

MMT PREMIUM

DHA Budget & Org Realignment

May 2026 Intelligence Brief

Mission Meets Tech

FEDERAL HEALTH IT INTELLIGENCE

Signal

The FY2027 DoD budget has zeroed the dedicated DHMSM procurement line (from \$26.6M in FY2025 to \$0), cut the DHA Medical Development RDT&E account 79% (from \$1.76B enacted in FY2026 to \$361M requested in FY2027), and simultaneously grown the IMIT O&M line by \$228M to \$2.60B — while injecting a mandatory \$3.14B into DHA Base Ops/Communications under the Warrior Ethos / Mitigating Poor and Failing Facilities appropriation. A new command-level office (OWHA) now controls requirements, and an untested PAE structure prepares to hold the contracts.

Why It Matters

PEO-DHMS is not the primary acquisition authority for defense health IT modernization anymore — the FY2027 budget documents make that official. The procurement lines that funded DHMSM modernization (\$0 in FY2027), the EIDS/MIP recompetit mechanisms, and the standalone CDAO (residual management line PE 0606135D8Z zeroed; predecessor CDAO investment PEs 0604122D8Z–0604133D8Z separately zeroed or consolidated) have all been collapsed or eliminated. The money did not disappear — it migrated into three specific lines, none controlled by the organizations that held them 12 months ago.



Where the Money Moved

See the next page for the three destination lines and what changed.

Where the Money Moved

Where the Money Moved	FY2026 Enacted	FY2027 Request	Change	Owner Now
IMIT O&M (acct 0130D, BA4)	\$2.37B	\$2.60B	+\$228M	OWHA sets requirements; PAE executes
Base Ops/Comms (acct 0130D, BA7)	\$3.22B discretionary	\$5.60B total	+\$2.38B	DHA CIO (J-6) under AD-SPFO — mandatory \$3.14B injected via Warrior Ethos FSRM
Replacement/Modernization Proc (BLI 7721)	\$222M	\$231M	+\$9M	PAE Med Software & Business Systems (FOC July 19)
DHMSM Procurement (formerly BLI 7787)	\$0 (zeroed FY2026)	\$0	—	Line eliminated
JOMIS Procurement (BLI 7746)	\$30.7M	\$31.2M	Growing	PEO-DHMS remnant / PAE
CDAO residual mgmt line (PE 0606135D8Z)	-\$9M	\$0	Zeroed	Absorbed into OWHA; no dedicated line

OWHA (stood up April 20, 2026, under RDML Farrill) sets requirements across all three surviving lines. The new PAE Medical Software & Business Systems (FOC July 19, 2026) will hold the contracts. The \$46B mandatory Sovereign AI Infrastructure request — pending reconciliation — would fund SCIF-accredited AI compute infrastructure that OWHA must align with for any AI workloads; execution authority for that program has not been publicly confirmed to a single agency.



Three surviving pools. New requirement owner. New contracting structure.

Action Window



Now (0–60 days)

OWHA is not at FOC and the PAE has not named its head of contracting authority. This is the highest-value relationship window before governance hardens. The vendors who get time with RDML Farrill's team in May–June 2026 will shape how OWHA's requirements translate into acquisition language for BLI 7721 (\$231M) and future IMIT O&M task orders.



Soon (60–180 days)

By July 19, PAE Medical Software & Business Systems reaches FOC and becomes the new contracting authority for EIDS/MIP successor work and IMIT modernization. Watch for the first PAE-issued RFI or market survey as the leading indicator that BLI 7721 is moving toward obligation.



Watch next

JOMIS (BLI 7746, \$31.2M procurement + active RDT&E) is the only DHMS-family program with a live, named, growing budget line. The next traceable active acquisition in defense health IT is more likely to originate from JOMIS than any GENESIS or EIDS successor vehicle.



Now

0–60 days

Shape requirements before governance hardens.



Soon

60–180 days

Look for the first PAE RFI/market survey as BLI 7721 advances.



Watch next

JOMIS leads the next active DHMS-family acquisition.

Capture Moves

1 Remap your stakeholder files to OWHA and the PAE — delete PEO-DHMS as a primary node.

Every pursuit touching data, AI, digital health, or enterprise IT in DHA should map RDML Farrill (OWHA) as the upstream requirement owner and PAE Medical Software & Business Systems as the contracting authority. The PAE head of contracting has not been named publicly — finding that name is your first intelligence task.

2 Build your value proposition around the three surviving budget lines, not around a recompute vehicle that no longer exists.

IMIT O&M (\$2.60B), Replacement/Modernization Procurement (BLI 7721, \$231M), and the Base Ops/Communications infrastructure line (\$5.60B, majority mandatory FSRM) are the actual obligation pools. Your capability narrative needs to connect explicitly to OWHA's five lines of effort from the DHA Data and Innovation Strategy — those are the standards OWHA will use to evaluate vendor alignment when it drafts requirements.

3 If you want near-term procurement activity, pursue JOMIS.

It has a funded, named BLI, growing appropriations, and a dedicated RDT&E line. It is not distracted by a staff reduction or a reorganization. If your firm has deployed/operational medicine IT capability, JOMIS is the highest-probability active procurement in defense health IT for FY2027.

Re-map the org. Re-map the money. Re-map the entry point.

Capture Moves

- Map the GSP IDIQ as your near-term entry point into the \$2.60B IMIT pool.**

The DHA Geographic Service Provider (GSP) IDIQ is a \$2.4B, 10-year, small-business set-aside multiple-award vehicle (base period 2024–2029) covering nine IT service scope areas from service desk through clinical informatics. As OWHA's requirements mature, the first place they will hit the street for execution is GSP task orders — not a new large IDIQ. Task orders are actively competing now: in December 2025, A1FED/NetImpact won a \$28M task order competing against 20 bidders. If you hold a GSP award or can team with a holder, this is your fastest path to obligation against the IMIT growth money.
- Treat Peraton (EITSI) as a teaming target, not a bystander.**

Peraton holds the \$2B Enterprise IT Services Integrator (EITSI) BPA through approximately 2031 — the single MSI layer that coordinates all IT service delivery across the MHS and sits above the GSPs. No new IT capability enters the enterprise without flowing through EITSI coordination. Peraton's most recent EITSI call order (November 2025) was placed through the CIO J-6, not PEO-DHMS — confirming the reorientation toward enterprise IT sustainment under the new AD-SPFO structure. Any vendor pursuing OWHA alignment for digital health or data capabilities should map Peraton as a required teaming conversation, not an afterthought.
- Watch ESS Next as the integration plumbing signal.**

PEO DHMS issued a sources sought in March 2026 for the Enterprise Sustainment Services (ESS) Next — covering development, test, and integration infrastructure for DHMSM, JOMIS, EIDS, and FEHRM. It did not make headlines, but it is the internal acquisition vehicle that keeps all four DHMS-family programs buildable. An award here signals which firm controls the integration environment for every future task order across the DHMS portfolio.

Confidence



High

All dollar figures sourced directly from the FY2027 DoD O1 display (account 0130D), R1 display (PE codes confirmed), P1 display (BLI 7721, 7746, 7787), and the FY2027 Mandatory Budget Overview (Warrior Ethos FSRM injection into DHA Base Ops/Comms, \$3.14B confirmed). Org chart sourced from DHA official document dated April 20, 2026. The CDAO PE restructure history (0606135D8Z and predecessor PEs 0604122D8Z–0604133D8Z) sourced from FY2025–FY2027 R1 exhibits. The Sovereign AI Infrastructure program (\$46B mandatory, \$4.2B procurement line) confirmed from FY2027 reconciliation budget documents; execution authority remains unconfirmed at publication.

Why Premium

Standard GovCon reporting sees a reorg announcement and maps the new org boxes. Premium goes to the budget documents.

The DHMSM line is zeroed — confirmed in the P1. The CDAO residual management line is zeroed and its predecessor investment PEs are consolidated — confirmed in the R1. The \$2.38B jump in DHA Base Ops/Communications isn't organic growth — it's a mandatory Warrior Ethos FSRM injection confirmed line-by-line in the mandatory budget exhibit. The three pools that actually hold the money, the named decision maker who controls requirements, and the unnamed contracting authority who will execute — that is what this brief delivers.

Every number above has a specific budget line citation your BD team can pull and verify before your pipeline review tomorrow.

This is the layer Premium is built to provide every month: signal → implication → action window → capture move.