

Five Ways to Improve Performance of Military Hospitals

Sarah K. Burns (sburns@ida.org) and Jamie M. Lindly (jlindly@ida.org)

Before John E. Whitley was sworn in as the 16th Assistant Secretary of the Army (Financial Management and Comptroller), he was a senior fellow working alongside IDA researchers involved in finding financial solutions to some of the military’s toughest challenges. While he was still at IDA, his paper *Five Actions to Improve Military Hospital Performance*, derived from previous IDA research, was published (IBM Center for the Business of Government, 2017).

“Modernizing the direct care system is good for national security, military service members, and the taxpayer—and can even be done in a way to improve civilian trauma care across the country.”

—John E. Whitley



These five actions (listed below) would improve performance while overcoming perennial challenges of readiness, high costs, and National Defense Authorization Act reforms.

Clarify Roles and Missions. The Military Health System (MHS) has two distinct missions—the operational mission, which focuses on in-theater medical treatment, and the beneficiary healthcare mission, which focuses on controlling costs while providing quality care. The different care demands of this dual-mission framework are made more complicated by lack of clarity about the roles necessary in performing the two missions.



Reform Financial Management. The lack of transparency in MHS funding across the dual-mission framework, which reduces incentives for proper management, could be remedied by moving benefit costs to military personnel accounts, moving costs of readiness to individual service readiness-related accounts, funding Military Treatment Facilities (MTFs) according to performance—not consumption—and recognizing costs in the budget when obligated.

Reform Data-Driven Management. To overcome the lack of emphasis on data-driven management within the MHS, Whitley suggests assessing and tracking readiness. Quantifiable assessments of case volume, diversity, and intensity by individuals on the care team would support medical readiness evaluations that are similar to elements used to assess and document experience and readiness across other areas of the Defense Department.

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NS D-10520

Reform Leadership and Operational Management. Military Treatment Facilities (MTFs) are managed as if they were military units despite being almost exclusively focused on beneficiary healthcare delivery. Further, MTFs do not compete directly for business, and they overuse military personnel with non-operational specialties. Leadership and operational management reforms could include managing MTFs like professional hospitals rather than military units, reducing layers of management within MTFs, and ensuring MTFs face competition for beneficiaries and care delivery.

Engage in Public-Private Partnerships. Public-private partnerships can be implemented across the MHS to achieve greater integration with civilian healthcare and improve direct care performance. Such partnerships could involve contractors providing direct-care products or functions, MTFs fulfilling a trauma need of the local community, and military personnel being assigned to civilian trauma facilities.

