

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE COMMITTEE ON APPROPRIATIONS

STATEMENT OF

VICE ADMIRAL MATTHEW L. NATHAN, MC, USN

SURGEON GENERAL OF THE NAVY

BEFORE THE

SUBCOMMITTEE ON DEFENSE

OF THE

HOUSE COMMITTEE ON APPROPRIATIONS

SUBJECT:

DEFENSE HEALTH PROGRAM

April 14, 2015

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE COMMITTEE ON APPROPRIATIONS

Chairman Frelinghuysen, Ranking Member Visclosky, distinguished Members of the Subcommittee, on behalf of the Navy Medicine team – over 63,000 dedicated men and women serving around the world – I want to thank the Committee for your tremendous support. I am grateful for the opportunity to appear before you today and I can report to you that Navy Medicine is capable, mission-ready and steadfast in our commitment to deliver world-class care, anytime, anywhere.

Strategy: Aligned, Balanced and United

The core mission of Navy Medicine is inextricably linked to that of the United States Navy and the United States Marine Corps. We protect the health of combat-ready Sailors and Marines in support of global expeditionary missions. Navy Medicine operates underway in all warfare domains and in all environments. This mission requires us to be agile to support the full range of operations and be ready to respond where and when called upon. The Chief of Naval Operations has maintained this imperative through his Sailing Directions: (1) Warfighting First; (2) Operate Forward; and (3) Be ready. These tenets are impactful as we sustain our readiness posture to meet these demanding missions.

Within Navy Medicine, we are staying the course with our 2015 strategic priorities of readiness, value and jointness. Specifically:

Readiness: We provide agile, adaptable, and scalable capabilities prepared to engage globally across the range of military operations with maritime and other domains in support of the national defense strategy.

Value: We provide exceptional value to those we serve by ensuring highest quality through best health care practices, full and efficient utilization of our services, and lower care costs.

Jointness: We lead Navy Medicine to jointness and improved interoperability by pursuing the most efficient ways of mission accomplishment.

Individually and collectively, these mutually-supportive focus areas are instrumental in shaping our decision-making, internal processes and organizational capacity. We are continuing

to drive progress in several key objectives including delivering ready capabilities to the operational commanders and ensuring clinical currency of our medical force. Within the context of providing best value for our beneficiaries, we are sustaining efforts to decrease enrollee cost and increase recapture of private sector purchased care, as well as standardize our clinical, non-clinical and business processes. Navy Medicine continues to leverage joint capabilities to improve interoperability and efficiencies. Our priorities are strengthened because everyone in Navy Medicine has a distinct and important role in contributing to the success of these efforts.

We are advancing joint efforts through the Defense Health Agency (DHA) and its supporting role to the Services' medical departments. Our collective goal is to facilitate greater integration of clinical and business processes across the Military Health System (MHS) through the implementation of shared services. This portfolio of services, all on track to reach full operating capability by October 2015, includes: facilities; medical logistics; health information technology; health plan; pharmacy; contracting; budget and resource management; medical research and development; medical education and training; and, public health. They will be important in building a sustainable business model for the DHA, creating system-wide efficiencies and reducing process variation.

Our collaborative work is evident in response to the comprehensive review of the MHS directed by the Secretary of Defense in May 2014. The 90-day review was directed to assess whether (1) access to medical care in the MHS meets defined access standards; (2) the quality of health care in the MHS meets or exceeds defined benchmarks; and (3) the MHS has created a culture of safety with effective processes for ensuring safe and reliable care of beneficiaries. This review applied evidence to what we had previously only been able to presume with regard to quality, safety, and access. We can now assertively conclude Navy Medicine performs

comparably to civilian health care systems. This rigorous self-assessment demonstrated that we have areas of excellence and areas that could benefit from further improvement. The review afforded us the opportunity to drill down on these opportunities for improvement. In response, we are systemically and aggressively addressing all lagging outliers within Navy Medicine, with demonstrable results already achieved. We are also working with the other Services and the Assistant Secretary of Defense for Health Affairs (ASD (HA)) to transform the MHS into a high reliability organization (HRO) and build a robust performance management system. The review served as an important catalyst to support performance improvement through better analytics, greater clarity in policy, improved transparency, and alignment across training and education programs. I am committed to these transformation efforts and confident that we have a sound and actionable strategy to support our way forward.

Within Navy Medicine, our continuous process improvement (CPI) efforts are leveraging both our Lean Six Sigma (LSS) program and our industrial engineering (IE) capabilities to ensure that efforts are aligned with Navy Medicine strategic priorities. This approach enables us to track the progress of projects, validate results, communicate lessons learned and best practices, as well as improve communication at all levels. In FY2014, over 100 performance improvement projects were completed throughout Navy Medicine, with approximately the same number currently in progress. Focus areas include standardizing clinical and business practices, improving quality and access, recapturing private sector care, as well as specific initiatives in logistics, pharmacy, laboratory processes and surgical services.

Sound fiscal stewardship of our resources is critical to ensuring we have the capability to provide outstanding care to our beneficiaries. The President's Budget for FY2016 adequately funds Navy Medicine to meet its medical mission for the Navy and Marine Corps; however, we

remain concerned about the uncertainties and associated challenges with any sequestration impacts. The President's Budget also contains important proposals to modernize and simplify TRICARE, along with adjusting cost sharing requirements for some beneficiaries and incentivizing the use of the mail order pharmacy. We support these important proposed changes as necessary to help sustain an equitable health care benefit. Navy Medicine appreciates the Committee's strong continuing commitment to our resource requirements and recognizes the significant investments made in support of military medicine.

We are committed to achieving the Department of Defense (DoD) objective of preparing auditable financial statements and reports, including providing substantiating supporting documentation. As a result, audit readiness is a priority for Navy Medicine and we continue to make progress in this important area. We have deployed standard operating procedures supporting key financial business processes and provided thousands of training hours to financial, materiel management and administrative personnel across the enterprise. These efforts strengthen internal controls, improve documentation and help foster continuous business process improvement. In addition, this work helps our decision-making capabilities and demonstrates to our stakeholders that Navy Medicine is an accountable steward of the resources we receive.

Mission: Force Health Protection

The foundation of Navy Medicine is force health protection. We protect, promote and restore the health of our Sailors and Marines in all environments, ashore and afloat. This responsibility requires us to be agile, flexible and capable in all aspects of expeditionary medical operations from preventive medicine to combat casualty care to humanitarian assistance and disaster response (HA/DR). As a ready medical force, we must be prepared for any contingency and be capable of operating where it matters and when it matters.

Navy Medicine continues to sustain unparalleled levels of mission success, competency and professionalism while providing world-class trauma care and expeditionary force health protection in support of U.S. and coalition forces in the southern Afghanistan Train Advise and Assist Command-South (TAAC-S) Combined Joint Area of Operations (CJOA). As troop levels decreased more than 75 percent during 2014, the forward deployed NATO Role 3 Multinational Medical Unit (MMU) continued to provide the high-level evaluation, resuscitation, surgical intervention, post-operative care, behavioral health and patient movement services our combatant commanders expect from us. Despite manning reductions from 133 to 87 personnel, the MMU maintains 12 trauma bays, four operating rooms, eight intensive care beds and 12 intermediate care beds.

In 2014, trauma teams at the Role 3 MMU cared for over 1,600 trauma patients and 130 point-of-injury patients that led to 220 admissions and 75 successful operative procedures. The Role 3's patient movement element safely evacuated over 145 patients to higher echelons of care. Navy Medicine's dedication to the warfighter and successful mission accomplishment led to the sustainment of the highest combat injury survival rate in the history of modern warfare, 98 percent. A significant force-multiplier, the Role 3 MMU enabled execution of decisive war-fighting strategies by meeting and exceeding operational and force protection requirements across a highly kinetic battle space.

Navy Medicine has been supporting DoD's interagency efforts in response to the Ebola Virus Disease (EVD) outbreak in West Africa. In September 2014, the Naval Medical Research Command deployed two mobile labs to Liberia in support of U.S. Africa Command (AFRICOM) participation in Operation UNITED ASSISTANCE (OUA). The mobile labs, each manned by Navy Medical Service Corps microbiologists and hospital corpsmen (advanced laboratory

technicians), are rapidly deployable detection laboratories that incorporate immunological and molecular analysis techniques. The mobile labs optimize these technologies to rapidly detect infectious pathogens. The labs' detection capabilities effectively reduced the amount of time it takes to determine whether a patient has EVD from several days to a few hours, which greatly reduced the amount of contact that suspect, non-infectious EVD cases have with confirmed infectious cases. We also deployed 23 Navy Medicine personnel in support of the in-theatre Joint Medical Training Teams which are providing important training to host nation health care personnel. In addition, 28 Navy Medical Corps and Nurse Corps officers completed specialized Ebola-specific training at Fort Sam Houston as part of the Joint Expeditionary Medical Support Team. The team maintained a continuous response posture in support of the Department of Health and Human Services' (DHHS) mission to provide specialized services for domestic Ebola-related prevention and response. Navy Medicine hospitals and clinics assiduously prepared for potential EVD patients by implementing Centers for Disease Control (CDC) protocols, performing exercises and training in personal protective equipment.

Navy Medicine's investments in Global Health Engagement (GHE), including participation in humanitarian civic action (HCA) missions and multi-lateral exercises, are critical to improving and sustaining medical response capacity and stability, preventing and combating global health risks, and providing force health protection for our personnel. These efforts directly support our capability to respond to world-wide crises and offer unmatched training opportunities to build joint, interagency and international relationships. Naval forces are uniquely positioned to readily meet the challenges of HA/DR missions across the globe. In this regard, we are maturing our strategic partnerships in support of global health security, health threat mitigation, and health stability operations. Building relationships through health promotes our U.S. security interests

and supports important theatre security cooperation activities. These efforts also leverage interoperable capabilities with our allies, as well as interagency and non-governmental organizations (NGOs).

Navy Medicine's participation in enduring HCA missions and military-to-military exercises is also important to sustaining the readiness skills of our personnel. In 2014, the hospital ship USNS MERCY (T-AH 19) participated in the 24th Rim of the Pacific (RIMPAC) – a biennial exercise that included 22 nations, 49 ships and submarines, more than 200 aircraft and 25,000 personnel. RIMPAC featured robust military medical engagement, with MERCY participating in exchanges and drills with partner nations, including the People's Republic of China. Plans for Navy's HCA missions in 2015 include Pacific Partnership (PP) and Continuing Promise (CP) which foster relationships with partner and host nations in the Pacific Rim/East Asia and South America/Caribbean, respectively. These missions include both hospital ships with MERCY participating in PP and USNS COMFORT (T-AH-20) supporting CP. These missions will also include medical personnel from the Army and Air Force as well as NGO partners and regional host nations.

In support of the geographic combatant commanders and Navy component commands, Navy Medicine personnel are assigned world-wide supporting GHE activities and global health security, including research and development at our overseas laboratories, public health through Navy Environmental Preventive Medicine Units (NEPMUs). We also have cadre of interagency liaison officers and two health affairs advisors in the Pacific area of responsibility assigned to the embassies in Port Moresby, Papua New Guinea and Hanoi, Vietnam.

Readiness is also directly supported by important health services such as the provision of eyewear. The Naval Ophthalmic Support and Training Activity (NOSTRA), located in

Yorktown, Virginia, is DoD's lead agent for all ophthalmic needs. The command coordinates the fabrication of eyewear amongst 26 Navy and Army optical laboratories to produce nearly 1.5 million pairs of spectacles, gas mask inserts, and ballistic eye protection eyewear annually for active duty, reserve component, and qualified beneficiaries. NOSTRA also fabricates eyewear in support of Pacific Partnership, Continuing Promise and other civic action missions. Committed to continuous improvement, this past year NOSTRA reduced its ophthalmic production rework to a 1.2 percent yearly average, which is well below the national average of 6 percent, through implementation of process changes and staff training.

Health: Delivering Patient and Family-Centered Care

We recognize the health of our beneficiaries is the most important outcome and our systems must be aligned to support this priority. It is not supply-driven or volume-based; it is patient-centered, focused on health outcomes and includes all dimensions of health – body, mind and spirit.

Our Medical Home Port (MHP) program is the foundation to providing integrated and comprehensive primary care. It is a team-based approach offering same day access, preventive services, standardized clinical processes, interactive secure messaging and access to a 24-hour Nurse Advise Line. All Navy MHP practices have undergone rigorous evaluation of clinical and business process standards and achieved recognition by the National Committee for Quality Assurance (NCQA) and the Tri-service Patient-centered Medical Home Advisory Board.

Nearly all of Navy Medicine's 750,000 MTF enrollees are receiving care in a MHP and our metrics show continued improvement. In FY2014, access to acute and routine appointments improved ten and five percent, respectively, while emergency department utilization decreased by six percent from the prior year. We have also seen an increase in the number of beneficiaries

utilizing secure electronic messaging to communicate with their providers, with over 290,000 patients sending more than 30,000 messages per month. These tools enhance provider-patient communication, improve access and help reduce unnecessary clinic visits and expensive use of the emergency department.

We are also expanding important population health management capabilities at several of our MHP sites. The adaptable and scalable framework is derived from a MHS Innovation Award-winning pilot program at Naval Medical Center, San Diego and Naval Hospital Camp Pendleton. This initiative allows for the development of a cohesive and targeted population health strategy that utilizes stratified analyses to determine the type and amount of resources necessary to manage health needs at the local facility. Efforts will focus on all levels of disease prevention in order to improve the health outcomes of our patients. We are also leveraging the unique data analysis capabilities and the health promotion and wellness expertise of the Navy and Marine Corps Public Health Center (NMCPHC) to support each site.

We are ensuring that our Sailors and Marines have access to the benefits of MHP by tailoring programs for the operational forces, including access to integrated behavioral and psychological health care providers. We implemented six Marine-Centered Medical Home (MCMH) and three Fleet-Centered Medical Home (FCMH) demonstration sites and planning is underway for an additional 19 sites by the end of 2015. The trends are encouraging with initial data showing Marines not enrolled in MCMH are twice as likely to seek care via the emergency department as compared to those enrolled in a MCMH. Most importantly, we are getting positive feedback from our line and USMC commanders about improved access and readiness for their personnel.

The Navy Comprehensive Pain Management Program (NCPMP) is now integrated within MHP furthering the interdisciplinary approach. This alignment allows us to better focus on

prevention, compliance with clinical practice guidelines and improved provider and patient education. In partnership with the University of New Mexico and Army Medicine, we implemented Project ECHO™ – a tele-mentoring program connecting pain management specialists with our primary care providers to help manage patients with chronic or acute pain. Complementary and Alternative Medicine (CAM) modalities are also provided at various Navy MTFs such as acupuncture to treat chronic pain, migraine headaches, back and neck pain and a variety of other conditions. In FY2014, we expanded acupuncture and pain management training opportunities for our clinicians to help broaden the availability within Navy Medicine.

The maturation of our MHP efforts has been complemented by the implementation of the Navy CONUS Hospital Optimization Plan, a comprehensive initiative at nine of our U.S. hospital MTFs. Inpatient bed capacity, workload, staffing and beneficiary population were carefully assessed at each MTF to determine ability to recapture inpatient workload, optimize primary care enrollment and determine specialty services. The plan resulted in the realignment of personnel and services at several of our MTFs which will help sustain the operational readiness skills of our provider teams, improve MHP enrollment capabilities and enhance our private sector care recapture efforts. The plan also focused on the realignment of our family medicine graduate medical education (GME) programs in order to strengthen our training pipeline by maximizing our residents' exposure to required case numbers and complexity of care.

We are grateful for your support of our military construction requirements as we work to provide outstanding facilities for our patients and staff. The new Naval Hospital Guam opened its doors in April 2014 in a location Navy Medicine has served proudly since 1899. The new hospital incorporates advances in health care delivery, providing a facility that will improve patient life safety and increase efficiencies in hospital operations, while meeting the full

spectrum of medical and surgical care for all eligible beneficiaries. The completed hospital provides 281,000 square feet of modern health care spaces, including 42 beds, four operating rooms, two cesarean-section rooms, and improved diagnostic and ancillary capabilities to include magnetic resonance imaging and computed tomography scanning suites. As a vital readiness and quality of life platform for Joint Region Marianas (JRM) and the pivotal Pacific AOR, this military construction project also established a successful model for building regional partnerships. Collaborating with JRM and through the defense reutilization program, medical equipment from the old hospital that was not selected for reuse by DoD generated opportunity and goodwill to benefit other health care facilities and partners in that medically underserved region. Our service members, their families, retirees, and veterans are better served by the opening of this state-of -the-art facility.

Navy Medicine is committed to providing quality medical care to our wounded warriors and their families. This is particularly true for the treatment of mental health issues and traumatic brain injury (TBI). While our present conflicts are coming to an end, the need for quality mental health and TBI care will continue and we are poised to provide these services now and in the future. We work closely with Navy Safe Harbor and the USMC Wounded Warrior Regiment to ensure quality care, coordinated care, and smooth transitions of care.

Navy Medicine provides timely, evidence-based mental health care for Sailors, Marines and their families across the continuum of care, including resiliency training, outpatient care, and inpatient treatment. Evaluation and treatment services are available ashore and underway, in the United States, and in a variety of locations overseas. The primary objective of all mental health care is to help individuals achieve their highest level of functioning while supporting the military mission. We are increasingly focused on ensuring that our care is evidenced-based and

supported by quantifiable treatment outcomes. Regular audits conducted by our Psychological Health Advisory Board reflect both the benefits of our mental health care and compliance with clinical practice guidelines that exceed the civilian sector particularly for the treatment of post-traumatic stress disorder (PTSD) and depression, which are common issues within the wounded warrior population. We are also encouraged by the promising research conducted by the Naval Health Research Center (NHRC) in alternative therapies such as mindfulness as a stress reduction and resilience building technique.

We continue to embed mental health providers directly within operational units. Embedded mental health providers reduce stigma, increase access to care, and help detect stress injuries early before they lead to decreased mission capability and mental health problems. We are also embedding mental health providers in primary care settings. The Behavioral Health Integration Program (BHIP) in the Medical Home Port will establish over 80 BHIP sites throughout the Navy, Marine Corps, and the fleet. BHIP sites are established at two Marine-Centered Medical Homes, one Fleet-Centered Medical Home and 38 Navy Medical Home Ports.

We must also ensure that our families have access to the support services they need. Since its inception in 2008, the Families Over Coming Under Stress (FOCUS) program has enhanced resilience and decreased stress levels for thousands of active duty service members and their families. FOCUS supports family psychological health and resiliency-building and addresses family functioning in the context of combat deployments, multiple deployments, and high-operational tempo. Through the application of a three tiered approach to care (community education, psycho-education for families and brief-treatment intervention for families), FOCUS has shown statistically significant outcomes in increasing family functioning and reducing negative emotions in both parents and children. To date over 500,000 service members, families,

providers and community members have participated in this service at one of our 23 locations worldwide. As part of the transition to a government operated program, we are working to continue these important support services and planning is ongoing to ensure they are appropriately realigned within Navy and Marine Corps family programs.

Navy Medicine remains committed to supporting the psychological health needs of Navy and Marine Corps reservists and their families. The Navy and Marine Corps Reserve Psychological Health Outreach Program (P-HOP) provided over 13,000 outreach contacts to returning service members and provided behavioral health screenings for approximately 12,000 reservists in FY2014. They also made over 600 visits to reserve units and provided presentations to approximately 63,000 reservists, family members and commands. Over 1,500 service members and their loved ones participated in one of 14 Returning Warrior Workshops (RWWs) conducted last year. RWWs assist demobilized service members and their families in identifying issues that often arise during post-deployment reintegration.

Navy Medicine continues to work with the National Intrepid Center of Excellence (NICoE) to enhance our treatment regimens and increase our understanding of TBI. We currently have one NICoE satellite clinic located at Naval Hospital Camp Lejeune with another planned for Marine Corps Base Camp Pendleton in proximity to the new hospital. The NICoE satellites are designed to provide advanced evaluation and care for service members with acute and persistent clinical symptoms following a TBI. These facilities adhere to a core concept of care (including a standardized staffing and treatment model) that was jointly developed by the Services, as well as the NICoE, the Defense Centers of Excellence for Psychological Health and TBI (DCoE), and the Defense and Veterans Brain Injury Center (DVBIC). Through our NICoE satellites, Naval Hospital Camp Lejeune and Naval Hospital Camp Pendleton will serve as the East and West

Coast hubs for the referral and treatment of patients with acute and persistent post-concussive symptoms.

The OASIS program (Overcoming Adversity and Stress Injury Support) provides assessment and treatment for severe combat stress reactions and combat-related PTSD – with the goal of returning as many troops as possible to full duty, while also improving the quality of their lives and relationships. OASIS is a residential program located at Naval Base Point Loma in San Diego that offers a variety of evidence-based therapies, individual case management, recreation therapy, mind body medicine, family involvement, and peer support in a safe, secure, and therapeutic environment. To date, over 300 service members with recalcitrant PTSD have benefited from a broad variety of therapeutic experiences, such as “moral injury” group therapy (an existential group therapy program), meditation, yoga, anger management, sleep retraining, recreation therapy, acupuncture and therapeutic art.

The Navy Case Management team is comprised of over 220 specially trained licensed registered nurses (RNs) and social workers (LCSWs) committed to helping service members and their families understand their medical status and obtain required services throughout the entire care process. In 2014, Navy clinical case managers were assigned to 23 MTFs and provided services to over 23,000 patients, an 11 percent increase from 2013. Clinical case managers work as part of the recovery team along with recovery care coordinators (RCCs), nonmedical case managers (NMCs), and/or federal recovery coordinators (FRCs). Together these specialists help service members successfully navigate through the military medical system, which can be very complex.

Each and every suicide is a tragedy that has significant impact on families, shipmates and mission readiness. As part of the Department of the Navy’s commitment to suicide prevention,

Navy Medicine works closely with our line counterparts to reduce suicide risk by equipping Sailors with training, tools and practices to be psychologically healthy and resilient. Education and prevention initiatives train personnel to recognize stress in themselves and others and apply tools to manage and reduce its negative effects. Suicide prevention requires all of us to be vigilant and strengthen the connections with those around us. We recognize that personnel in the midst of professional or personal transitions may be particularly vulnerable to suicide so we continue to reinforce importance of reaching out to every Sailor, every day.

The Department of the Navy does not tolerate sexual assault and has implemented comprehensive programs that reinforce a culture of prevention, response, and accountability for the safety, dignity, and well-being of Sailors and Marines. Navy Medicine directly supports the Sexual Assault Prevention and Response (SAPR) program by ensuring the availability of sexual assault forensic exams (SAFE) at shore and afloat settings. We are focused on having proficient, confident and caring SAFE providers ready to perform 24/7 in meeting the short and long-term medical needs our victims of sexual assault. SAFE providers – including sexual assault nurse examiners, physicians, physician assistants, advanced practice nurse practitioners and independent duty corpsmen – are trained and available to ensure timely and appropriate medical care for sexual assault victims in all military platforms served by Navy Medicine. We currently have over 875 SAFE-trained providers in our MTFs and serving on operational platforms (surface, air, submarine and expeditionary).

Navy Medicine recognizes the importance of leveraging collaborative relationships with the Army and Air Force, as well as the Department of Veterans Affairs (VA), and other federal and civilian partners. Our partnerships foster a culture in which the sharing of best practices is fundamental to how we do business. These synergies will help all of us provide better care and

seamless services to our beneficiaries and be better positioned to address future health care challenges.

We work closely with the VA in assessing opportunities to collaborate cost effectively share services to meet the needs of service members and veterans. There are a full range of unique collaborations, sharing agreements and partnerships that benefit both Departments' beneficiaries. Our shared goal remains to seek opportunities to partner in local markets in order to measurably and mutually improve the access to health care services. We continue to see progress at the Captain James A. Lovell Federal Health Care Center (FHCC), the first demonstration of an integrated DoD/VA facility established in 2010. To ensure our personnel sustain their readiness and combat casualty skills, the FHCC and Stroger Hospital in Chicago initiated a new training partnership that embeds our Navy Medicine personnel in Stroger's busy trauma and burn units for one to two-month rotations. The Cook County Trauma Experience (CCTE) allows Navy physicians, nurses and corpsmen to work alongside Cook County trauma surgeons and gain valuable trauma care experience. An important focus area remains ensuring efficient health information technology to support providers' ability to deliver health care to both VA and DoD beneficiaries in the FHCC integrated environment. As statutorily required, a thorough evaluation of the FHCC, led by DoD and the VA, is currently underway to objectively assess the demonstration and consider options for both Departments moving forward.

We, along with the Army, Air Force and DHA, are working with DoD in support of the Defense Healthcare Management Systems Modernization (DHMSM) efforts to acquire and configure a new electronic health record (EHR). This EHR will be used in our MTFs, onboard naval vessels and in the field with the Marines forces. It is also fundamental to supporting our interoperability with the VA and private sector providers. Two Navy MTFs, Naval Hospital

Bremerton and Naval Hospital Oak Harbor, are expected to be part of initial operating capability (IOC) deployment.

Mission-Ready: The Navy Medicine Team

The Navy Medicine team, officers, enlisted personnel, government civilians and contractors, serves around the world delivering outstanding care and support services to Sailors, Marines, their families and all those entrusted to our care. This diverse and inclusive workforce is guided by the Navy Core Values of honor, courage and commitment. I am inspired by their contributions to ensuring that Navy Medicine, and those we serve, are mission-ready.

Active component (AC) and reserve component (RC) health professions recruiting and retention remains a priority and we are grateful for the Committee's support of important special pay and incentive programs. In FY2014, Navy Recruiting was successful in attaining 100 percent of the AC Medical Department officer goal and, due to high retention rates, overall officer manning reached 100 percent, a 10-year high. Some specialty shortages exist mainly due to billet growth and primarily in mental health specialties; however, we continue to see progress in psychiatry, clinical psychology and social work, with manning levels at 92 percent, 90 percent and 93 percent, respectively. We recognized the increasing demand for mental health services and have worked to recruit, train and retain personnel in these specialties.

Overall RC Medical Department officer manning is 95 percent; however, there are significant shortages in Medical Corps manning at 75 percent and shortfalls continue in orthopedic surgery, general surgery and anesthesiology. In FY2014, RC Medical Corps recruiting attained 67 percent of the accession goal relying heavily on the direct commission officer market. RC shortages are being addressed by continuing to offer targeted special pay and initiating retention

bonuses, loan repayment plans and monthly stipends for health care professionals pursuing a critical subspecialty.

Both AC and RC Hospital Corps enlisted recruiting was successful in FY2014 with both attaining 100 percent of goals. While overall manning is healthy in both components, challenges exist within the Fleet Marine Force Reconnaissance Corpsman specialty due to billet growth and a complex production pipeline.

Navy Medicine's federal civilian workforce provides stability and continuity within our system, particularly as their uniformed colleagues deploy, change duty stations or transition from the military. Throughout our system, they provide patient care and deliver important services in our MTFs, research commands, and support activities as well as serve as experienced educators and mentors, particularly for our junior military personnel. As of January 2015, our civilian end strength was 11,510, which is in line with our overall requirements, and we continue to emphasize the importance of attracting and retaining talented civilian personnel within Navy Medicine.

Navy Medicine's Reintegrate, Educate and Advance Combatants in Healthcare (REACH) Program is an important initiative that provides recovering service members mentors in our MTFs who provide them with hands-on training and learning experiences in health care. Additionally, recovering service members are connected with career coaches who offer career and educational guidance for a number of medical disciplines. The program also strengthens our personnel's continued care and support when they see the patients they have cared for and mentored become one of their colleagues. This positive feedback allows the REACH Program to continue to expand. This year, Naval Hospital Jacksonville joined Naval Medical Center Portsmouth, Naval Medical Center San Diego, Naval Hospital Camp Lejeune, Naval Hospital

Camp Pendleton, Walter Reed National Military Medical Center and Naval Health Clinic Annapolis as MTFs that participate in the REACH program. Last year, over 200 hundred wounded warriors have accessed services at our REACH sites. Since the inception of the program in March 2011, 58 students have transitioned to health care careers in Navy Medicine, other federal agencies or in the private sector.

Education and Training: Sustaining Excellence

Investments in education and training are critical for meeting our current requirements and preparing for future challenges. We support the continuum of medical education, training and qualifications that enable health services and force health protection. Our Naval Medical Education and Training Command (NMETC) is continuing to apply innovative, cost-effective learning solutions to fully leverage technology, partnerships and joint initiatives. These collaborative efforts were important as the DHA reached initial operating capability for medical education and training shared services. During calendar year 2014, 3,609 Sailors completed METC Basic Medical Technician Corpsmen Program at the joint Medical Education and Training Campus (METC) and earned the rating of hospital corpsman. They trained alongside Soldiers and Airmen in an outstanding academic environment. In addition, 2,249 hospital corpsmen trained in advanced technician programs at METC.

Navy's Medical Modeling and Simulation Training Program Management Office is co-located with the Air Force Medical Modeling and Simulation Training Office at Randolph Air Force Base, Texas. They are collaborating to address common approaches to simulation utilization to support training for care of combat injuries as well as training for high-risk populations such as the complicated obstetric and neonatal cohort. Shared projects included

identification of best airway trainer and identifying standardized training adjuncts to support trauma combat care courses for all three Services.

Our Surface Warfare Medicine Institute (SWMI) expanded its training for the Surface Force and Dive Independent Duty Corpsman (IDC) with two new state-of-the-art virtual reality medical simulation rooms and expanded access to training at the Bio-Skills Center at the Naval Medical Center, San Diego. This training is critical as we prepare high-performing hospital corpsmen for challenging assignments in the fleet and with the Marine Corps.

Graduate medical education (GME) is critical to the Navy's ability to train board-certified physicians and meet the ongoing requirement to maintain a tactically proficient, combat-credible medical force. Robust GME programs continue to be the hallmark of Navy Medicine. Despite the challenges presented by fiscal constraints, pressures due shifting priorities and new accreditation requirements, GME remains resilient and focused on the mission, with particular emphasis on readiness, value and jointness.

Our institutions and training programs continue to demonstrate outstanding performance under the Next Accreditation System of the Accreditation Council for Graduate Medical Education (ACGME). All Navy GME programs have now transitioned to the Next Accreditation System (NAS) and the three major teaching hospitals all successfully underwent Clinical Learning Environment Review (CLER) visits this year.

Strategic efforts to improve recruiting into undermanned specialty training programs over the past several years have been successful. We have had enough qualified applicants for previously challenging specialties such as neurology, neurosurgery, urology and radiation oncology to restore and maintain the required pipeline. Specialties that are still working to attract sufficient

qualified applicants are at the top of our priority list and include general surgery, family medicine and aerospace medicine.

In addition, this year family medicine training sites and billets were realigned consistent with our CONUS Hospital Optimization Plan. Navy GME restructured from six sites four and redistributed the inservice training billets among the remaining sites, reserving five outservice training billets per year for both PGY-1 and PGY-2 training as needed to maintain the pipeline during the transition.

Board certification is a universally recognized hallmark of strong GME. The five year average first time board certification pass rate for Navy trainees is 93 percent. Our board pass rates meet or exceed the national average in virtually all primary specialties and fellowships. Our Navy-trained physicians continue to demonstrate they are exceptionally well-prepared to provide care to all members of the military family and in all operational settings ranging from the field hospitals of the battlefield to the platforms that support disaster and humanitarian relief missions.

Research and Development: Driving Innovation

For over 75 years, Navy Medicine has conducted a global research and development (R&D) program that is currently executed through the Naval Medical Research Center (NMRC), its subordinate labs, numerous joint service initiatives and a well-established cooperative infrastructure of universities, industry, and other government agencies. The mission is focused on biomedical research supporting our operational forces and service members. These priorities include: traumatic brain injury and psychological health; medical systems support for maritime and expeditionary operations; wound management throughout the continuum of care; hearing restoration and protection; and undersea medicine.

NMRC and the seven subordinate laboratories (Naval Health Research Center, San Diego; Naval Medical Research Unit-SA, San Antonio; Naval Medical Research Unit-D, Dayton; Naval Submarine Medical Research Laboratory, Groton; Naval Medical Research Unit Two, Singapore; Naval Medical Research Unit Three, Cairo, and Naval Medical Research Unit Six, Lima) collectively form the NMR&D Enterprise that is the Navy's and Marine Corps' premier biomedical research, surveillance/response, and public health capacity building organization. Over 1,600 dedicated professional, technical, and support personnel are focused on force health protection and enhancing deployment readiness of DoD personnel world-wide. Earlier this year, I visited our Naval Medical Research Unit Three in Cairo, the oldest overseas military medical research facility and one of the largest research laboratories in the North Africa-Middle East region. I had an opportunity to see firsthand the outstanding research being conducted and the importance of our enduring partnerships in this important region.

Ongoing research and development ensures service members' health is better protected, operational tempo is more effectively performed, and the rehabilitation of the ill and injured is continuously improved. In addition, NMR&D is an active participant in global health security efforts and focuses on mitigating the spread of antimicrobial resistance, emerging and re-emerging infectious diseases, including EVD, malaria, and Middle East Respiratory Syndrome caused by a Coronavirus (MERS CoV). NMR&D Enterprise labs work with partners around the world to enhance detection and bio-surveillance capabilities, to improve reporting systems and to build host-country response capacity. In collaboration with the Walter Reed Army Institute of Research (WRAIR), our experts are engaged in military malaria research, including the development of candidate malaria vaccines.

Active collaboration with industry is important given the dual-use nature inherent in military medicine research. In 2014, Navy Medicine executed almost 100 new public-private Cooperative Research and Development Agreements (CRADA) partnerships leveraging internal and external capabilities and resources toward accelerating the development of new biotechnologies

Navy Medicine professional training activities continue to satisfy all requirements that exist for accreditation of post-graduate health care training programs in which new medical, dental, nursing and allied health professionals gain advanced skills. An important component that supports the accreditation of our post-graduate health care training programs is through trainee participation in the Clinical Investigation Programs (CIPs) based at our teaching MTFs. The conduct and findings from these investigations, in addition to satisfying training requirements, also support the need to develop new knowledge and advanced interventions to better treat service members with combat injuries, to prevent training injuries, and to provide better medical care to our health care beneficiaries. With \$3.6 million funded by Navy Medicine in FY 2014 and an additional \$4 million in external grants received for clinical research, our teaching MTFs conducted a total of 612 clinical research projects which resulted in 296 scientific publications and 701 scientific presentations. These clinical research projects directly improve the delivery of quality medical care at the MTF sites. The findings of the clinical research projects were published in high-impact, peer-reviewed medical and scientific journals and were presented at both national and international scientific meetings.

Way Forward

Our center of gravity is readiness. We continue to ensure that our Sailors and Marines are medically ready to successfully execute their demanding missions, whether deployed or ashore.

Our operating forces are supported by a highly trained, innovative and cohesive Navy Medicine team whose primary focus is taking care of them, their families and others entrusted to our care. This mission – our obligation – is what makes us unique. We continue to make steady progress; however, all of us recognize the formidable work ahead during this unprecedented period of transformation in health care. I am confident Navy Medicine will meet these challenges with commitment, skill and professionalism.