Navy Surgeon General Admiral Nathan announced that the new Defense Health Agency (DHA) will be established in October 2013.

In comments to the Recovering Warrior Task Force on Feb 27, Nathan said Walter Reed National Military Medical Center (NMMC) and Ft. Belvoir Community Hospital will no longer be medical commands but would become field agencies under DHA. Nathan said that this move is part of a larger effort to save money within the Defense Health Program (DHP).

According to Nathan, moving to the DHA will enable DoD to reduce redundancies across the Services: education & training; R&D; pharmacy; acquisition; logistics; credentialing; and so on. In all, the DHA will take responsibility for ten services in support of the individual Service health departments. The idea is to create an agency similar to the Defense Logistics Agency, which supports all of the Services. The DHA will perform these services, and give them back to the Services.

A new three-star position will be created to run the DHA.

Six Multi-Service Market Organizations (MSMOs) will also be created around the world in locations where the Services all operate. This will enable the DHA to move resources around the region to retain as much care in-house as possible.