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## How DHA plans to end Leidos' run as the military's health record integrator



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By [NICK WAKEMAN](#) // JUNE 12, 2026

The Defense Health Agency intends to contract directly with Oracle Health and four other vendors behind the MHS Genesis ecosystem. DHA is also taking on the integration work itself.

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As part of its plan to shift away from a lead systems integrator model for its electronic health record system, the Defense Health Agency plans to award five sole source contracts with the providers of the underlying technologies.

With the shift away from the current model with Leidos as the systems integrator, DHA will take on those responsibilities.

In 2015, DHA tapped Leidos to be the integrator to roll out the Cerner electronic health record and the Henry Schein dental record as part of a [system of systems known as MHS Genesis](#).

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The single award approach helped DHA to rapidly deploy the system. "As the system has reached full deployment and transitioned into the sustainment and optimization phase" problems have arisen, [DHA said in a Sam.gov notice](#).

These problems included reduced cost transparency, duplicative layers of management and administration, limited government visibility into pricing structures, and constraints on the government's ability to directly manage performance and enforce service level agreements.

The new model will allow DHA to buy directly from solutions providers, reducing reliance on integrators. The agency believes the new approach will improve overall acquisition efficiency.

The five sole-source contracts are with the providers of the underlying technologies for MHS Genesis:

- Oracle Health (Oracle acquired Cerner in 2022.)
- Philips North America (tele-critical care provider)
- American Well Corp. (telehealth)
- Henry Schein Inc. (dental records)
- Solventum Health Information Systems (formerly 3M Health Information Systems, provider of clinical documentation and coding)

The agreements include critical system components, software licensing, and specialized services.

DHA plans to transition Philips and Amwell away from Leidos' management by the end of July 2026. Oracle Health will transition by November 2026. Henry Schein and Solventum will follow suit by July 2027.

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Leidos in a statement, said the company is "proud of our work helping the Defense Health Agency deploy MHS GENESIS across the military health system, supporting nearly 10 million beneficiaries around the world."

The company also indicated that it will look for ways to keep working with DHA.

"As DHA moves into its next phase of sustainment and optimization, we respect the government's acquisition decisions and remain focused on ensuring continuity of care, while pursuing future opportunities to continue contributing to this important mission," the statement read.

DHA for its part has been direct about its rationale for the change. "By establishing direct, sole-source contractual relationships with the current proprietary solution providers now, the government stabilizes the core platform, preserves the unified federal baseline, and eliminates the legacy solution provider integrator's pass-through costs," DHA wrote in its Sam.gov notice.

The agency indicates that it will introduce full-and-open competitions for services layers but not the platforms themselves.

The proposed sole-source contracts follow three years of market research efforts that ran from 2023 to early 2026. The sole-source contracts will be for no more than five years and will be firm-fixed price, outcome-based.

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