



Defense Health Agency

PROCEDURAL INSTRUCTION

NUMBER 6430.08

August 23, 2021

DAD-MEDLOG

SUBJECT: Medical Logistics Order Management

References: See Enclosure 1

1. PURPOSE. This Defense Health Agency-Procedural Instruction (DHA-PI), based on the authority of References (a) and (b), and in accordance with the guidance of References (c) through (n), establishes the Defense Health Agency's (DHA) procedures for the effective order management of medical supplies.
2. APPLICABILITY. This DHA-PI applies to the Defense Health Agency (DHA), DHA components (activities under the authority, direction, and control of DHA), Military Departments (MILDEP), Military Medical Treatment Facilities (MTFs), all personnel to include: assigned or attached active and reserve members, members of the Commissioned Corps of the Public Health Service, federal civilians, contractors (when required by the terms of the applicable contract), and other personnel assigned temporary or permanent duties at DHA and DHA MTFs.
3. POLICY IMPLEMENTATION. It is DHA's instruction, pursuant to References (a) through (o), that MTFs will implement processes for order management of medical supplies consistent with this DHA-PI.
4. RESPONSIBILITIES. See Enclosure 2.
5. PROCEDURES. See Enclosure 3.
6. PROPONENT AND WAIVERS. The proponent of this publication is the Deputy Assistant Director (DAD), Medical Logistics (MEDLOG). When Activities are unable to comply with this publication the activity may request a waiver that must include a justification, to include an

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analysis of the risk associated with not granting the waiver. The activity director or senior leader will submit the waiver request through their supervisory chain to the DAD-MEDLOG to determine if the Director, DHA or their designee, may grant the waiver.

7. **RELEASABILITY. Cleared for public release.** This DHA-PI is available on the Internet from the Health.mil site at: <https://health.mil/Reference-Center/Policies> and is available to authorized users from the DHA SharePoint site at: <https://info.health.mil/cos/admin/pubs/SitePages/Home.aspx>.

8. **EFFECTIVE DATE.** This DHA-PI:

a. Is effective upon signature.

b. Will expire 10 years from the date of signature if it has not been reissued or cancelled before this date in accordance with Reference (c).

/S/
RONALD J. PLACE
LTG, MC, USA
Director

Enclosures

1. References
2. Responsibilities
3. Procedures

Glossary

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5136.01, “Assistant Secretary of Defense for Health Affairs (ASD(HA)),” September 30, 2013, as amended
- (b) DoD Directive 5136.13, “Defense Health Agency (DHA),” September 30, 2013
- (c) DHA-Procedural Instruction 5025.01, “Publication System,” August 24, 2018
- (d) United States Code, Title 10, Section 1073c
- (e) DoD Instruction 6430.02, “Defense Medical Logistics Program,” August 23, 2017
- (f) DHA-Procedural Instruction 6430.02, “Defense Medical Logistics (MEDLOG) Enterprise Activity (EA),” September 27, 2018
- (g) DoD Directive 5105.22, “Defense Logistics Agency (DLA),” June 29, 2017
- (h) DoD Manual 4140.01, Volume 1, “DoD Supply Chain Materiel Management Procedures: Operational Requirements,” February 10, 2014, as amended
- (i) DoD Instruction 5101.15, “DoD Medical Materiel Executive Agent (MMEA) Implementation Guidance,” May 4, 2012, as amended
- (j) ASD (HA) Memorandum, “Policy on Processing Medical Single-Use Devices,” July 7, 2006¹
- (k) Federal Register, Volume 65, Page 49583, August 14, 2000
- (l) DoD Instruction 3216.02, “Protection of Human Subjects and Adherence to Ethical Standards in DoD-Conducted and-Supported Research,” April 15, 2020
- (m) Federal Acquisition Regulation (FAR)
- (n) DHA Procurement Directive 13-01 Government Purchase Card Program²

¹ “This reference can be found at: <https://health.mil/Reference-Center?query=Policy%20on%20Processing%20Medical%20Single-Use%20Devices&isDateRange=0&broadVector=000&newsVector=0000000&refVector=0111111111111111&refSrc=1>”

² “This reference can be found at: https://info.health.mil/sites/DOP/PAC/Acquisition%20Policy%20and%20Procedures/PD_13-01_GPC.pdf”

ENCLOSURE 2
RESPONSIBILITIES

1. DIRECTOR, DHA. The Director, DHA, will assign the Assistant Director, Combat Support (AD-CS), DHA to implement this DHA-PI in accordance with Reference (d).

2. AD-CS, DHA. The AD-CS, DHA must ensure MTFs implement and comply with this DHA-PI.

3. DAD-MEDLOG, DHA. The DAD-MEDLOG, DHA must perform oversight of the delivery for all MEDLOG business functions at DHA MTFs in accordance with References (b) through (f).

4. SECRETARIES OF THE MILDEPS. The Secretaries of the MILDEPs will assist DHA in ensuring compliance with the guidance in this DHA-PI.

5. DIRECTOR, MTF. The Director, MTF must:
 - a. Establish an effective MEDLOG office to support and ensure adherence to guidelines included in this DHA-PI.

 - b. Support clinical and logistical participation in the Office of Assistant Secretary of Defense (Health Affairs)-directed DoD materiel standardization efforts in accordance with References (e) and (j).

 - c. Appoint in writing an Accountable Medical Supply Officer.

6. CHIEF, MEDLOG. The Chief, MEDLOG is responsible for all MEDLOG operations in the facility and satellite facilities to the extent authorized by the Director, MTF. Throughout this DHA-PI unless otherwise stated, “MEDLOG” refers to the medical logistics department at the MTF. “Chief, MEDLOG” refers to the head of that department. The Chief, MEDLOG must:
 - a. Designate Government Purchase Card (GPC) holders and approving officials in accordance with DHA guidance in Reference (n).

 - b. Ensure GPC use is in accordance with Reference (n).

 - c. Ensure supporting materials, such as a packing list, invoice, etc., are filed with original accounting documents and maintained in accordance with this publication.

- d. Ensure quality control (QC) measures are in place on transactions related to receipts, gains, losses, and funding targets.
- e. Ensure supporting documents are filed in a manner that will facilitate timely retrieval for research or audit purposes.
- f. Ensure the appropriate procurement hierarchy is followed.
- g. Provide support for medical supplies to the MTFs and their subordinate activities. To the maximum extent possible, MEDLOG will also provide support for non-medical supplies.
- h. Conduct document follow-ups for all active due-ins and due-outs over 30 days old and revalidate requirements with the requesting custodians.
- i. Provide Supply Custodians with reconciliation documents.
- j. Coordinate with applicable stakeholders and establish procedures to quickly procure necessary medical materiel during emergency situations.
- k. For medical items contracted by Defense Logistics Agency Troop Support (DLA-TS), forward price challenges to DLA-TS contract Contracting Officer (KO) for adjudication.
- l. Designate individuals or committees to review and approve New Item Requests (NIR).
- m. Notify MEDLOG, DHA of trends related to price challenges.
- n. Coordinates resolutions on challenges for items bought through the KO in accordance with local policies.
- o. Appoint an MTF MEDLOG point of contact for the MTF vaccine program.
- p. Account for materiel in the Defense MEDLOG Standard Support (DMLSS) Inventory Management (IM) module, including in-transit materiel.
- q. Use document numbers to identify accounting documents and maintain supporting document files to verify transactions.
- r. Establish necessary internal controls and clear audit trails.

7. ACCOUNTABLE MEDICAL SUPPLY OFFICER. The Accountable Medical Supply Officer will maintain and account for all property and financial records on the medical stock record account in the DMLSS system, adhering to all DHA/Service regulations and policies.

8. SUPPLY CUSTODIAN. The Supply Custodian must procure or stock all anticipated medical materiel in advance of surgical, medical, or dental procedures.

ENCLOSURE 3

PROCEDURES

1. DATA RECORDS, DOCUMENTATION AND QC

a. Materiel Records or Accounting Documents. A materiel record is an authorized document detailing an action such as a requisition, receipt, shipment, issue, transfer, or adjustment. DMLSS is the system of record for MEDLOG transactions. The Chief, MEDLOG will:

(1) Account for materiel in the DMLSS IM module, including in-transit materiel.

(2) Use document numbers to identify accounting documents and maintain supporting document files to verify transactions; the Chief, MEDLOG will establish necessary internal controls and clear audit trails.

b. Document Processing

(1) Each record must contain information sufficient to enable inspectors and auditors to trace the listed medical materiel and verify the validity of the transaction.

(2) MEDLOG will file backup or supporting material, such as a packing list, invoice, etc., with the original accounting documents. These documents must be retained until the original document is authorized for destruction.

(3) Electronic maintenance of source documentation is authorized.

(4) MEDLOG will maintain source documents for inspection and audit purposes.

(5) MEDLOG will file each record with documentation sufficient to enable inspectors or auditors to trace the listed medical materiel and verify the validity of the transaction.

(6) MEDLOG will assign document numbers to materiel documents according to specific transactions being processed (e.g., issues, requisitions, destructions). The purpose of a document number is to identify the document and aid in filing and retrieving for audit and inspection purposes.

(7) If a document cannot be located, MEDLOG will request a duplicate copy from the source of supply or prepare an equivalent duplicate. Prepared duplicates or replacement documents will be reassigned the original document numbers.

c. QC. QC ensures the validity and completeness of source documents, including packing lists, prior to filing in the permanent file and checks each DMLSS transaction to ensure it processed correctly. QC is accomplished by comparing specific DMLSS transactions to supporting documents. MEDLOG will perform QC, at a minimum, for the following:

(1) Transactions resulting in receipts, physical gains and losses, or affecting fund balances.

(2) Funding targets, including operations and maintenance, Working Capital Fund/Medical-Dental Division-log fund, and War Reserve Materiel funds authority documents, or per Service specific policies.

(3) The QC process within MEDLOG will:

(a) Compare supporting documents to the IM “Source Document Control Report,” prior to filing in the permanent document file.

(b) Ensure the existence and completeness of required source documents. MEDLOG will hold invalid documents in suspense, pending completion, validation, or correction.

(c) Compare all source documents with each other and then compare with the appropriate Source Document Control Reports and Transaction Registers under the following conditions:

1. If all source documents match then process according to Service specific policies.

2. If an error is found, annotate the corrective action required on the original source document and return to the individual who processed the transaction to make the necessary changes in DMLSS.

(d) The Source Document Control Report and equipment management transaction register can be discarded once all QC actions are completed successfully.

(e) Before placing a supporting source document in the permanent file, MEDLOG will check for validity and completeness. MEDLOG will file supporting documents in a manner that ensures timely retrieval for research or audit purposes and checks that each source document is fully annotated in accordance with upcoming DHA PI, “Inventory Management”.

2. PROCUREMENT. The DHA’s strategy for procurement is to maximize e-commerce to ensure the greatest efficiency of available manpower and support enterprise materiel standardization.

a. MEDLOG Procurement Hierarchy Will Be Followed: When procuring Class VIII, Medical Materiel, to pursue the lowest cost item utilizing the following sources (highest to lowest priority).

(1) Prime Vendor (PV), medical surgical, pharmaceuticals, and enterprise standardized items.

(2) Defense Logistics Agency (DLA) medical PV contracts.

(3) DLA Electronic Catalog program.

(4) DLA depot stocked items, and General Services Administration.

(5) GPC orders and local contracting. Follow DHA DAD-Pricing and Contracting GPC guidance in Reference (n) and local contracting guidance.

b. MEDLOG Support. Ordering sites will provide support for both medical and non-medical supplies to the MTFs and their subordinate activities within the scope of their mission.

c. Items Not Authorized for MTF Procurement. Refer to Service specific policies for more information on drugs that do not meet the definition of approved drugs. For exceptions, see Reference (l).

d. Green Procurement Program

(1) New contracts, including those for construction, must meet the energy, water efficiency, and environmentally preferable requirements in accordance with Reference (m).

(2) Green procurement training is mandatory for those at the MTF who make purchases or develop and process product requirements, to include Government-Wide Purchase Card holders, resource advisors, and KO Representatives.

e. NIRs. Using activities will submit NIRs to MEDLOG with proper justification and projected usage data.

f. Product Sourcing Request. To have an item considered for an e-commerce solution, submit a product sourcing request to DLA-TS.

g. Backorder and Customer Reconciliation. MEDLOG will document follow-up for all active due-ins and due-outs over 30 days old. MEDLOG will revalidate requirement with the requesting custodian based on the DMLSS LOG Back Order Report. MEDLOG will provide Supply Custodians with reconciliation documents (containing due-in status) via email or hard copy.

h. Emergency Medical Purchases

(1) A medical emergency is defined as an unforeseen situation requiring prompt action necessary to save life, limb, or eyesight.

(2) In order to avoid the potential for an emergency purchase, MEDLOG and supply, custodians will procure or stock all anticipated medical materiel in advance of surgical, medical, or dental procedures.

(3) In order to plan for emergency medical purchases, MTF MEDLOG, Resource Management (per Service specific policies), and associated contracting offices will:

(a) Coordinate and establish procedures to quickly procure necessary medical materiel during emergency situations including identifying GPC cardholders and authorized contracts. Cardholders and authorized contracts may include pharmaceutical and medical PVs, local Blanket Purchase Agreements, Indefinite Delivery Indefinite Quantity contracts, etc.

(b) Establish procedures to quickly contact GPC cardholders and supply technicians, for required procurement authorizations prior to purchasing for both during and after duty hours.

i. PV

(1) Only MEDLOG or designees are authorized to place orders, including credit account ordering, against a PV contract.

(2) MTFs will process the Trading Partner profile and submit to DHA MEDLOG. DHA MEDLOG will validate the request and submit to DLA-TS for contract implementation.

j. GPC

(1) The system of record for GPC purchases is the Card-Issuing Bank's Electronic Access System. The system of record for local contract purchases is the Contract Writing System.

(2) MEDLOG will ensure use of the GPC in accordance with Reference (n).

(3) MEDLOG will ensure any transportation and handling charges inherent in obtaining and delivering materiel to the ordering customer are included in the price of materiel sold to the customer, to include credit card purchases.

k. Transactions Involving Exchange for Replacement Purposes. MEDLOG will use exchange or trade-in processing of eligible items to the maximum extent possible when such transactions provide an advantage to the government. The manufacturer of the items being acquired must design and construct the item for the same specific purpose as the item being replaced. Attachment 1 of Reference (h) lists items by federal supply groups that are not eligible without prior approval from General Services Administration.

l. Centrally Procured Vaccines

(1) DLA manages the central procurement of vaccines. USAMMA-Distribution Operations Center manages distribution. DHA MEDLOG, in coordination with DHA Immunization Healthcare Division, manages the centrally procured vaccine programs at DHA activities.

(2) The Chief, MEDLOG will appoint an MTF MEDLOG point of contact for vaccine programs.

(3) Influenza Vaccine requirements for the Air National Guard are requested through the host MTF, or through the USAMMA for the Army National Guard.

(4) USAMMA for the Army National Guard Distribution Operations Center manages and provides oversight of the DoD anthrax and smallpox vaccine program.

m. Food and Drug Administration (FDA) Validation of Third-Party Medical Single-Use Devices (SUD) Reprocessing

(1) MTFs have the option of using FDA approved reprocessed medical SUDs. MTFs are not obligated to use reprocessed SUDs in accordance with Reference (j): SUDs will not be reprocessed for internal use or for other MTFs in accordance with upcoming DHA PI, "Inventory Management".

(2) If an MTF chooses to procure reprocessed SUDs, MEDLOG will ensure the third-party vendor is FDA-approved, and their performance is FDA-validated.

n. Purchase of Incentive Items for Health-Related Programs. The use of Operations and Maintenance funds to procure low-value incentive items (e.g., stickers, bumper stickers, buttons, badges, coloring books, pens, and literature) may be authorized only in very limited circumstances. Sites must consult with their legal office for fiscal law guidance.

o. Price Challenge and Verification Program. MEDLOG or designee will:

(1) Forward DLA-TS challenges to DLA-TS contracts KO.

(2) Coordinate resolution on challenges for items bought through the KO in accordance with Service policies until superseded by DHA policy.

3. MEDICAL DEVICE & EQUIPMENT (MDE) MANAGEMENT. MEDLOG will ensure approved MDE are procured in the priority sequence outlined in paragraph 2.(a)1 of this enclosure and coordinated with appropriate DHA officials for cybersecurity considerations, e.g., CyberLOG, DAD Information Operations. MEDLOG will create a DMLSS due-in where applicable. Services will continue to order and receive MDE in accordance with existing Service policies until DHA policy has been established.

GLOSSARY

ABBREVIATIONS AND ACRONYMS

DAD	Deputy Assistant Director
DHA	Defense Health Agency
DHA-PI	Defense Health Agency Procedural Instruction
DLA	Defense Logistics Agency
DLA-TS	Defense Logistics Agency Troop Support
DMLSS	Defense MEDLOG Standard Support
FDA	Food and Drug Administration
GPC	Government Purchase Card
IM	Inventory Management
KO	Contracting Officer
MDE	Medical Device and Equipment
MEDLOG	Medical Logistics
MILDEP	Military Department
MTF	military medical treatment facility
NIR	New Item Requests
PV	Prime Vendor
QC	quality control
SUD	Single-Use Device
USAMMA	United States Army Medical Materiel Agency