broadening in scope or application
  - Joint DoD/Veterans Affairs Initiatives (JIF)
  - Venture Capital initiatives
  - Optimization initiatives
- Existing programs in the private sector to reduce health care costs
  - Submitted primarily by IIP contractor

# How To Submit a Good Idea

---

- Go to <http://iip.fedworx.org>
  - Register (it's really easy!)
  - Submit idea (can attach documents or fill in Concept Form)
  - Ideas and information submitted will only be visible to IIP personnel



# Backup Slides





# QDR Medical Transformation Roadmap – Initiative #11

---

- Roadmap approved by Flag-Level Working Group, Senior Medical Military Advisory Council and Military Health System Executive Review. Signed by Dr. Chu, Under Secretary of Defense, Personnel and Readiness January 2006.
- Specific direction:
  - Develop and submit legislative language for authorization to pursue initiatives with private sector. Initiatives must have a return on investment
  - Investments must be based on a sound business case analysis (incorporating private sector business practices)
  - Establish Board of Directors

# IIP Terms of Reference: Players

---

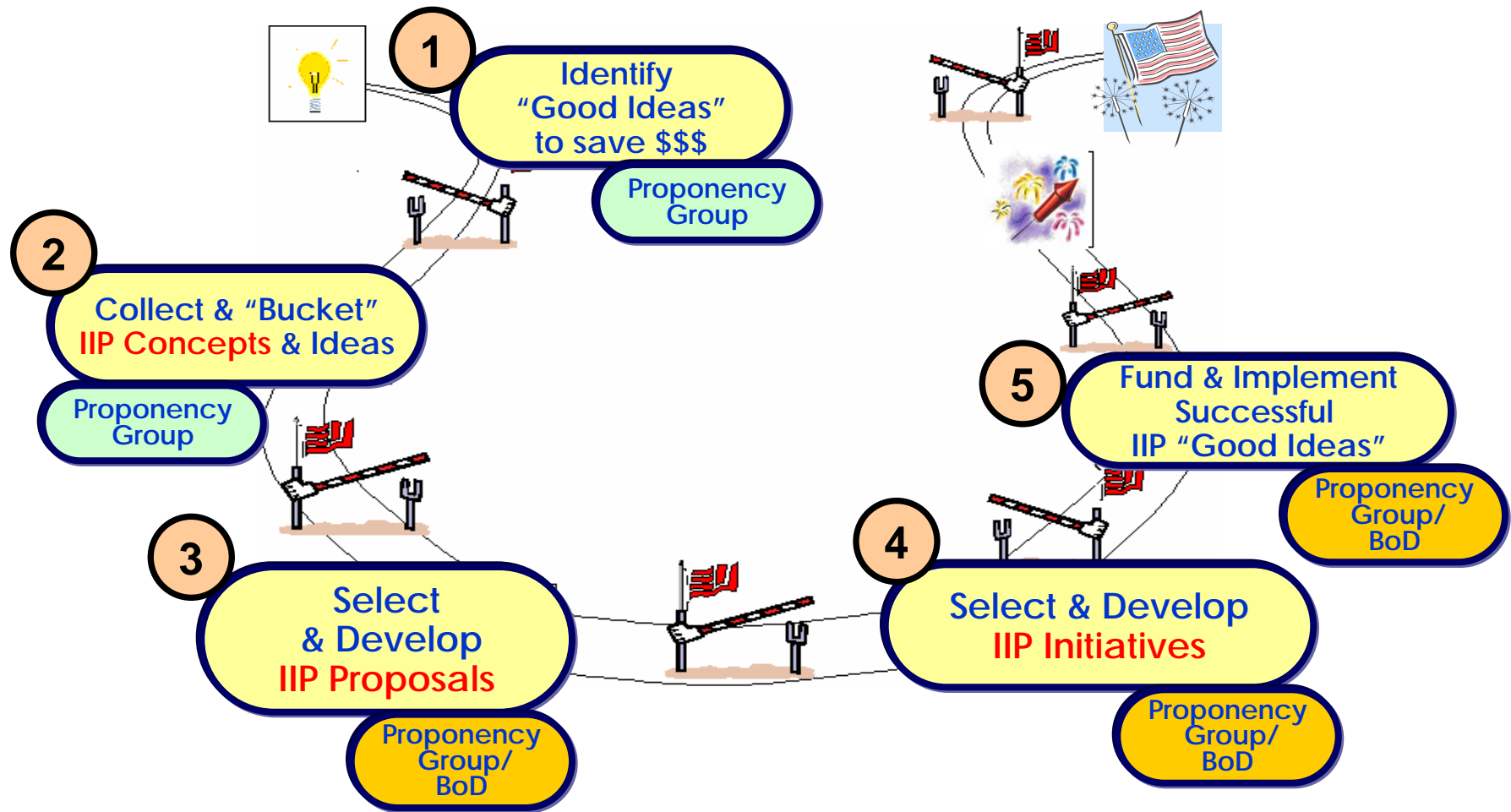
- IIP Board of Directors (BoD):
  - Chaired by ASD(HA) with Service Surgeons General, Deputy Director TRICARE Management Activity, USD (Comptroller), Office of Management and Budget rep, and additional *ex officio* members.
  - Appoints Proponency Group - may appoint more than one representative, but only one vote
  - Has authority over IIP activities and selects initiatives for IIP funding
  
- Proponency Group:
  - Chaired by DASD (Health Budgets & Financial Policy) BoD representative
  - Manages the IIP program, oversees the IIP contractor, and develops recommendations for BoD decisions
  - Incorporates special skill sets as needed
  - Responsible for internal coordination with BoD Members and organization/Service
  
- Independent IIP Contractor:
  - Contractor with experience in private sector health care analysis and MHS knowledge will be selected.
  - Will support the Proponency Group in identifying opportunities for IIP funds and developing a comprehensive business case analysis/implementation plan for an initiative selected for consideration by the BoD.
  - Contractor will train the MHS on its methodologies for developing proposals and initiatives prior to the conclusion of the contract.

# Terms of Reference: Products

---

- IIP Concept:
  - A good idea -- big or small -- that saves the Military Health System money and does no harm to medical readiness, quality of care, and access to care.
  - Submitted by HA/TMA Leadership, Services, TRICARE Regional Offices, Medical Treatment Facilities, Veterans Affairs, IIP Contractor and others (e.g. DoD Comptroller and Office of Management and Budget).
  
- IIP Proposal:
  - Generated by Advocacy Group with support by IIP Contractor from promising ideas in medical product line/functional area “buckets”.
  - IIP contractor develops 3-5 page analysis that includes use of Military Health System data, private sector financial information, rough order of magnitude, Return on Investment and risk assessment.
  
- IIP Initiative:
  - “Full blown” analysis by IIP Contractor of select few proposals that is presented to BoD for approval and funding.
  - Consists of a business case analysis generated by leveraging private sector methodologies and a detailed implementation plan.

# Innovation Investment Process: “Path to Initiative Approval”



## Initiative Process: Timeline

Task	Deadline
Signed Charter for Board of Directors (BoD)	COMPLETE
Designation of Proponency Group (PG) members by BoD	COMPLETE
PG start-up; review and bucket concepts (1-2 day off-site - twice)	Mid-September
PG review/approve proposal outline presented by IIP contractor	Mid- September
BoD start-up; report on PG work to-date, opportunity to add additional concepts	Mid-September
PG ranks proposals developed by IIP contractor	Late-September
BoD reviews ranked proposals – orders initiative development of selected few	Early-October
IIP contractor, working with PG, develops initiatives	October – December
BoD reviews initiatives as ready and approves/disapproves	October – December
BoD selects additional proposals for initiative development (process repeats)	Ongoing

## Contractor Procurement: Timeline

Task	Deadline
Publish RFI	COMPLETE
Deadline to respond to RFI	COMPLETE
Review RFI responses and develop Statement of Objectives (SOO)	COMPLETE
Finalize Source Selection Board (SSB) membership	COMPLETE
Publish SOO	COMPLETE
Deadline to respond to SOO	COMPLETE
SSB convenes at Ft. Detrick, MD for oral presentations	COMPLETE
Contractors are notified of selection	Late-August
Contractor begins work	Mid-September