

DOD'S MILITARY HEALTH SYSTEM REFORMS AND CHALLENGES

JUNE 2026

THE BIG PICTURE

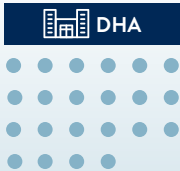
The Department of Defense (DOD) military health system provides medical care to 9.4 million beneficiaries, including service members and their families around the globe. This care is delivered through over 700 medical facilities with more than 100,000 military, civilian, and contractor employees, and a vast network of private sector health care providers. DOD estimates that it will spend over \$72.5 billion for the military health system in fiscal year 2027.

For more than a decade, DOD has taken actions to reform its health system in response to legislative requirements and to more effectively manage the system. For example, in response to December 2016 legislation, the Defense Health Agency (DHA)—a combat support agency—took over the administration and management of DOD's medical facilities from the Army, Navy, and Air Force. In making this change, DOD sought to create a more efficient oversight structure for the medical facilities that would help lower costs and improve beneficiary care, in part by shifting some patients to private sector care.

Military Health System Organizational Reforms Since 2016

Market structure (2020-2023)

● 22 offices, primarily organized by regional market

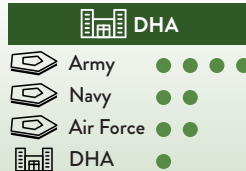


Identified challenges:

- Inconsistent coordination between DHA and military departments
- Too many management offices
- Required more personnel than DHA had available

Network structure (2023-present)

● 9 offices, primarily organized by military department



Identified challenges:

- Shared business functions not consolidated across medical facilities
- Level of required personnel resources not yet known
- Medical personnel shortages and increased costs of relying on private sector care

Source: GAO analysis of legislative, Department of Defense, and Defense Health Agency (DHA) information. | GAO-26-109066

However, as GAO reported in July 2025, the ability to supply health care across the military health system remains constrained by insufficient numbers of medical personnel and allocation of fiscal resources to other readiness priorities, according to DHA officials. DOD continued to examine the need for further reform, and adopted a new strategy to increase the capacity of DOD's medical facilities to provide both beneficiary care and training opportunities for military medical personnel. According to DOD, such efforts are intended to stabilize the military health system by reattracting beneficiaries to its facilities from private sector care.

KEY CHALLENGES IDENTIFIED BY GAO

GAO's work has identified various organizational reform and personnel management challenges that affect the success of the military health system.



Organizational reform challenges. DOD has not identified the necessary resources or conducted sufficient oversight to support its reform efforts.



Personnel management challenges. DOD does not have key information needed to manage and oversee its military medical personnel nor sufficient metrics to assess their clinical readiness.



IMPLICATIONS FOR NATIONAL SECURITY

The military health system supports the health of service members so that they are ready to deploy. In addition, the system exists to ensure that military medical personnel are prepared to provide medical care in support of missions that include operational, wartime, and mass casualty events. This is referred to as clinical readiness.

GAO has reported on a long-standing concern that DOD's medical facilities may not be able to provide sufficient opportunities to sustain the skills of some military medical personnel, such as those who provide trauma and critical care services. DOD's efforts to address legislative reforms over time have been, in part, intended to address this concern by increasing the clinical readiness of military medical personnel.

Addressing the persistent challenges identified in this product, such as by implementing GAO's related recommendations, would enhance DOD's ability to ensure the clinical readiness of its medical personnel in operational and wartime environments. This would further help DOD achieve its goal of stabilizing and improving the health system. DOD generally concurred with the recommendations listed in this product and has stated plans to address them over time.

GAO RECOMMENDATIONS

Selected GAO Open Recommendations Related to DOD's Military Health System from Fiscal Years 2019 through June 2026



RESOURCES NEEDED TO SUPPORT ORGANIZATIONAL REFORM EFFORTS

The Department of Defense (DOD) has not fully determined the resources necessary for implementing its organizational reform.

- DOD should validate headquarters-level personnel requirements and [identify the least costly mix of military, civilian, and contractor personnel needed](#) to achieve mission objectives.
- DOD should issue guidance detailing processes to [determine and validate the number of personnel needed](#) to manage and support its medical facilities.
- DOD should [review Defense Health Agency business functions](#) to determine which ones it will consolidate to manage and support its medical facilities.



OVERSIGHT OF ORGANIZATIONAL REFORM EFFORTS

DOD has not comprehensively monitored or involved Congress in the development of its organizational reform efforts.

- DOD should establish a systematic process to [comprehensively monitor actions taken to address statutory requirements](#) for military health system reforms, such as by consolidating responsible leaders, actions taken, and time frames into a single data source.
- DOD should continuously [involve key stakeholders including Congress in developing and implementing its network structure](#) to manage its medical facilities and ensure congressional views are reflected.



MANAGEMENT AND OVERSIGHT OF MEDICAL PERSONNEL

DOD does not have key information needed to better monitor medical facility staffing and address staffing gaps.

- DOD should [develop a strategic total workforce plan](#) which includes, among other things, strategies, tools, and metrics to monitor and evaluate progress toward reducing personnel gaps.
- DOD should issue guidance to [assess the potential effect of medical personnel reductions](#) on medical facilities.
- DOD should take actions, such as issuing guidance and addressing data quality issues, to [improve the use of timecard data to monitor military medical personnel work time](#) at medical facilities.



EFFORTS TO MONITOR CLINICAL READINESS OF MEDICAL PERSONNEL

DOD has not developed sufficient metrics to assess and monitor clinical readiness of medical personnel.

- DOD should [develop metrics to assess medical facility contributions](#) toward enlisted medical personnel wartime medical skills sustainment.
- DOD should [issue guidance for collecting complete clinical activity data](#) from military-civilian partnerships for certain personnel.
- The military departments (Army, Navy, and Air Force) should each [establish processes to fully assess the contributions of civilian training partnerships](#) to the clinical readiness of military medical personnel.

Source: GAO. | GAO-26-109066

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