

Case Study



Client: Military Health System,
U.S. Department of Defense

Industry: Government

Objective: Build a capital planning decision methodology for all of the military's health facilities worldwide.

"Decision Lens focused us on defining what is important and putting resources into projects that are key to the mission."

Director of Facility Planning, TRICARE
MEDICAL ADMINISTRATION, MILITARY
HEALTH SYSTEM

SUMMARY

Making facility capital allocation decisions is one of the \$30B Military Health System's responsibilities. Having the right facilities in the right locations is critical for supporting the military's missions now and in the future. However, MHS determined that their process for allocating capital focused too much on the condition of the facility and not enough on the overall mission of the services. As MHS worked to transform how healthcare was delivered to the military and their families, they were having difficulty adequately defending their decisions and were not certain that their choices delivered the best value.

Decision Lens is helping MHS to create a new capital planning process for their entire portfolio of defense healthcare assets including medical and non-medical facilities. The process focuses on the projects that most closely serve the overall mission and optimize healthcare across the services. The definitive audit trail allows MHS to catch any inconsistencies in logic. With a process that is consistent, reliable and defensible, senior leadership is able to confidently make the decisions necessary to provide facilities that meet the military's needs.

CHALLENGE

The \$30B Military Health System manages hundreds of hospitals all over the world as part of its charge to develop an integrated and seamless military health system for all the services. MHS is responsible for making the decisions on facility investments — when to improve them, when to build new ones and when a facility has outlived its usefulness. With most of the hospitals more than 50 years old, competition for capital investment is high.

As the military itself transforms to meet emerging threats, the facility capital investment process has been criticized for just focusing on the conditions of the facilities, with less consideration of the necessary support to military missions and improving health care delivery. In addition, there was a sense that each service would get its "fair share" of the allocations, which inhibited evaluation of truly valuable — but expensive — projects.

MHS recognized their capital allocation process lacked structure and coherence. They could not adequately justify the decision to fund one initiative over another. They were also struggling with the redundancies created by the legacy of each service independently managing

their own facilities. The challenge was to identify the facility investment initiatives that best support the overall military mission. Given the four year lag between making decisions and their implementation, getting the allocations right today is critical for the military of tomorrow.

SOLUTION

MHS is building a new facility capital planning decision methodology around Decision Lens Suite™. The new methodology centers on a fact-based decision model that encourages the decision makers to develop priorities that maximize health care delivery across the services. The military's missions and priorities are explicitly incorporated into MHS' own prioritization.

The Capital Investment Review Board, composed of all three services, has used the process to develop a common set of criteria and priorities upon which the initiatives can be evaluated. Working with Decision Lens' experienced facilitators, each service is able to share their knowledge and expertise. As a result, these broad reaching criteria extend way beyond the previous narrow focus on the condition of the facilities. The new criteria include: contribution of the facility to supporting the missions around the world, modernization, matching capacity with demand and improving health care

delivery. The services create business cases that specifically identify how a project contributes to these goals. The process focuses on the initiatives that deliver the greatest value.

RESULTS

MHS is turning a loosely structured decision making process into a consistent and reliable methodology that integrates the decision making of each of the services to develop a joint healthcare facility planning process for developing business cases to support capital construction initiatives. Investments are optimized across the services, encouraging presentation of all the important projects, not just those that fit into pre-ordained ideas about fair share budget allocation.

Using Decision Lens, MHS can now optimize investments across the services. Decision criteria reflect the increasingly complex and interrelated nature of the military as well as fundamental concerns about facility conditions. The definitive audit trail allows MHS to catch any inconsistencies as well as explain why a funded project is more important than an unfunded one. The MHS has created a process that allows it to meet tomorrow's challenges with today's decisions.