



Component
Acquisition Executive
(J-4)

DEFENSE HEALTH AGENCY
7700 ARLINGTON BOULEVARD, SUITE 5101
FALLS CHURCH, VIRGINIA 22042-5101

JUSTIFICATION AND APPROVAL FOR OTHER THAN FULL AND OPEN COMPETITION

J&A NUMBER JA18-0052

Upon the basis of the following justification, which I hereby approve as the senior procurement executive of the agency, the contract action described below may be solicited and awarded without full and open competition pursuant to the authority of 10 USC 2304 (c)(1).

(1) Identification of the Agency and Contracting Activity

Defense Health Agency (DHA), Contracting Office – Defense Healthcare Management Systems (CO-DHMS)

(2) Nature and Description of the Action Being Approved

This Justification & Approval (J&A) supports a modification to contract N00039-15-D-0044 with Leidos, Inc. to add additional ceiling and scope supporting the efforts described in Paragraph 3, which are necessary to 1) support the incorporation of the United States Coast Guard (USCG) into the existing Department of Defense (DoD) MHS GENESIS Electronic Health Record (EHR) implementation, and 2) to establish a common standardized EHR baseline with the USCG and the Department of Veterans Affairs (VA). The VA will contract for and conduct its own implementation of MHS GENESIS, while the USCG will join the DoD enterprise implementation under this subject contract that is already under way.

(3) Description of Supplies/Services

Contract N00039-15-D-0044 was awarded on July 29, 2015 to Leidos, Inc. after a full and open competition. The total award ceiling was \$4,336,822,777 across a potential 10-year ordering period, if all optional ordering periods are exercised and award terms are earned. The contractor is providing an off-the-shelf (OTS) electronic health record (EHR) system for deployment across the Department of Defense (DoD) enterprise. Leidos, the prime contractor, serves as the service provider-integrator (SPI). MHS GENESIS consists of inpatient and outpatient software solutions from Cerner and a dental solution provided by Henry Schein, as well as an enterprise service bus (ESB), interfaces, third-party clinical content, solution-unique hardware, infrastructure, and clinical application services. MHS GENESIS is replacing functionality of core legacy systems (AHLTA, CHCS, and Essentris, among others), and is being deployed to both fixed medical treatment facilities and operational medicine facilities worldwide. In addition to the solution being provided, the Leidos Partnership for Defense Health is providing services for the integration, configuration, testing, initial deployment, training, operational management, and sustainment of MHS GENESIS for the DoD.

On July 01, 2017, the Secretary of the VA issued a Determination and Findings (D&F) pursuant to 41 U.S.C. § 3304(a)(7) that it was in the public interest for VA to issue a solicitation directly to Cerner for the acquisition of the EHR system being deployed by the DoD, specifically the DoD Healthcare Management System Modernization (DHMSM®) Program Management Office, in order to enable seamless healthcare to Veterans and qualified beneficiaries. The findings described in the D&F

delineated many reasons that a single standard solution baseline would benefit both Departments and the beneficiaries they support.

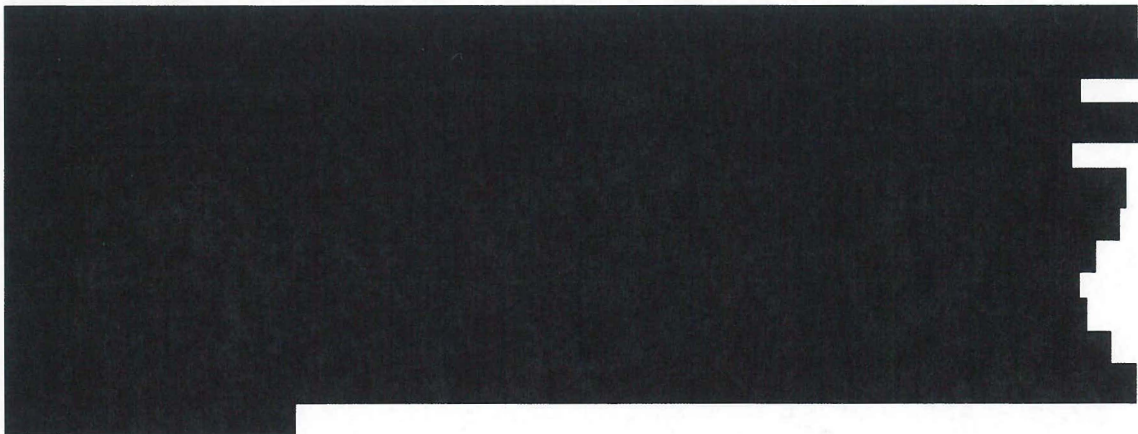
On March 22, 2018, the Deputy Commandant for Mission Support – United States Coast Guard, formally requested to partner with PEO DHMS to implement MHS GENESIS for the USCG. The USCG's analysis indicated that all of its requirements would be satisfied by the MHS GENESIS solution and that it would achieve the same critical benefits of a single standard solution as DoD and VA; most notably to ensure that every military beneficiary and retiree has access to a single, unified Electronic Health Record.

In addition to the existing MHS GENESIS capabilities, the VA contract will implement extended capabilities that were not available at the time of the original DHMSM contract and/or were not proposed against the Government's identified requirements. DoD needs to acquire the same core capabilities as the VA is acquiring to ensure consistency (the standard solution baseline) among the Agencies to achieve the benefits described in Paragraph (5) below. The standard solution baseline will consist of, among other components, common "Best of Suite" and "Best of Breed" off-the-shelf software, common clinical application services, common interfaces and ESBs, and common shared infrastructure, that, when configured, results in much greater commonality in practical workflows, roles, order sets, plans, and reports, as well as the training materials that support them.

Some of these extended capabilities necessary to maintain a single standard solution baseline with the VA and USCG are provided as clinical application services (CAS) not covered by the original DHMSM contract. Further, given the architecture of the commercial solution, in order to achieve the goals of its standardization requirements, the Government requires technical services and infrastructure to enable and secure certain shared environments between the agencies. Paragraph (5) describes the analysis supporting these conclusions.

The scope being added under this modification will allow for the ordering of all services and additional non-software, "as a service," capabilities necessary to maintain a standard solution baseline with the VA and USCG as the solution is implemented, and to include the USCG in the enterprise within the DoD's existing implementation of the solution by using the same Service Provider Integrator for integration, configuration, deployment, training, operational management, and sustainment. The total ordering ceiling will be updated to accommodate the additional services and capabilities.

Examples of the "as a service" requirements that the VA is acquiring that DoD requires to maintain a standardized system baseline include, but are not limited to:



In addition to the foregoing, certain Best of Suite and Best of Breed capabilities will be required, as well as the associated services to configure, integrate, test, deploy, maintain, manage/operate, and sustain the solution as a whole. The Request For Proposals (RFP), leading to the award of the contract to Leidos, and resulting contract contemplated the ongoing expansion of the EHR solution to meet emerging requirements and to account for changes in the practice of healthcare and the IT market over the life of the contract. Offerors were instructed that:

1) "The EHR System requirements are established at a strategic level and will guide the configuration and implementation of the system in the MHS enterprise. In addition to the requirements in the Government RTM [(Requirements Traceability Matrix)], the Government may place orders for product enhancements or improvements to meet emerging needs, activate existing, but dormant capabilities in the EHR system solution, or to address a need in the approved CONOPS not explicitly extrapolated into the Government RTM."¹;

2) "The contractor is required to deliver at least the capabilities listed in Attachment 2, Government Requirements Traceability Matrix. Notwithstanding this requirement, the contractor shall deliver any additional capabilities and software modules that are part of its commercial Best of Suite package not listed in Attachment 2. If future releases of the contractor's commercial Best of Suite package include additional capabilities and software modules, those modules shall also be delivered at no additional cost to the Government as part of a major release."² and

3) "The Government may, during performance of this contract, purchase external Best of Breed modules either from the contractor or a third-party vendor to enable a desired future capability. As ordered under stand-alone task orders, the contractor will provide all integration and engineering services necessary to integrate the external capability into the DHMSM EHR solution."³

The contract resulting from the RFP contained the terms above and the license agreements reached with the contractor are consistent with these terms. As a result, these services and the BoS capabilities are considered to be within scope of the existing IDIQ contract, and are not the subject of this J&A, and because ceiling is available under the existing IDIQ contract to order these capabilities and services, they are not included in the dollar values in the table below.

The Government is not seeking, under this action, to procure a new or substantially modified EHR solution or implementation, but rather to extend certain existing capabilities necessary to meet its standardization requirements of achieving a standardized enterprise software baseline and to incorporate the USCG into the existing implementation. Further, the DoD will not be contracting for nor managing the VA implementation under this J&A, or any other contracting action. The Agencies will establish interagency governance to establish, manage, and maintain the standard enterprise baseline contemplated herein.

¹ DHMSM Contract Performance Work Statement, Section 1.2 EHR System Operational Capability.

² N00039-15-D-0044 (Contract) and N00039-14-R-0018 (RFP) Clause H-2.

³ N00039-15-D-0044 (Contract) and N00039-14-R-0018 (RFP) Clause H-2.

Estimated Dollar Value (millions)

	Contract Yr 4	Contract Yr 5	Contract Yr 6	Contract Yr 7	Contract Yr 8	Total
O&M	\$54,700	\$257,042	\$265,353	\$287,870	\$311,210	\$1,176,175

(4) Statutory Authority Cited Permitting Other Than Full and Open Competition

10 U.S.C. 2304(c)(1), One source or limited sources. FAR 6.302-1 -- Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.

(5) Reason for Statutory Authority Cited

The three Agencies (DoD, VA, CG) must employ a standardized software baseline. Standardizing by pursuing an approach that does not involve Leidos as the Service Provider Integrator utilizing Cerner under the DHMSM contract would increase complexity of the implementation to a degree that would substantially offset any benefits obtained from standardizing. Contracting with anyone else (other than Leidos) to work with Cerner would create significant redundancies, inefficiencies, and other issues. The following rationale contains the reasons that the three Agencies require EHR standardization.

Care provided across the intersection of the three Agencies (DoD, VA, and USCG), for all military service members, retirees, and other beneficiaries, all over the world, in times of peace and war, involves a continuum of care that is among the most complex in the healthcare industry. VA operates approximately 1,600 facilities with 300,000 employees who provide care for millions of patients per year. DoD has approximately 205,000 users in nearly 700 facilities as well as hundreds of forward operating platforms. USCG operates 166 facilities to provide care for its 50,000 service members.

Further, the Agencies service essentially the same patient population at their respective locations, which supports a reasonable need for a standardized software baseline given that the accuracy and reliability the EHR is essential for safe operations and providing patient care for this same population regardless of where they receive care. Approximately 5.7 million patients have received healthcare at both a VA and DoD facility within the last seven years. USCG military members receive medical and dental care at DoD Medical Treatment Facilities (MTFs), VA healthcare facilities, and from commercial providers under TRICARE contracts. Further, the USCG provides medical and dental treatment and care to DoD beneficiaries at USCG clinics.

VA and DoD have worked together for many years to advance EHR interoperability between their many separate applications and certified to Congress that the medical record interoperability requirements of Section 713 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2014 had been satisfied through the use the Joint Legacy Viewer (JLV). While JLV meets the statutory requirements and is an important tool for the agencies, it does not allow users to change or add information. Although JLV is able to present patient's critical medical health data, simply presenting read-only data does not take advantage of full capabilities of a modern EHR to create improvements in the way each Agency practices healthcare.

On July 1, 2017, the Secretary of the VA signed a Determination and Findings to adopt the same commercial EHR solution as the DoD, finding that:

“A single common system across VA and DoD will facilitate the transition of active duty military members to VA and improve their timely access to the highest quality of care in a way never before experienced. Records residing in a single common system will eliminate the reliance on complex clinical interfaces or manual data entry between DoD and VA. A single common system and the adoption of common clinical workflows and order sets (i.e., pre-defined templates that provide support in making clinical decisions for a specific condition or medical procedure) will significantly reduce, and potentially eliminate, the variations between VA and DoD facilities, thereby facilitating a more consistent patient experience. Common workflows, common cybersecurity architecture, and terminology based on national standards, along with a patient portal that transitions with the patient from active duty to Veteran status, will result in improved medical outcomes, improved patient safety, and a consistent patient-physician relationship. VA will be able to leverage and benefit from DoD's data hosting investments, standard workflows, and enhanced cybersecurity posture. Sharing the same EHR system with common configuration standards will enable computerized decision support. This support will allow for reliable electronic interpretation of data to produce valid care recommendations while considering the complete health history contained in a single patient record. Acquiring the same DoD EHR system will also enable VA to capitalize on DoD investments, including integration of the dental capability, pharmacy enhancements and configuration efforts. In addition, adopting the DoD EHR system will allow VA to benefit from lessons learned by DoD during their Initial Operating Capability phase, participate with the workflow standardization process and jointly adopt and develop national standards in coordination with Office of National Coordinator, Department of Health and Human Services.”

On March 22, 2018, the Deputy Commandant for Mission Support – United States Coast Guard, requested that PEO DHMS include the USCG in its implementation of MHS GENESIS. This request resulted from an analysis performed by the USCG that concluded, among other things, “the USCG’s deployment of MHS GENESIS would eliminate risks that exist in joint military operations, in the day-to-day provision of medical and dental care, and in the USCG’s participation in the U.S. Military Entrance Processing Command’s (USMEPCOM) military accession process” and:

“Workflow Design. A considerable number of existing DoD workflows for MHS GENESIS can be re-used to support the USCG due to similarity in operational mission between USCG and the other military armed forces. At the request of the USCG, the DHMSM program conducted a review of its existing library of documented business process workflows and identified 133 that they assessed to closely match the USCG enterprise outpatient and readiness missions for potential future re-use by the USCG.

System Configuration. Existing MHS GENESIS system configurations can be re-used to support the USCG. The DHMSM program provided USCG with copies of the functional requirements and workflows that were used to procure and configure MHS GENESIS. The USCG performed a comparison of these requirements and workflows against the USCG mission need and requirements. This comparison resulted in a determination that the MHS GENESIS configuration matches the mission need and desired configuration of a USCG EHR.

Initial Testing (Developmental, Operational and Cyber-security). As stated in the AA and a separate DHMSM RTM analysis completed by the eHRA PM IPT, the MHS GENESIS system meets 100% of Coast Guard's functional and technical requirements. The USCG should be able to apply the DHMSM test plan and report artifacts with some minor validation activities to meet the USCG test and evaluation requirements for use of MHS GENESIS.

Training Delivery and User Documentation Development. Due to the similarity in DoD and USCG business processes as military services, USCG deployment of MHS-GENESIS would reduce the need for duplicative training time and cost to include joint training sessions and re-use of existing DoD training materials and user documentation."

Organizations adopt information technology tools to support organizational changes that reduce complexity, improve operations, and lower risk. Information technology is especially important in the delivery of healthcare given the unique requirements for high levels of knowledge and information necessary to deliver care successfully. The adoption by the three Agencies of the same EHR creates a unique opportunity to standardize the enterprise baseline thereby enabling the Agencies to realize maximum benefits from their EHR solutions and maintain operational continuity across the enterprise.

As discussed above, the continuum of care for a Service Member is very complex. A standard enterprise baseline will enable efficient, highly reliable, safe, and quality care across the continuum of care among the DoD, USCG, and VA while a Service Member is on active duty and after the transition of care from the DoD or USCG to the VA upon retirement or separation from active duty. The common EHR will become the primary source of health, injury, and treatment information for Service Members during their career – from initial enlistment to service, to battlefield injury, disease and non-battle injury, and life-long disability care in the VA.

Given the continuum of care from battlefield injury while on active duty in the DoD or USCG to potentially life-long injury-related disability care in the VA, a common standard baseline will reveal critical benefits that will provide opportunities for an unparalleled repository of evidence that will inform improved injury prevention for the Service Member while on active duty and post-injury long-term care as a Veteran. Access to the detailed history associated with an injury is expected to provide for better decision making along the continuum of care, whether the patient be an active duty Service Member or a Veteran. With an uninterrupted, seamless continuum of care and support, for Service Members who are wounded or injured as a result of their service a standard baseline provides an unprecedented opportunity to improve and unify (reduce the number of "seams") in the Integrated Disability Evaluation System (IDES) process, moving away from a process that involves multiple systems and databases. A common standard baseline is expected to improve speed of the process and accuracy of available data for better-informed decision making. Such information decreases the number of unnecessary tests and procedures, which allows the healthcare team more time to focus on providing a care experience that is patient and family centered, compassionate, convenient, equitable, safe and always of the highest quality. Introducing or using different systems among the same population would undermine the advantage of having a single standard baseline, thereby increasing the risk of problems during transitions of care and with the availability of accurate patient medical information (and the ability to update or correct such information, as required). Therefore, it logically follows that having a standardized enterprise baseline decreases these safety risks for beneficiaries and clinicians.

Further, a primary complaint of transitioning Service Members is the requirement to collect a paper copy of their medical records from separate USCG and DoD medical systems, review it for completeness, and transport the pages to the VA for disability evaluation. The problem is substantial and resulted in the establishment of dedicated “navigation” services within Veteran Support Organizations (VSO) to assist Service Members in the process. Creating a standard enterprise baseline will reduce fragmentation of the Service Member’s health record, eliminate the need to transport paper records, and deliver a more complete health record to the Service Member’s caregiver at the time of care. The common standard baseline will also improve the disability evaluation process by providing more readily accessible health care data for the substantiation or refutation of disability claims.

In addition to individual Service Member benefits, a common standard baseline will provide an unprecedented repository of longitudinal health information for all Service Members who receive care in the DoD, USCG, and VA. This availability of population-level data will enable study of the association between injuries or exposures and long-term functional outcomes – in turn, enabling modifications of equipment, training, and policies to improve long-term outcome. The population data will also provide near-real-time monitoring of new and evolving health or exposure concerns – such as geographic outbreaks of viral illnesses. This information can enable rapid measures for response and containment.

Beyond the benefits of reducing complexity and risk across the continuum of care, Section 717 of the NDAA for FY 2017 requires that “The Secretary of Defense shall authorize a veteran ... to be evaluated and treated at a military treatment facility if ... the evaluation and treatment of the individual is necessary to attain the relevant mix and volume of medical casework required to maintain medical readiness skills and competencies of health care providers at the facility,” and directs the VA to reimburse MTFs for the “evaluation or treatment” of eligible veterans “using a prospective payment methodology.” A single standard baseline that appropriately co-mingles clinical and financial data will provide visibility and transparency regarding the cost of evaluation and treatment necessary to inform a “prospective payment methodology.” This will allow for more accurate financial planning for both the DoD/USCG and the VA while providing the opportunity to reduce the variation in cost and expected cost across the DoD/USCG and VA. Further, a common standard baseline would allow for a reduction in unnecessary variation of clinical services to Service Members who receive care at a different Agency’s facilities. Updates to standards-based clinical practice, such as immunization recommendations by the CDC, can be quickly adopted across the Agencies by updating the common standard baseline. A common standard baseline allows for consistent training, workflows, user roles, and order sets across the Agencies. This would make it much easier for providers who move between different Agency facilities to provide patient care. Finally, having a common standard baseline supports Section 207 of Public Law 115-46, VA Choice and Quality Employment Act of 2017, which encourages DoD providers as they transition from service to seek employment with the VA. Standardizing to the maximum extent practical is expected to reduce complexity in the provision of care resulting in improved healthcare outcomes.

In addition to the clinical benefits of adopting a standard solution baseline, the Government expects several technical benefits to accrue by maximizing standardization. The EHR solution is a software intensive system of systems that provides a unified platform allowing the Agencies to leverage and manage data. The data constructed as a medical record is the core asset of each Agency’s mission in the provision of care. Sharing data between disparate domains would require physical dependencies to support the exchange of medical records resulting in increased complexity to maintain the disparate systems and the interfaces between them. Sharing data across disparate baselines requires increased complexity in the maintenance of regulatory and meaningful use terminology, which results in a loss of computable data necessary to fully enable automated clinical decision support and analytical

digest. Using disparate baselines negatively affects the timing of synchronization of data resulting in lower availability of data and the potential of deviations in the records between two or more systems. Utilizing a common standard baseline will increase the quality, availability, integrity and the timeliness of data all while reducing the complexity of managing multiple baselines, including the implementation of software updates, patches, and upgrades to new functionality.

Further, the maintenance of disparate baselines complicates the cybersecurity posture of the Agencies and interfaces between disparate baselines would introduce potential ingress points for adversaries. Presidential Executive Order on Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure, issued May 11, 2017 (EO 13800) requires that "Agency heads shall show preference in their procurement for shared IT services, to the extent permitted by law, including email, cloud, and cybersecurity services." By maintaining one baseline for all three Agencies with an increased cybersecurity posture (as required by DoD), the contemplated way ahead described in this J&A is consistent with this Executive Order's principles.

The MHS GENESIS solution includes a mix of components including Best-of-Suite and Best-of-Breed software, interface software, enterprise service bus software, clinical application services (CAS), high-assurance clinical application services (HA-CAS), production and pre-production domain environments. Adoption of the single standard baseline within these environments allows for maximum use of shared CAS and HA-CAS solutions. Doing so is not only consistent with EO 13800, but affords the VA and USCG the opportunity to benefit from the use of shared-service environments that the DoD has spent considerable time hardening, resulting in many lessons learned, and a greatly improved cybersecurity posture.

Utilizing a non-standardized baseline would result in the implementation of different infrastructure domains, which will result in a weaker cybersecurity posture and require duplicative work to address vulnerabilities that the DoD has already resolved. Additionally, the DoD has established processes and infrastructure that achieve a balance between commercial and Government cybersecurity strategies relative to the tradeoff between performance, availability, differences in end point security, differences in alerting thresholds, provisioning Government cybersecurity tools, and Government timelines for remediating vulnerabilities.

Utilizing a common standard baseline would allow the USCG and VA to reap benefits already in place under the current DoD contract, such as: defined access controls to entry/exit points of the DoD datacenter cages hosting the system, database encryption realized through the use of NIST encryption algorithms that comply with Privacy Act and information system assurance controls, PHI and PII data encrypted with FIPS 140-2 validated DoD-approved cryptographic modules, Passive (Auditing), Active (Agents) and Behavior (Event Driven Triggers) monitoring safeguards to identify inappropriate or unusual activity, cybersecurity service provider tools inside the Cerner commercial hosting facility to monitor MHS GENESIS system and network behaviors for malicious activities, DoD configuration guidelines for end-point systems in the datacenter, harmonized DoD and Cerner commercial audit profiles and alerting thresholds, and DoD standards for timelines to fix cyber deficiencies.

Additionally, utilizing a common standard baseline in this manner will lessen the logistical burden on the Agency, in part by reducing the effort required for administration. For example, retraining on different systems will be unnecessary if the same solution baseline is implemented among all three Agencies with common training, workflows, roles, and order sets as described above.

The reasons detailed above support the conclusion that establishing a common standard baseline is expected to greatly reduce complexity between the three Agencies, lower risk, and improve

healthcare outcomes. In addition to the clinical benefits to Service Members and their beneficiaries, the Government considered the technical benefits. Beyond those benefits, the Government also anticipates gaining significant efficiencies throughout its enterprise by adopting a standardized solution. Some potential efficiencies include, but are not limited to: 1) retiring additional business intelligence programs, 2) not replacing legacy business intelligence programs with discrete modernized capabilities, 3) reducing infrastructure costs (i.e. circuits/bandwidth between disaster recovery/COOP sites, which Cerner includes in its managed service), 4) lower complexity related to implementing Cerner code changes, and 5) economies in managing the solution centrally.

Given: (1) the legitimate and critical benefits of the additional capabilities to clinicians, beneficiaries, and MHS IT operations; (2) the MHS' ability to leverage the functionality to improve patient care; and 3) additional potential organizational efficiencies, pursuing a single standard enterprise baseline through this contemplated sole source award is the only way to achieve the Agency's standardization goals.

The Government's reasonable standardization requirements cannot be realized unless they are implemented as part of the MHS GENESIS solution as part of standard commercial "as a service" offerings provided by Cerner as part of the Leidos Partnership for Defense Health. Utilizing any other solution would prevent access to these capabilities and render it impossible to maintain a single standard baseline solution with the VA and USCG.

Cerner has asserted that it does not provide these solutions through other resellers in a way that would enable the Government to continue to utilize the Cerner solution but in a competitive environment for these extended capabilities. Therefore, no vendor other than Cerner, as a member of the Leidos team, can satisfy the requirement for a standard enterprise baseline.

Further, while Cerner is a critical component of the MHS GENESIS solution, it is not the only component. Leidos, the service provider integrator and prime contractor, is essential to the provision, support, and implementation of the entire solution, including Cerner and non-Cerner components. For the same reasons the Government determined that a single-award contract for the solution was appropriate, it continues to believe that one single contract for the DoD/USCG partnership is in its best interest because the projected work are so integrally related that only a single prime contractor can reasonably perform it.

A single contract minimizes the significant integration risks by requiring a single contractor to be accountable for the performance and management of the complex modernization of the military health system. A single contractor is the sole point of accountability to ensure the entire implementation is successful. Conducting a deployment and sustainment of this complex system, while coordinating multiple contractors, would create a high risk to execution.

Further, a single implementation provides for a unified and consistent training approach for DoD/USCG clinicians who regularly rotate amongst different Medical Treatment Facilities (MTFs). A single implementation will notably improve the clinicians' ability to provide quality patient care as they move from facility to facility.

Issuing new contract(s) to other service providers, whether directly to Cerner on a non-competitive basis, or on a competitive basis would create unacceptable execution risk because it would be difficult for the Government to ascertain which contractor is responsible for deficiencies between implementations and significantly increase the complexity of managing multiple implementations, which would nullify many of the benefits of reducing the complexity of a standard solution. As a

result, the DoD will modify its existing contract with Leidos, Inc. for the DoD implementation of the solution, which is already substantially underway and successfully deploying. The USCG has determined that it will join the DoD implementation underway rather than conducting its separate implementation or joining the VA implementation, which is being conducted independently and not considered under this J&A.

(6) Efforts to Obtain Competition

To assess the interest and capability present in the commercial marketplace, the Government issued a synopsis (N0003915D0044b), as required by FAR Subpart 5.2, through its FedBizOps portal that advised industry of its intent to proceed on a sole source basis. Because of the Government's significant investment in its Cerner-based solution, respondents were informed of the Government's strategy to pursue a standard solution baseline and asked to demonstrate how they could obtain access to Cerner solutions because of Cerner's assertions that they do not provide access outside of their managed service offerings. The synopsis established a deadline for responses of April 24, 2018. The Government received two responses from interested parties. The parties, their responses, and the Government's disposition thereof are described in Paragraph (10) below. Because the Government synopsis informed all interested parties that they must clearly demonstrate an ability to obtain access to Cerner solutions while satisfying the requirements for a single standard baseline, and none of the responses did so, the Government determined that competition was not a viable method to satisfy its reasonable standardization requirements.

(7) Methods to Overcome Barriers

The DHMSM Acquisition Strategy anticipates one or more competitive follow-on contracts to sustain the EHR solution, for which the Government owns a perpetual license, at the conclusion of the period of performance of the basic contract, which includes four distinct ordering periods. The Government is committed to 1) its duty under the Competition in Contracting Act to develop a performance specification that will support competition for future acquisitions of the same or similar items after the expiration of the initial DHMSM contract and full implementation of the system, and 2) ensuring it meets its requirements in the most cost-effective way, especially given the relative immaturity of the nascent market for advanced clinical capabilities.

Given the developing market, there is a high potential for change in the market place during the Government's full implementation. Further, the legal and regulatory environment is evolving, particularly in relation to the ownership of healthcare data, interoperability, cybersecurity, and other dynamic issues affecting information technology in general, and health IT specifically. Given these circumstances, the Government has determined that the conclusion of full deployment is a reasonable time to re-evaluate its ability to compete the services contemplated in this J&A.

In order to facilitate this re-evaluation, the Government anticipates it may be able to take actions such as: 1) attempting to identify future alternatives to Cerner managed solutions, 2) monitoring the marketplace for cost-effective alternatives to the Cerner capabilities, 3) re-configuring the baseline to enable the use of alternative cloud, shared, or managed services, and 4) exploring options to leverage the large body of data from other Government sources, such as the Department of Veterans Affairs, Department of Health and Human Services, and the Department of State.

If the Government determines, after full deployment, that competition is not viable, a new J&A will be executed that will describe the rationale behind that determination, and document the outcome of actions taken in the meantime, such as the ones above, to remove the barriers to competition, and why those actions proved to be unsuccessful.

Finally, as discussed in Paragraph (8) below, the Government actively participates in extensive continuous market research, one of the primary goals of which is to monitor the marketplace for solutions that would enable greater competition in any follow-on efforts.

(8) Market Research

The approach for market research consisted of a series of steps to collect and analyze healthcare market data. As a descriptive method, the intent was to understand what actions were taken and what experience exists in the market based on a sample of large-scale healthcare delivery organizations in relation to the implementation and sustainment of enterprise EHR software and related IT services (e.g., integration, implementation, training, sustainment, etc.). Data for this research was collected and reviewed from many sources including:

- Publicly available information to include healthcare systems websites and academic libraries (ProQuest) that describes EHR software capabilities and documents the experience of companies providing IT services for integration, implementation, and sustainment to large healthcare delivery organizations
- Information extrapolated from documentation provided by a variety of EHR software vendors, integration vendors and specialty-niche vendors who submitted responses to numerous RFIs issued throughout the Program lifecycle
- Third party reports providing health IT (HIT) domain assessments (e.g. KLAS, Gartner, and HIMSS)
- Additional data obtained by the VA or USCG as part of their independent solution analyses.

In addition to static data sources, the Contracting Office engages in multiple industry days, one-on-one meetings with industry partners, participates in conferences (HIMSS, DHITS, AFCEA, etc.), and provides panelists for Government-Industry panels. Further, the Contracting Office will participate in upcoming reverse industry days intended to allow industry flexibility to describe unique and innovative solutions.

Finally, the Contracting Officer and Program Office engage in site visits with other healthcare industry partners such as Tenet Healthcare, InterMountain Health, and others to ascertain lessons learned and obtain information from those who have implemented similar scale solutions recently.

(9) Other Facts

In order to fully enable the capabilities and environments necessary to achieve a standard baseline, given the Government's investment in the Cerner-based solution, MHS GENESIS requires direct access to proprietary Cerner intellectual property (IP), such as Clinical Application Services, which is only available from Cerner. As this IP is proprietary and the result of private expenditures and research and development, the Government does not have rights to access or use this IP, or to provide it to other entities for use. Allowing a third-party to have access to the Cerner IP could adversely impact Cerner's financial viability and competitive market advantage.

The Contracting Officer inquired with the Leidos Partnership as to whether Cerner would be willing to negotiate the rights to the IP necessary to enable competition. On May 24, 2018, Cerner declined, in writing, to enter into such negotiations for its own business reasons.

Coordination:**11. Technical Representative:**

I certify that the supporting data under my cognizance which are included in the justification is accurate and complete to the best of my knowledge and belief.

Typed Name: [REDACTED] Date: 12 JUN 2018

Title: Chief Engineer, DHMSM Program Office Signature: [REDACTED]

12. Requirements Certification:

I certify that the supporting data under my cognizance which are included in the justification is accurate and complete to the best of my knowledge and belief.

Typed Name: [REDACTED] Date: 13 June 2018

Title: MHS Chief Health Informatics Officer Signature: [REDACTED]

13. Fair and Reasonable Cost Determination:

Prior to issuance of any task orders under the IDIQ contract, the Contracting Officer will perform cost/price analysis on proposals received from the contractor and request any certificates of certified cost and pricing data as required by regulation. I hereby determine that the anticipated cost to the Government for this contract action will be fair and reasonable.

Typed Name: Matthew G. Hudson Date: 13 JUN 2018

Title: Contracting Officer Signature: [REDACTED]

14. Legal Review:

I have reviewed this J&A and it is deemed to be legally sufficient.

Typed Name: [REDACTED] Date: 6/13/18

Title: Associate General Counsel Signature: [REDACTED]

15. Contracting Officer:

I certify that this justification is accurate and complete to the best of my knowledge and belief.

Typed Name: Matthew G. Hudson Date: 13 JUN 2018

Title: Contracting Officer Signature: [REDACTED]

16. Competition Advocate (CA):

Based on the foregoing justification, I concur with the procurement of additional EHR functionalities required to create a single standardized baseline with the VA and USCG on an other than full and open competition basis pursuant to the authority of 10 U.S.C. 2304(c)(1).

Typed Name: [REDACTED]

Date: 6/14/2018

Title: Chief, Proc. Policy and Acq. Syst.

Signature: [REDACTED]

Approval:

17. Senior Procurement Executive (SPE):

Based on the foregoing justification, I hereby approve the procurement of additional EHR functionalities required to create a single standardized baseline with the VA and USCG on an other than full and open competition basis pursuant to the authority of 10 U.S.C. 2304(c)(1), subject to availability of funds, and provided that the supplies and/or services herein described have otherwise been authorized for acquisition.

Typed Name: John M. Tenaglia, SES

Date: June 15, 2018

Title: Interim Component Acquisition Executive

Signature 