DoD Medical Materiel Standardization Programs

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Overview

• Purpose of Medical Materiel Standardization

• Military Healthcare System (MHS) Medical Materiel Standardization Programs

• Organizational Structure & Relationships

• Program Methods & Outcome Measures

• Future Plans
Purpose of Medical Materiel Standardization

• Patient Safety & Sustainability
  – Operational Interoperability
  – Operational Compatibility
  – Operational Supportability

• Cost Reduction
  – Economies of scale
  – Reduced logistics tail
Operational Capabilities of Care

The concentric rings represent the Level or Capability of Care.

Medical capabilities are progressively enhanced from the inner to the outermost ring.

Medical Materiel considerations:

What is the most suitable product for the inner most level of care that requires that medical capability?

How far “out” can that product go?
Medical Materiel Standardization Programs

• Defense Medical Standardization Board (DMSB)
  • DMSB Staff Office

• Pharmacy Benefits Program under Director, TRICARE Management Activity
  • DoD Pharmacy & Therapeutics Committee
  • Beneficiary Advisory Group
  • DoD Pharmacy Board of Advisors
  • Pharmacoeconomic Center (PEC)

• MHS Multi-Service Market Managers (MSMMs)
  • TRICARE Regional Business Offices
# Medical Materiel Standardization Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Est.</th>
<th>Current Policy or Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMSB</td>
<td>1945</td>
<td>• DoDD 6000.12, 29 April 1996</td>
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<tr>
<td></td>
<td></td>
<td>• DoDI 6430.2, 17 March 1997</td>
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<tr>
<td>Pharmacy Benefits Program</td>
<td>1998</td>
<td>• Title 10 USC Sec. 1074g</td>
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<td></td>
<td></td>
<td>• 32 CFR Part 199</td>
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<tr>
<td>MSMMs</td>
<td>1998</td>
<td>• Deputy SECDEF TRI CARE Governance Policy Memorandum, 20 January 2004</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Tri-Service Regional Medical Logistics Support Programs Implementation Guidance (Version 4.0), October 2005</td>
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</tbody>
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## Medical Materiel Standardization Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Focus of Standardization</th>
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<tbody>
<tr>
<td>DMSB</td>
<td>• Operational Forces</td>
</tr>
<tr>
<td></td>
<td>• All Class VIII Commodities</td>
</tr>
<tr>
<td></td>
<td>• Global</td>
</tr>
<tr>
<td>Pharmacy Benefits Program</td>
<td>• Direct Care &amp; Purchased Care</td>
</tr>
<tr>
<td></td>
<td>• Pharmaceuticals</td>
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<tr>
<td></td>
<td>• Global</td>
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<tr>
<td>MSMMs</td>
<td>• Direct Care</td>
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<tr>
<td></td>
<td>• Primarily consumables</td>
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<tr>
<td></td>
<td>• Regional</td>
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DoD Pharmacy Benefits Program

Senior Military Medical Advisory Council

ASD/Health Affairs Director/TMA

Beneficiary Advisory Panel

Deputy Director/TMA

DASD (C&PP) CMO/TMA

Clinical Proponency Steering Committee

DoD P&T Committee

Pharmacy Operations Directorate

Pharmacoeconomic Center (PEC)

DoD Pharmacy Board of Advisors

DoD Pharmacy Board of Advisors

Pharmacy Operations Directorate

DMSB (Joint Deployment Formulary)

DMSB (Joint Deployment Formulary)

Army Executive Agency
Staff Principal: DSG
Tri-Service Regional Business Offices (TRBOs)
TRO North has 2 MSMMs and 3 TRBOs, TRO South has 2 MSMMs and 2 TRBOs, TRO West has 3 MSMMs and 3 TRBOs, & CG, European Regional Medical Center has 1 TRBO
Program Methods: Similarities

• Clinical SME Panels
• User preference in conjunction with scientific evidence
• Market analysis
• Executive (SES/Flag) review
# Program Methods: Differences

<table>
<thead>
<tr>
<th>Program</th>
<th>Focus of Standardization Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMSB</td>
<td>Medical commodities (all categories) to meet operational compatibility and interoperability requirements</td>
</tr>
<tr>
<td>Pharmacy Benefits Program</td>
<td>Pharmaceuticals to provide uniform services and “best value” for beneficiaries of the MHS</td>
</tr>
<tr>
<td>MSMMs</td>
<td>Medical materiel (primarily consumables) to provide “best value” products for the direct care system</td>
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## Program Methods: Differences

<table>
<thead>
<tr>
<th></th>
<th>Operational</th>
<th>Direct Care</th>
<th>Purchased Care</th>
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<tr>
<td>Med/Surg Supplies</td>
<td>DMSB</td>
<td>MSMMs</td>
<td>N/A</td>
</tr>
<tr>
<td>Equipment</td>
<td>DMSB</td>
<td>MSMMs</td>
<td>N/A</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>DMSB</td>
<td>Pharmacy Benefits Program</td>
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- Efforts are complimentary
- Redundancies are avoided
- Collaboration across programs is mutually beneficial
Outcome Measures: DMSB

Medical Contingency File (MCF) Growth

Result of Cooperative Standardization Effort

Year

Number of Unique NSNs

RX Products  MCF (non-RX)
Outcome Measures: Pharmacy Benefits Program

MTF Cost Avoidance from Pharmaceutical Contracting or Other Incentive Agreements

Source: DoD Pharmacoeconomic Center; Prime Vendor Data
Outcome Measures: MSMMs

Program Cost Avoidance Projections and Actual Results from FY 2000 Forward

Source: TRISERVICE Regional Standardization Program Report 06 March 2006
Future Direction

• Institutionalize evidence-based, data driven standardization processes
• Increase collaboration across the spectrum of medical materiel program activities
  - Visibility of program activities
  - Data sharing
  - Standardize processes and methodologies
• Improved standardization metrics
• Emergence of an overarching integration or coordination function at the DoD or Joint Services level
Backup Slides
Multi-Service Market Manager (MSMM) & Regional Logistics Support Program Authority (RLSPA)

TRI-SERVICE REGIONAL BUSINESS OFFICE ALIGNMENT (TRBO), FY05/06

<table>
<thead>
<tr>
<th>MSMM</th>
<th>TRBO</th>
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<tbody>
<tr>
<td>CG, Walter Reed Army Medical Center</td>
<td>TRBO, Walter Reed AMC</td>
</tr>
<tr>
<td>CDR, Portsmouth Naval Medical Center</td>
<td>TRBO, Portsmouth NMC</td>
</tr>
<tr>
<td></td>
<td>TRBO, Wright Patterson AFB</td>
</tr>
<tr>
<td>CG, Eisenhower Army Medical Center</td>
<td>TRBO, Eisenhower AMC</td>
</tr>
<tr>
<td>CG, Wilford Hall Medical Center (AF)</td>
<td>TRBO, BAMC AMC</td>
</tr>
<tr>
<td>CG, Madigan Army Medical Center</td>
<td>TRBO, Madigan AMC</td>
</tr>
<tr>
<td>CDR, San Diego Naval Medical Center</td>
<td>TRBO, San Diego NMC</td>
</tr>
<tr>
<td>CG, Tripler Army Medical Center</td>
<td>TRBO, Tripler AMC</td>
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<th>TRBO</th>
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<tr>
<td>CG, European Regional Medical Command (Army)</td>
<td>TRBO, Europe (European Regional Medical Command)</td>
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Differences in Calculating Pharmaceutical Cost Avoidance

Price discounts Companies give to gain business in DoD

Ave Actual Market Price

Ave FSS Price

Market Price Without Contract

Old Methodology

New Methodology

Contract Price

Contract or Agreement Established

Source: DoD Pharmacoeconomic Center