

2026
DEFENSE HEALTH INFORMATION
TECHNOLOGY SYMPOSIUM

AUGUST 11-13, 2026
HYATT REGENCY NEW ORLEANS
NEW ORLEANS, LA

Investing Today for the Military Health System of Tomorrow

Mr. Michael Emerson, SES

Assistant Director for Support, Personnel, & Financial Operations



Speaker Introduction

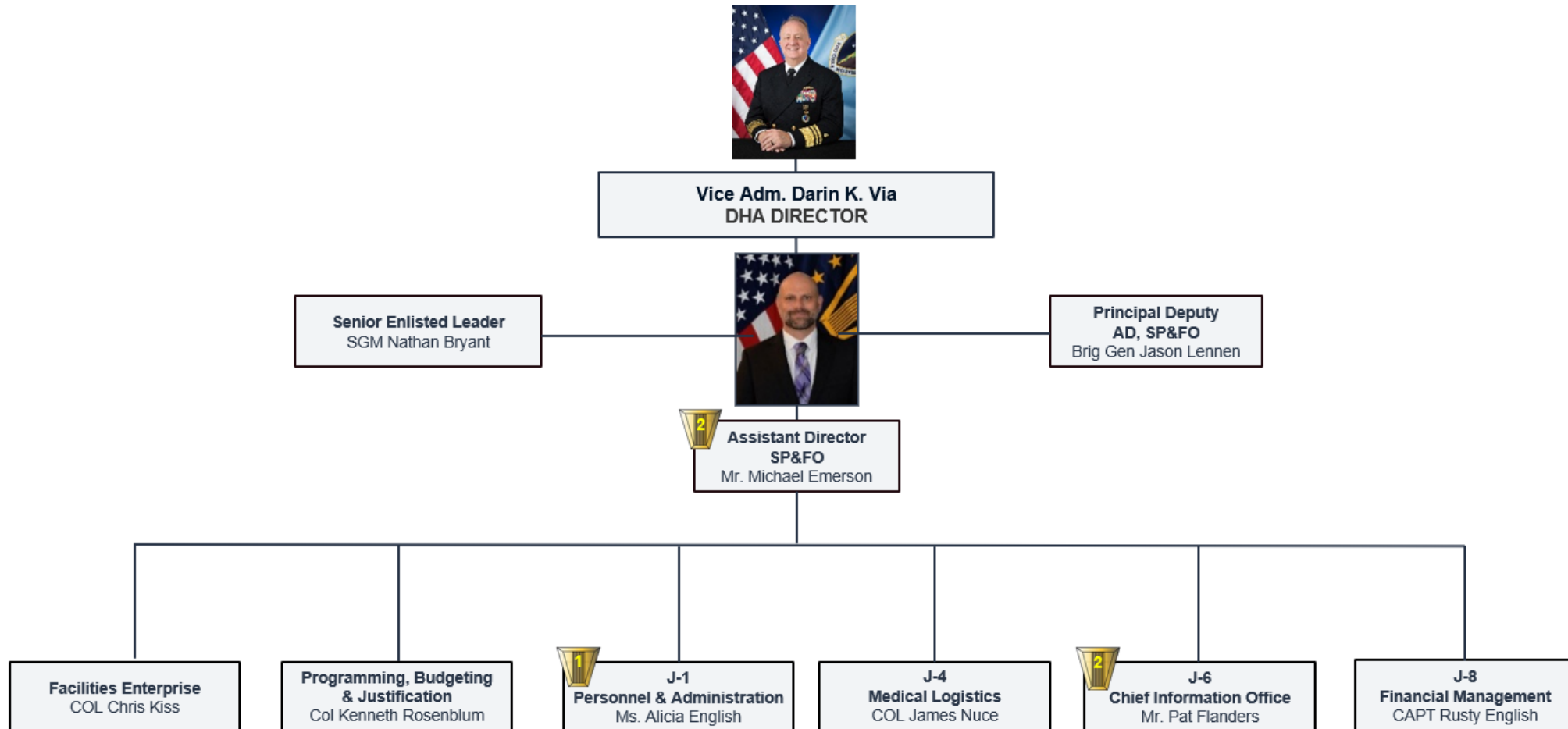


Mr. Michael Emerson, Assistant Director

Support, Personnel, & Financial Operations (SP&FO)
Defense Health Agency

Mr. Michael Emerson functions as the Agency's senior Chief Financial Officer, integrating financial and business operations with joint clinical and enterprise support to Combatant Commands across nine global health care networks, encompassing 728 medical and dental treatment facilities. As AD, SPFO, Mr. Emerson is the principal advisor to the Director and Deputy Director on financial management, human capital, and enterprise support operations. Mr. Emerson is a retired U.S. Air Force Medical Service Corps officer. He holds a Master of Healthcare Administration and a Master of Business Administration from Baylor University and is certified at Level III in Defense Financial Management. With more than 30 years of leadership experience in the Military Health System, he has led at the enterprise, hospital, and clinic levels, with deep expertise in financial management, audit and compliance, resource integration, supply chain and facilities management contract management, and accountable delivery of healthcare operations.

Support, Personnel, & Financial Operations (SP&FO)



SP&FO Priorities

Maintain Credibility in SP&FO areas of responsibility to support DHA Campaign Plan LOEs

1. Deliver Warfighter Medical Readiness
2. Deliver Medical Warrior Currency
3. Deliver Joint Warfighter Capabilities
4. Deliver the Healthcare Enterprise Beneficiaries Deserve

SP&FO Strategic Focus

1. Standardize Processes and Modernize Systems

- Organization is consistently hampered by fragmented legacy systems and a lack of standardized processes, resulting in data silos, and operational risk.

2. Execute a Strategic Workforce and Talent Management Plan

- Pervasive issues of understaffing and critical skill gaps increases risk of losing institutional knowledge.

3. Strengthen Enterprise-Wide Collaboration and Communication

- Inconsistent communication, lack of clear strategic direction, and poor communication create barriers to accountability and mission alignment.

A Decade of Compounding Pressures on the DHP

Historical Cuts (FY15-22)

>\$23B in reductions: Driven by MHS Modernization, Shared Services, and MTF downsizing.

MILPERS Reductions: Net loss of 9,151 military personnel end strength.

Pipeline Disruption: Deep, lasting impacts on medical training and recruiting pipelines since 2018.

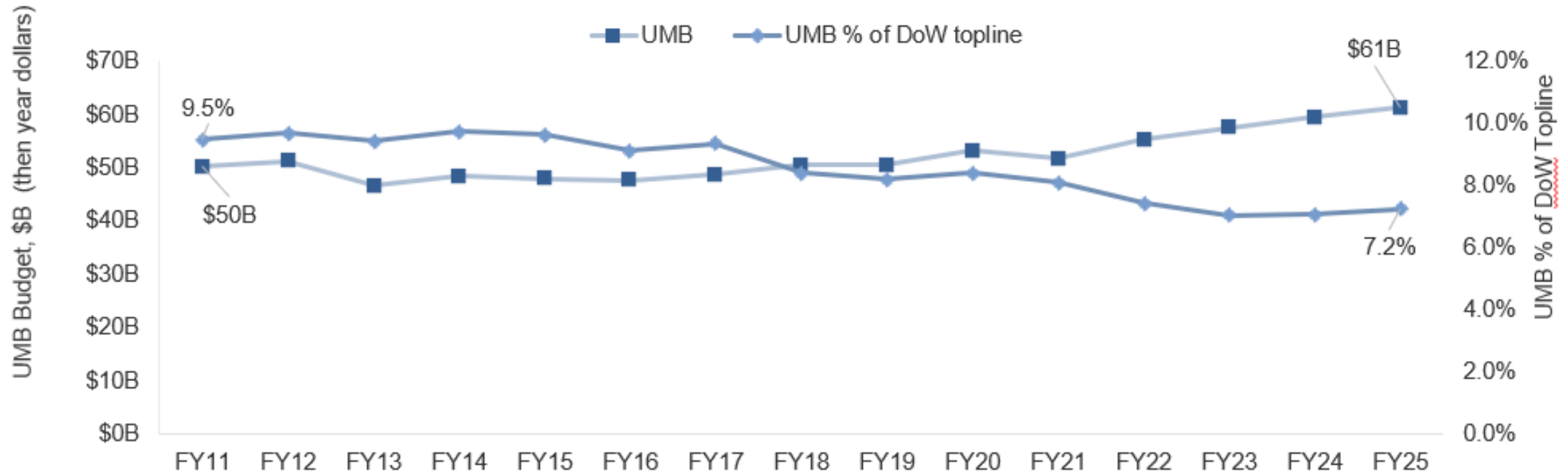
Current Instability (FY23-26)

Persistent Shortfalls: Structural deficits of \$9B–\$13B carried into recent POM cycles.

Reactive Budgeting: Heavy reliance on partial funding restorations and mid-cycle fixes.

Destabilized FYDP: Continued negative program growth hinders long-term strategic execution.

UMB Appropriated Funding as Percent of DoW Topline FY11-FY25



DoW Topline Growth is Outpacing UMB's Budget Allocation

Defense Health Program Concerns

Divestiture of Clinical Personnel

Reduction of ~14,000 available military medical personnel and ~10,000 civilian personnel since 2019 and lack of agility to hire needed civilian staff

Not Keeping Pace with Inflation

The current Defense Health Program (DHP) operations & maintenance budget is smaller than it was in 2015 when normalized for inflation and no longer receives annual adjustments for Overseas Contingency Operations

Reduced Clinical Volumes for Sustaining Currency

20% fewer beneficiaries receiving care in MTFs since 2019 means fewer clinical cases in high-acuity care environments needed for maintaining critical wartime medical skills

Increased Aging, Overbuilt Infrastructure

Facility maintenance funds have been used to offset budgetary restraints and have not been programmed to keep up with maintenance, leading to escalating deferred maintenance

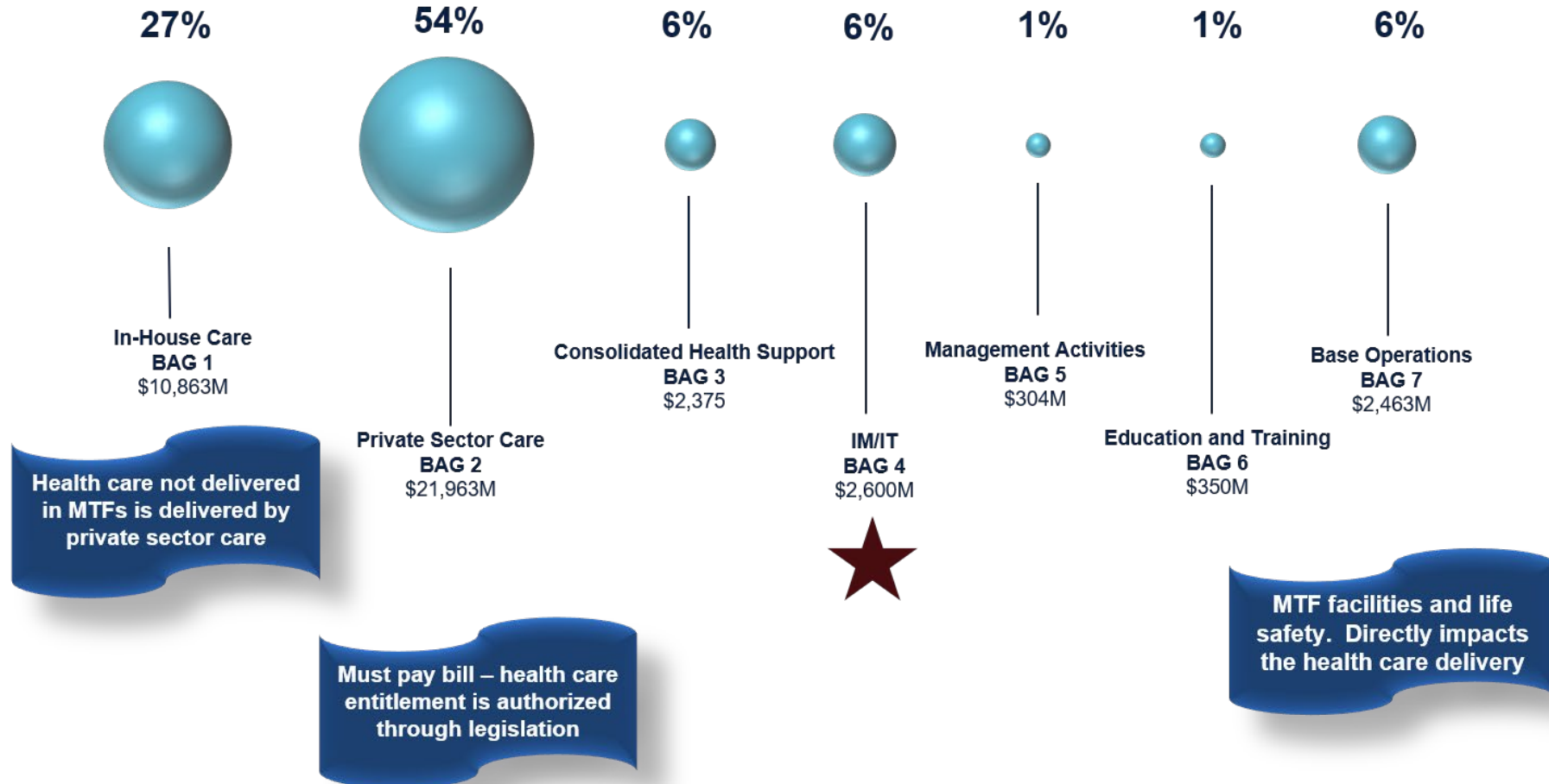
Mandatory Healthcare Spending Embedded in Discretionary Budget

Current funding model puts healthcare in competition with warfighting. Skyrocketing healthcare costs crowds out other national defense priorities

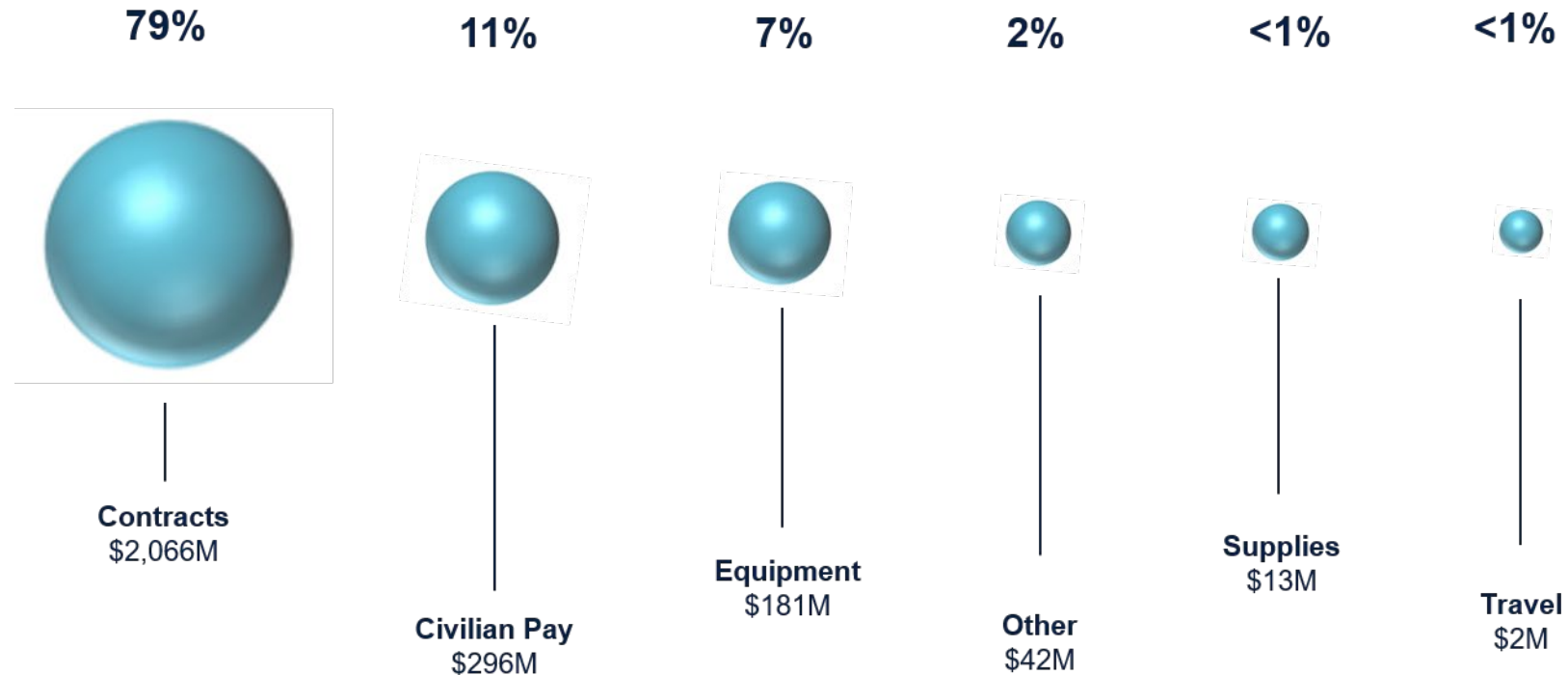
COMP/PSCP Overview

- Overview: This budget enables the MHS to deliver on its core missions: providing world-class healthcare, generating a ready medical force, and delivering joint warfighting medical capabilities
 - Prioritizes medical combat support and readiness, while enabling a globally integrated health system that balances care in our military treatment facilities with trusted partners in the private sector
- More Transparent and Accountable Structure
 - A significant evolution in the FY 2027 budget is the proposed disaggregation of the former Defense Health Program (DHP) appropriation into two new, distinct appropriations:
 - Combat and Operational Medicine Program (COMP) – funds the direct care system and the military-unique operational medicine capabilities that support the warfighter
 - Private Sector Care Program (PSCP) – funds healthcare delivered through the TRICARE network of civilian providers (formerly known as DHP BAG 2 in prior budgets)
- This restructuring enhances transparency and accountability

COMP (FY27 Request): \$40.9B



BAG 4 Information Management (FY27 Request): \$2.6B



BAG 4 (\$2.6B) funds the enterprise digital backbone that enables healthcare delivery and readiness activities

COMP BAG 4: Information Management

PE	PE Title	FY 2025 Actuals	FY 2026 Enacted	FY 2027 Request	FY 25/26 % Change	FY 26/27 % Change
0807746	Joint Operational Medicine Information Systems (JOMIS)	\$ 242,484	\$ 254,157	\$ 255,286	4.8	0.4
0807758	Cybersecurity	\$ 169,757	\$ 174,610	\$ 178,581	2.9	2.3
0807759	Desktop to Datacenter (D2D)	\$ 397,841	\$ 482,000	\$ 585,708	21.2	21.5
0807781	Service Medical IM/IT	\$ 282,872	\$ 176,327	\$ 152,263	-37.7	-13.6
0807783	DHP IM/IT Support Programs	\$ 60,394	\$ 39,304	\$ 66,362	-34.9	68.8
0807784	Integrated Electronic Health Record (iEHR)	\$ 23,429	\$ 24,237	\$ 24,270	3.4	0.1
0807787	DoD Healthcare Management Systems Modernization	\$ 606,057	\$ 487,819	\$ 491,174	-19.5	0.7
0807788	DoD Medical Information Exchange and Interoperability	\$ 121,465	\$ 124,470	\$ 137,248	2.5	10.3
0807793	MHS Tri-Service Info Management/Info Technology (IM/IT)	\$ 548,253	\$ 508,874	\$ 709,285	-7.2	39.4
		\$ 2,452,552	\$ 2,271,798	\$ 2,600,177	-7.4	14.5
	Anticipated MERHCF Actuarial Estimate	\$ 1,400	\$ 1,000	\$ 1,600	-28.6	60.0
	TOTAL	\$ 2,453,952	\$ 2,272,798	\$ 2,601,777	-7.4	14.5



- Price Growth (+\$40M)
- Increased funding in digital health tools to provide timely care and specialized medical expertise to the warfighter, including expanded video visits and Tele-Critical Care services (+\$200.4M)
- Increased funding to modernize IM/IT infrastructure, enhance healthcare provider workflow enablers, and address rising contract and equipment costs (+\$93.3M)

The FY 2027 COMP IM/IT Investments provide the technology enablers critical to DHA's modernization goals for the MHS

COMP Procurement

<u>PE</u>	<u>PE Title</u>	<u>FY 2025</u> <u>Actuals</u>	<u>FY 2026</u> <u>Enacted</u>	<u>FY 2027</u> <u>Request</u>	<u>FY 25/26</u> <u>% Change</u>	<u>FY 26/27</u> <u>% Change</u>
0807720	Initial Outfitting	\$ 23,449	\$ 24,597	\$ 25,555	4.9	3.9
0807721	Replacement & Modernization	\$ 243,184	\$ 222,445	\$ 231,382	-8.5	4.0
0807746	Joint Operational Medicine Information System (JOMIS)	\$ 30,129	\$ 30,732	\$ 31,203	2.0	1.5
0807759	Desktop to Datacenter	\$ 75,536	\$ 77,047	\$ 78,588	2.0	2.0
0807787	Information Technology Development and Sustainment - DoD Healthcare Management System Modernization	\$ 26,569	\$ -	\$ -	-100.0	0.0
Procurement Total		\$ 398,867	\$ 354,821	\$ 366,728	-11.0	3.4



- Increased funding to modernize medical equipment that directly support combat casualty care (+\$8.9M)
- Increased funding to modernize Operational Medicine Information Systems to address Warfighter requirements for military medical operations (+\$1.5M)

Funds MHS IT and Medical Equipment Modernization Efforts capable of delivering exceptional care in both garrison and deployed environments

MHS Highlights in FY27 Request

- COMP and PSCP replace the former DHP appropriation, establishing two distinct accounts to enhance transparency and accountability
 - Providing clearer understanding of how resources are allocated between our military's direct care system and care purchased from civilian providers in the private sector
- Combat Support Agency investments:
 - Increased funding to secure the Department of War's (DoW) supply of pharmaceuticals and develop new manufacturing pathways based on critical medications list (+\$81.4M, BAG 3)
 - Increased funding for Combat Support Agency Blood program requirements, to include freeze-dried plasma, pre-deployment blood donor screening and enhancing blood donor centers (+\$42.5M, BAG 3)
 - Increased funding for the JTS program to modernize the combat casualty care data and trauma systems (+\$38.6M, BAG 3)
 - Increased funding for Information Management Technology Investments (+\$200M, BAG 4)
- Increased funding in pharmaceuticals to account for increases above normal trends and inflation
- Request includes \$3,138.9M mandatory funding to repair and modernize critical medical facilities

Contact

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Michael.r.emerson.civ@health.mil

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Thank You!



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