

**Defense Health Program  
Fiscal Year (FY) 2017 Budget Estimates  
Operation and Maintenance  
Consolidated Health Support**

**I. Description of Operations Financed:** This Budget Activity Group encompasses nine functions supporting military medical readiness and delivery of patient care worldwide. The nine medical support functions include:

**Examining Activities** - Resources administering physical examinations and performing evaluations of medical suitability for military service. Includes resources required for Armed Forces Examination and Entrance Stations and the Department of Defense (DoD) Medical Examination Review Board.

**Other Health Activities** - Resources organizations and functions that support the provision of health care for Department of Defense beneficiaries. Examples include: central medical laboratories; medical services squadrons; Navy Medicine Regional Commands; public affairs; the Women, Infants and Children Program; humanitarian actions; family advocacy; patient affairs; and contribution of resources for beneficiary health care at the Federal Health Care Center North Chicago, IL.

**Military Public/Occupational Health** - Resources military public health manpower, supplies, permits, certification and licensure fees, support equipment, and the associated requirements specifically identified for management, direction, and operation of disease prevention and control. Examples include: epidemiology; medical entomology; drinking water safety; monitoring hazardous waste disposal; food and facility sanitation; wellness/health promotion and education; community health nursing; medical intelligence; disease and climate illness; disease prevention and control; hearing conservation; and health and injury surveillance.

**Veterinary Services** - Resources the management, direction and operation of DoD's worldwide veterinary missions, as well as veterinary support requirements for other specified federal agencies. Includes veterinary care of government-owned animals,

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**I. Description of Operations Financed (cont.)**

procedures involving animals in clinical investigation departments, and control of zoonotic and veterinary public health diseases.

**Military Unique - Other Medical Activities** - Resources unique military medical functions and activities that have a relationship to the size of the military population supported and are not included in any other program elements. Examples of programs include: physiological training units; drug abuse detection laboratories; optical repair and fabrication laboratories; pandemic influenza preparedness; medical logistics offices; medical support offices; medical materiel activities; deployment planning; and plans, operation and training offices in military treatment facilities.

**Aeromedical Evacuation System** - Resources the operation and administration of the Aeromedical Evacuation System; costs associated with intra- and inter-theater patient transportation; and operations to sustain the Aeromedical Evacuation Epidemiology Laboratory.

**Service Support to Other Health Activities** - Resources to support USTRANSCOM's Global Patient Movement Requirements Center.

**Joint Pathology Center (JPC)** - Resources manpower, equipment, facilities, and the associated operation and maintenance of the JPC including pathology education, consultation, and research services provided to the Department of Defense and other Federal Agencies.

**Federal Advisory Committee Act (FACA) Advisory Board Activities** - Resources the FACA Advisory Board and subcommittee functions, meetings, support, studies and other activities. FACA is composed of those committees, boards, commissions, councils, task forces and similar groups which have been established to advise officers and agencies in

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**I. Description of Operations Financed (cont.)**

the executive branch of the Federal Government and must follow the regulatory and statutory requirements related to FACA in Title 5 Appendix, United States Code (U.S.C.).

**II. Force Structure Summary:**

Consolidated Health Support includes a variety of programs supporting such functions as examining activities, military public and occupational health, veterinary services, aeromedical evacuation, and various activities that have a relationship to the size of the military population supported and are not included in other Budget Activity Groups.

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**III. Financial Summary (\$ in thousands)**

	FY 2016							FY 2017 <u>Estimate</u>
	FY 2015 <u>Actual</u>	Budget <u>Request</u>	<u>Congressional Action</u>		Current <u>Estimate</u>			
<b>A. <u>BA Subactivities</u></b>			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
1. Examining Activities	81,374	92,350	-6,695	-7.3	85,655	85,655	85,914	
2. Other Health Activities	752,097	825,655	-105,403	-12.8	720,252	720,252	835,978	
3. Military Public / Occupational Health	471,700	517,939	-21,489	-4.2	496,450	496,450	527,666	
4. Veterinary Services	25,185	34,946	-414	-1.2	34,532	34,532	32,491	
5. Military Unique-Other Med Activities	623,098	861,529	-128,330	-14.9	733,199	733,199	801,371	
6. Aeromedical Evacuation System	49,800	54,973	0	0.0	54,973	54,973	55,251	
7. Service Support to Other Health Activities- TRANSCOM	1,384	2,359	0	0.0	2,359	2,359	2,396	
8. Joint Pathology Center (JPC)	21,299	23,952	0	0.0	23,952	23,952	24,721	
9. Support to FACA Advisory Board Activities	1,728	1,955	0	0.0	1,955	1,955	1,971	
<b>Total</b>	<b>2,027,665</b>	<b>2,415,658</b>	<b>-262,331</b>	<b>-10.9</b>	<b>2,153,327</b>	<b>2,153,327</b>	<b>2,367,759</b>	

1. FY 2015 actuals include \$13.0M for Overseas Contingency Operations (OCO).

2. FY 2016 current estimate excludes \$9.5M for OCO.

3. FY 2017 estimate excludes \$3.3M for OCO.

4. The Department of Defense transferred O&M funding of \$117.1 million in FY 2015 and will transfer \$120.4 million in FY 2016 and up to \$122.4 million in FY 2017 to the Joint Department of Defense - Department of Veterans Affairs Medical Facility Demonstration Fund established by section 1704 of Public Law 111-84 (National Defense Authorization Act for FY 2010). Additionally, the Department transferred \$15 million of O&M funding in FY 2015 and will transfer the same amount in FY 2016 to the DoD-VA Health Care Joint Incentive Fund (JIF) as required by Section 8111 of Title 38 of the United States Code (USC) and Section 721 of Public Law 107-314 (National Defense Authorization Act for 2003). For FY 2017 \$15 million will be transferred to JIF.

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<b>B. <u>Reconciliation Summary</u></b>	<b>Change</b>	<b>Change</b>
	<b><u>FY 2016/FY 2016</u></b>	<b><u>FY 2016/FY 2017</u></b>
<b>Baseline Funding</b>	<b>2,415,658</b>	<b>2,153,327</b>
Congressional Adjustments (Distributed)	-262,331	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
<b>Subtotal Appropriated Amount</b>	<b>2,153,327</b>	
Fact-of-Life Changes (2016 to 2016 Only)		
<b>Subtotal Baseline Funding</b>	<b>2,153,327</b>	
Supplemental	9,460	
Reprogrammings		
Price Changes		42,233
Functional Transfers		19,230
Program Changes		152,969
<b>Current Estimate</b>	<b>2,162,787</b>	<b>2,367,759</b>
Less: Wartime Supplemental	-9,460	
<b>Normalized Current Estimate</b>	<b>2,153,327</b>	

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
<b>FY 2016 President's Budget Request (Amended, if applicable)</b>		<b>2,415,658</b>
1. Congressional Adjustments		-262,331
a. Distributed Adjustments		
1) Therapeutic Service Dog Training Program	5,000	
2) Wounded Warrior Military Adaptive Sports Program	4,000	
3) Removal of Fiscal Year 2016 Increases	-166,194	
4) Historical Under Execution	-92,750	
5) Supplies and Materials Unaccounted Transfer	-9,387	
6) Legal Support Unjustified Growth	-3,000	
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
<b>FY 2016 Appropriated Amount</b>		<b>2,153,327</b>
2. OCO and Other Supplemental Enacted		9,460
a. OCO and Other Supplemental Requested		
1) OCO	9,460	
3. Fact-of-Life Changes		
<b>FY 2016 Baseline Funding</b>		<b>2,162,787</b>
4. Reprogrammings (Requiring 1415 Actions)		
<b>Revised FY 2016 Estimate</b>		<b>2,162,787</b>
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-9,460
<b>FY 2016 Normalized Current Estimate</b>		<b>2,153,327</b>
6. Price Change		42,233
7. Functional Transfers		19,230
a. Transfers In		
1) Armed Forces DNA Identification Laboratory: Transfers funding and responsibility from the Department of the Army to the Defense Health Agency for the Armed Forces DNA Identification laboratory	19,232	

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(AFDIL), Dover, DE for continued execution of these functions under the Armed Forces Medical Examiner System (AFMES) as approved by the Deputy Secretary of Defense on 9 July, 2014.		
2) Occupational Health/Industrial Hygiene Transfers two civilian fulltime equivalents (FTE) and funding for Army occupational health and industrial hygiene program from the Army Materiel Command at Crane Army Ammunition Activity, Crane, IN to Army Medical Command, San Antonio, TX.	234	
b. Transfers Out		
1) Public Safety Dispatcher Positions Transfers funding and responsibility for four public safety dispatcher General Schedule Full Time Equivalent (FTEs) positions from Womack Army Medical Center, Fort Bragg, NC to U.S. Army Garrison, Fort Bragg, NC.	-236	
8. Program Increases		267,637
a. Annualization of New FY 2016 Program		
b. One-Time FY 2017 Increases		
c. Program Growth in FY 2017		
1) Health Support Activities: Provides additional funds for the following Consolidated Health Support Activities: Military Unique Operations (\$83.2M): physiological training units; drug abuse detection laboratories; and optical repair and fabrication laboratories. Other Health Activities (\$59.8M): central medical laboratories; medical service support squadrons; the Women, Infants and Children (WIC) program; and medical	165,313	

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support for family advocacy programs. Military Public Occupational Health (\$18.1M): medical epidemiology and entomology programs; drinking water safety program; monitoring hazardous waste disposal; and food and facility sanitation inspection program. These requirements are funded by medical and non-medical personnel contracts and support military active duty and family members at installations worldwide. The FY 2016 Consolidated Health Support baseline funding is \$2,153.3M.		
2) Support Activities for the Military Health System (MHS) - Other Health Activities: Provides funds to perform health initiatives such as advanced physical and/or cognitive performance enhancement, screening for mission-related performance vulnerability, occupational hardening and injury prevention, and accelerated rehabilitation and recovery. These funds are for contract support for developing standardized guidance; coaching/training of Military Health System personnel; and performance management of the health initiatives. The FY 2016 Other Health Activities program funding is \$720.3M.	63,143	
3) Travel: Provides funds for travel to support military physiological training units, drug abuse detection laboratories, optical repair and fabrication laboratories, and medical logistics offices. The FY 2016 Consolidated Health Support travel baseline funding is \$37.9M.	8,215	
4) Realign Army Defense Health Program (DHP) Civilian	7,003	



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**C. Reconciliation of Increases and Decreases**

	<u>Amount</u>	<u>Totals</u>
Indirect Hire to Direct Hire: Realigns Army DHP funding and civilian indirect hire fulltime equivalents (FTEs) to Consolidated Health Support, civilian US direct hire from In-house Care and Information Management, in support of Army's Health Care Acquisition activity. Realignment is necessary to alleviate a longstanding disparity between programmed FTEs, actual FTEs, and increased workload requirements resulting from Army's Grow the Acquisition Workforce program. The Army's FY 2016 Consolidated Health Support civilian personnel baseline funding is \$635.9M and the baseline staffing is 6,675 civilian FTEs.		
5) Pre and Post Deployment Requirements: Funds the sustained baseline requirement for pre and post deployment activities. Increases in the pre and post deployment activities require a higher sustained level of effort over pre 9/11 levels. Includes the Army CONUS Replacement Centers, soldier readiness processing and associated training. Funds post-deployment disease injury reporting, post-deployment occupational and environmental monitoring consults, depleted uranium/metal fragment analysis, laboratory testing, Defense Occupational and Environmental Health Readiness System (DOEHRS)- deployment data management and behavioral health epidemiological consultations. The FY 2016 Military Unique - Other Medical Program Element baseline funding is \$733.2M.	6,676	
6) Initial Outfitting and Transition (IO&T): Realigns IO&T funding from the In-House Care for	4,874	

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
transition and site preparation requirements for programmed MILCON projects and restoration and modernization projects including Fort Gordon, GA; Fort Campbell, KY; Fort Carson, CO; Fort Rucker, AL; and Fort Shafter, HI. The FY 2016 Consolidated Health Support IO&T baseline funding is \$40.6M.		
7) Equipment: Provides equipment funding to maintain health care support equipment lifecycle replacement average rate of eight years at the Joint Pathology Center (\$0.57M), Military Public and Occupational Health activities (\$0.83M), for Military Unique operations (\$1.28M), for Aeromedical Evacuation (\$0.24M) and at Other Health Activities (\$1.84M). The FY 2016 Consolidated Health Support baseline equipment funding is \$40.8M.	4,681	
8) Defense Health Program Operations and Maintenance Equipment Realignment (Memo Entry): Realigns funding within the Consolidated Health Support from supplies and materials to operations and maintenance of equipment for proper execution. The Defense Health Agency's FY 2016 Consolidated Health Support equipment baseline is \$40.8M.	4,104	
9) Defense Health Agency-National Capital Region Directorate Manpower Realignment: Realigns Defense Health Agency-National Capital Region (DHA-NCR) manpower and associated funding for proper execution including Information and Management (+\$4.1M), Consolidated Health Support (+\$3.6M), Base Operations (+\$7.4M) and Education and Training (-\$0.4M). The DHA-NCR FY 2016 Consolidated Health	3,628	

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Support baseline funding is \$60.4M.		
9. Program Decreases		-114,668
a. Annualization of FY 2016 Program Decreases		
b. One-Time FY 2016 Increases		
c. Program Decreases in FY 2017		
1) Nurse Advice Line:	-26,500	
Realigns funding from the Consolidated Health Support to the In-House Care for the Nurse Advice Line (NAL) to provide patient assistance to beneficiaries utilizing the direct care system. The NAL provides beneficiaries 24/7 telephonic access to a registered nurse for healthcare advice. The NAL assists callers in making informed decisions about self-care at home and when to see a health care provider. The FY 2016 Consolidated Health Support baseline funding is \$2,153.3M. The FY 2016 Consolidated Health Support baseline staffing is 9,748 civilian FTEs and 2,602 contractors.		
2) Financial Improvement and Audit Readiness Initiative (FIAR):	-15,500	
Realigns funding from Consolidated Health Support to the Base Operations and Communication for the Financial Improvement and Audit Readiness (FIAR) Initiative. FIAR provides for the management of the financial business improvement and audit strategy for DoD with the focus on enhancing automated tools for reconciliation and population universes critical to move forward with a successful audit opinion. Provides financial guidance and methodologies to champion DoD wide audit preparation efforts. The FY		

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2016 Consolidated Health Support baseline funding is \$2,153.3M.		
3) Patient Safety Manager Staffing Support: Realigns funding to the In-House Care from the Consolidated Health Support for the Patient Safety Manager Program. The Department of Defense Patient Safety Program is a complete program with the goal of creating a culture of patient safety and quality within the Military Health System (MHS). The program encourages a systems approach to creating a safer patient environment; engaging MHS leadership; promoting collaboration among all three Services; and fostering trust, transparency, teamwork and communication. The program's mission is to end preventable patient harm by engaging, educating and equipping patient-care teams to put evidence-based safe practices in place across the organization. The FY 2016 Consolidated Health Support baseline funding is \$2,153.3M. The FY 2016 Consolidated Health Support baseline staffing is 9,748 civilian FTEs and 2,602 contractors.	-15,367	
4) Reduced Requirements in Anthrax/Smallpox Biosurveillance: Reduced requirements in the Consolidated Health Support (Anthrax/Smallpox Biosurveillance program) make funding available to the Information Management for escalating circuit requirements and Defense Information Systems Agency's (DISA) working capital fund rate adjustments (i.e., DISA Defense Information Systems Network Subscription Services [DSS]). The	-9,127	

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<p>funding also provides project management support for the consolidation of multiple Military Health System (MHS) web sites including Pharmacy.mil, Tricare.mil, Assistance Reporting Tool (ART.mil) and to complete MHS transition of multiple email systems to the Department of Defense Enterprise Email System (DEE). The FY 2016 Consolidated Health Support baseline funding is \$2,153.3M. The FY 2016 Consolidated Health Support baseline staffing is 9,748 civilian FTEs and 2,602 contractors.</p>		
<p>5) Delay in Hiring Civilian Personnel: Reduces the Consolidated Health Support civilian program by 101 FTEs due to a hiring lag for medical personnel during the past two fiscal years. FY 2016 Consolidated Health Support civilian compensation baseline funding is \$933.3M. FY 2016 baseline civilian staffing is 9,748 FTEs.</p>	-8,868	
<p>6) Wounded, Ill and Injured (WII) Reduced Requirements: A decrease in the number of active duty service members has resulted in a 20 - 25 percent reduction in demand for services in the Wounded Warrior Program. This reduction makes funds available from the Consolidated Health Support to the In-House Care to enhance healthcare delivery platforms by expanding various avenues to care to include face-to-face appointments, direct access to physical therapy as well as supports the behavioral health optimization program. Resources facilitate the development of Common Cause Analysis of recent safety events, assess barriers to implementation of safety principles and</p>	-8,292	

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provide focused safety education to facility leaders as we evolve to a High Reliability Organization. The FY 2016 Consolidated Health Support baseline funding request is \$2,153.3M. The FY 2016 Consolidated Health Support baseline staffing is 9,748 civilian FTEs and 2,602 contractors.		
7) Two Fewer Civilian Paid Days: In accordance with OMB Circular A-11, Section 85.5c, reduces civilian pay to account for two fewer paid days in FY 2017 (260 paid days) than in FY 2016 (262 paid days). The FY 2016 Consolidated Health Support civilian pay baseline funding is \$933.3M. The FY 2016 Consolidated Health Support baseline civilian staffing is 9,748 civilian FTEs.	-7,340	
8) Operational Costs for Facilities Shared Service: Realigns funding to Base Operations from Consolidated Health Support to support operations of the Defense Health Agency Facilities Shared Service for optimizing planning, building and standardizing decision making processes for prioritizing military treatment facility construction and modernization projects. The FY 2016 Consolidated Health Support baseline funding is \$2,153.3M.	-6,177	
9) Secure Messaging for Military Treatment Facility (MTF) Beneficiaries: Realigns funds to the In-House Care from the Consolidated Health Support for Secure Messaging. Secure Messaging gives beneficiaries the ability to contact their health care team from any location at any time of the day by safely sending a message.	-4,226	

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	<u>Amount</u>	<u>Totals</u>
Beneficiaries can contact their primary care clinic to request prescription renewals, receive test and laboratory results, request appointments and referrals, obtain guidance from their medical team by email, consult with their medical team regarding non-urgent health matters, avoid unnecessary office visits and telephone calls and access valuable health information online. The FY 2016 Consolidated Health Support baseline funding is \$2,153.3M. The FY 2016 Consolidated Health Support baseline staffing is 9,748 civilian FTEs and 2,602 contractors.		
10) Reduced Requirements in Examining Activities and Veterinary Services (Memo Entry): A reduction in veterinary missions (due to reductions in deployed footprint requiring fewer working dog support and food/health inspections) reduces requirements within Examining Activities and Veterinary Services program element making funds available for other Military Health System requirements. The FY 2016 Examining Activities baseline funding is \$85.7M.	-4,104	
11) Reduced Requirements in Extension of Community Health Outcomes (ECHO): A decrease in active duty end-strength has resulted in a lower demand for training of medical professionals on the Extension of Community Health Outcomes (ECHO) program. This reduction makes funding available from the Consolidated Health Support to the Information Management to provide project management support for the Armed Forces Billing and Collection Utilization	-3,822	

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Solution (ABACUS) that captures third party healthcare provider billing and collections across the Military Health System. Funding supports the completion of the ABACUS transition from a point-to-point server based application to a cloud based platform and continued sustainment. The FY 2016 Other Health Activities program element baseline funding is \$720.3M.		
12) Secretary of Defense Efficiency: Secretary of Defense efficiency to reduce funding requirements for contracts. The Consolidated Health Support baseline for Management and Professional Support Services is \$121.0M.	-2,274	
13) Clinical Laboratory Improvement Compliance: Realigns funds to the In-House Care from the Consolidated Health Support to consolidate execution of the Clinical Laboratory Improvement Amendment of 1988 (CLIA) for Army Medical Command, Navy Bureau of Medicine and Surgery, and Air Force Medical Service under the Defense Health Agency. The objective of the CLIA program is to ensure quality laboratory testing performed at all laboratory entities. The FY 2016 Consolidated Health Support baseline funding is \$2,153.3M.	-1,562	
14) Realignment of Rental and Lease Costs: Realigns funding to the Base Operations from the Consolidated Health Support to enable the consolidation of organizations at the Defense Health Headquarters (DHHQ) for proper execution. The FY 2016 Consolidated Health Support baseline funding is \$2,153.3M.	-1,089	



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**Amount**

**Totals**

15) Reduced Requirements in Avian Influenza/Pandemic Influenza:

-420

A less than anticipated demand for avian influenza/pandemic influenza supplies and materials in the Consolidated Health Support (Avian Influenza/Pandemic Influenza Program) makes funding available to the Education and Training to support sustainment operations for the Joint Knowledge Online training system that consolidates multiple Military Health System component online training systems into a single system. The FY 2016 Military Unique - Other Medical baseline funding is \$733.2M.

**FY 2017 Budget Request**

**2,367,759**

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**IV. Performance Criteria and Evaluation Summary:**

	FY 2015 Actuals	FY 2016 Estimate	FY 2017 Estimate	Change FY 2015/2016	Change FY 2016/2017
1) Active Duty Force Structure	1,542,675	1,528,284	1,510,138	-14,391	-18,146
2) Military Entrance Processing Stations Workload (000's)	287	282	303	-5	21
3) Spectacles/Inserts Fabricated (000's)	1,435	1,375	1,324	-60	-51
4) Veterinary Lab Procedures (000's)	180	192	191	12	-1

1) Active Duty Force Structure: The FY 2015 to FY 2016 and FY 2016 to FY 2017 decreases in Active Duty Force Structure support Department of Defense restructuring plans based on changing strategies for the Military Services.

2) The FY 2015 to FY 2016 examining workload levels reflects changes for Navy and Air Force as a result of Department of Defense force rebalancing. Although service missions decrease, Military Entrance Processing applicant workload tends to remain constant or increases in order to produce the qualified accessions. The FY 2016 to FY 2017 increase supports the United States Military Entrance Command applicant workload to produce the qualified accessions to sustain the Department of Defense Armed Forces required manning levels.

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**IV. Performance Criteria and Evaluation Summary:**

3) Spectacles/Inserts Fabricated: The FY 2015 to FY 2016 and FY 2016 to FY 2017 decreases are due to the reductions in active duty end strength across the Department of Defense consistent with the reduction in deployments for Combat Operations in Operation Enduring Freedom.

4) Veterinary Lab Procedures: The FY 2015 to FY 2016 increase is due to increased workload estimated by the Department of Defense Food Analysis and Diagnostics Laboratory.

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<b>V. <u>Personnel Summary</u></b>	<b><u>FY 2015</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b>Change <u>FY 2015/ FY 2016</u></b>	<b>Change <u>FY 2016/ FY 2017</u></b>
<u>Active Military End Strength (E/S) (Total)</u>	8,670	8,748	8,758	78	10
Officer	2,731	2,821	2,839	90	18
Enlisted	5,939	5,927	5,919	-12	-8
<u>Active Military Average Strength (A/S) (Total)</u>	<u>8,862</u>	<u>8,699</u>	<u>8,753</u>	<u>-163</u>	<u>54</u>
Officer	2,813	2,766	2,830	-47	64
Enlisted	6,049	5,933	5,923	-116	-10
<u>Civilian FTEs (Total)</u>	<u>9,724</u>	<u>9,748</u>	<u>9,439</u>	<u>24</u>	<u>-309</u>
U.S. Direct Hire	9,104	9,164	8,940	60	-224
Foreign National Direct Hire	216	141	141	-75	0
Total Direct Hire	9,320	9,305	9,081	-15	-224
Foreign National Indirect Hire	404	443	358	39	-85
Average Annual Civilian Salary (\$ in thousands)	95.8	98.6	100.2	2.8	1.6
 <u>Contractor FTEs (Total)</u>	 <u>2,624</u>	 <u>2,602</u>	 <u>3,422</u>	 <u>-22</u>	 <u>820</u>

Explanation of changes in Active Military End Strength: The increase from FY 2015 to FY 2016 (78) reflects Army (8), Navy (15), and Air Force (55) internal realignments. The increase from FY 2016 to FY 2017 (10) includes a continuation of Army service drawdown (-19), and Navy (-56) and Air Force (85) internal realignments.

Explanation of changes in Civilian FTEs: The FY 2016 increase reflects slower than anticipated civilian hiring actions in FY 2015 reducing the baseline and the adjustment required to execute the FY 2016 FTE requirement. The decrease from FY 2016 to FY 2017 reflects actions from a civilian workforce analysis based on Department of Defense

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guidance to shape a properly sized and highly capable workforce.

Explanation of changes in Contractor FTEs: The decrease from FY 2015 to FY 2016 is due to declining requirements for Wounded, Ill and Injured (WII) and Traumatic Brain Injury and Psychological Health (TBI/PH). The declining requirements are due to decreases in requirements for Afghanistan AOR. In addition, savings from the implementation of Public Health and Contracting Shared Services have reduced redundancies and increased efficiency especially in personnel contracts. The increase from FY 2016 to FY 2017 is not an actual increase in demand for contractors but a fiscal realignment of funds from non-clinical contract healthcare services for proper execution.

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**VI. OP 32 Line Items as Applicable (Dollars in thousands):**

<u>OP 32 Line</u>	<u>FY 2015</u> <u>Actual</u>	<u>Foreign</u> <u>Currency</u> <u>Rate Diff</u>	<u>Change</u>		<u>FY 2016</u> <u>Estimate</u>	<u>Foreign</u> <u>Currency</u> <u>Rate Diff</u>	<u>Change</u>		<u>FY 2017</u> <u>Estimate</u>
			<u>FY 2015/FY 2016</u> <u>Price</u>	<u>Program</u>			<u>FY 2016/FY 2017</u> <u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	889,560	0	10,897	15,716	916,173	0	13,917	-23,705	906,385
103 Wage Board	7,848	0	96	679	8,623	0	131	-235	8,519
104 FN Direct Hire (FNDH)	9,365	0	115	-2,396	7,084	0	108	5	7,197
105 Separation Liability (FNDH)	441	0	0	0	441	0	0	0	441
106 Benefit to Fmr Employees	601	0	0	0	601	0	0	0	601
107 Voluntary Sep Incentives	75	0	0	25	100	0	0	0	100
121 PCS Benefits	291	0	0	0	291	0	0	0	291
<b>199 TOTAL CIV COMPENSATION</b>	<b>908,181</b>	<b>0</b>	<b>11,108</b>	<b>14,024</b>	<b>933,313</b>	<b>0</b>	<b>14,156</b>	<b>-23,935</b>	<b>923,534</b>
308 Travel of Persons	43,449	0	738	-6,269	37,918	-8	682	8,224	46,816
<b>399 TOTAL TRAVEL</b>	<b>43,449</b>	<b>0</b>	<b>738</b>	<b>-6,269</b>	<b>37,918</b>	<b>-8</b>	<b>682</b>	<b>8,224</b>	<b>46,816</b>
401 DLA Energy (Fuel Products)	66	0	-5	-4	57	0	-5	6	58
402 Service Fund Fuel	15	0	-1	-11	3	0	0	0	3
411 Army Supply	36	0	1	-37	0	0	0	0	0
412 Navy Managed Supply, Matl	300	0	10	-188	122	0	6	-5	123
414 Air Force Consol Sust AG (Supply)	43	0	-1	2	44	0	0	1	45
416 GSA Supplies & Materials	1,249	0	21	154	1,424	0	26	0	1,450
417 Local Purch Supplies & Mat	2,828	0	48	114	2,990	0	54	3	3,047
422 DLA Mat Supply Chain (Medical)	1,268	0	5	740	2,013	0	-8	45	2,050
<b>499 TOTAL SUPPLIES &amp; MATERIALS</b>	<b>5,805</b>	<b>0</b>	<b>78</b>	<b>770</b>	<b>6,653</b>	<b>0</b>	<b>73</b>	<b>50</b>	<b>6,776</b>

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	FY 2015	Foreign	Change		FY 2016	Foreign	Change		FY 2017
	<u>Actual</u>	<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
<b>OP 32 Line</b>									
503 Navy Fund Equipment	0	0	0	26	26	0	1	0	27
506 DLA Mat Supply Chain (Const & Equip)	118	0	1	0	119	0	0	3	122
507 GSA Managed Equipment	604	0	10	-182	432	0	8	1	441
<b>599 TOTAL EQUIPMENT PURCHASES</b>	<b>722</b>	<b>0</b>	<b>11</b>	<b>-156</b>	<b>577</b>	<b>0</b>	<b>9</b>	<b>4</b>	<b>590</b>
601 Army Industrial Operations	963	0	76	-1,039	0	0	0	0	0
614 Space & Naval Warfare Center	4	0	0	-4	0	0	0	0	0
633 DLA Document Services	77	0	-2	-14	61	0	1	0	62
634 NAVFEC (Utilities and Sanitation)	0	0	0	15	15	0	-1	2	16
635 Navy Base Support (NAVFEC Other Support Services)	11	0	0	0	11	0	0	0	11
647 DISA Enterprise Computing Centers	278	0	-28	-250	0	0	0	0	0
671 DISA DISN Subscription Services (DSS)	15	0	-1	1	15	0	-1	2	16
675 DLA Disposition Services	3	0	0	0	3	0	0	0	3
677 DISA Telecomm Svcs - Reimbursable	39	0	1	-40	0	0	0	0	0
679 Cost Reimbursable Purchase	4	0	0	0	4	0	0	0	4
680 Building	2,131	0	49	-2,180	0	0	0	335	335

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	FY 2015	Foreign Currency	Change		FY 2016	Foreign Currency	Change		FY 2017
			FY 2015/FY 2016				FY 2016/FY 2017		
	<u>Actual</u>	<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
<b>OP 32 Line</b>									
Maint Fund Purch									
<b>699 TOTAL DWCF</b>	<b>3,525</b>	<b>0</b>	<b>95</b>	<b>-3,511</b>	<b>109</b>	<b>0</b>	<b>-1</b>	<b>339</b>	<b>447</b>
<b>PURCHASES</b>									
706 AMC Channel Passenger	34,551	0	691	-34,842	400	0	7	1	408
719 SDDC Cargo Ops-Port hndlg	9	0	3	99	111	0	1	1	113
771 Commercial Transport	3,668	0	62	33,353	37,083	0	667	59	37,809
<b>799 TOTAL</b>	<b>38,228</b>	<b>0</b>	<b>756</b>	<b>-1,390</b>	<b>37,594</b>	<b>0</b>	<b>675</b>	<b>61</b>	<b>38,330</b>
<b>TRANSPORTATION</b>									
901 Foreign National Indirect Hire (FNIH)	23,232	0	285	4,749	28,266	0	429	-6,742	21,953
912 Rental Payments to GSA (SLUC)	16	0	0	320	336	0	6	-332	10
913 Purchased Utilities (Non- Fund)	845	0	14	-279	580	0	10	583	1,173
914 Purchased Communications (Non-Fund)	1,385	0	24	3,978	5,387	0	97	-1,046	4,438
915 Rents (Non- GSA)	3,568	0	61	-255	3,374	0	61	-136	3,299
917 Postal Services (U.S.P.S)	70	0	1	-26	45	0	1	1	47
920 Supplies & Materials (Non- Fund)	89,960	31	1,530	33,736	125,257	-15	2,254	-33,615	93,881
921 Printing & Reproduction	1,975	0	34	-352	1,657	0	30	3	1,690
922 Equipment Maintenance By Contract	7,350	0	125	-2,283	5,192	-30	93	194	5,449
923 Facilities Sust, Rest, & Mod by Contract	7,689	0	131	354	8,174	0	147	48,941	57,262
924	20,847	0	771	38,785	60,403	0	2,295	-15,345	47,353

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<u>OP 32 Line</u>	<u>FY 2015 Actual</u>	<u>Foreign Currency Rate Diff</u>	<u>Change FY 2015/FY 2016</u>		<u>FY 2016 Estimate</u>	<u>Foreign Currency Rate Diff</u>	<u>Change FY 2016/FY 2017</u>		<u>FY 2017 Estimate</u>
			<u>Price</u>	<u>Program</u>			<u>Price</u>	<u>Program</u>	
Pharmaceutical Drugs									
925 Equipment Purchases (Non- Fund)	52,273	0	889	-12,376	40,786	-20	734	4,697	46,197
926 Other Overseas Purchases	0	0	0	39	39	0	1	0	40
930 Other Depot Maintenance (Non- Fund)	51	0	1	350	402	0	7	1	410
932 Mgt Prof Support Svcs	104,176	0	1,771	15,007	120,954	0	2,177	401	123,532
933 Studies, Analysis & Eval	32,777	0	557	-22,268	11,066	0	199	-59	11,206
934 Engineering & Tech Svcs	2,169	0	37	-1,887	319	0	6	0	325
937 Locally Purchased Fuel (Non-Fund)	12	0	-1	165	176	0	-14	16	178
955 Other Costs (Medical Care)	168,709	0	6,242	-95,931	79,020	0	3,003	29,249	111,272
957 Other Costs (Land and Structures)	1,667	0	28	-1,695	0	0	0	0	0
960 Other Costs (Interest and Dividends)	345	0	6	881	1,232	0	22	2	1,256
964 Other Costs (Subsistence and Support of Persons)	46	0	1	358	405	0	7	1	413
986 Medical Care Contracts	169,888	0	6,286	232,592	408,766	-78	15,530	108,923	533,141
987 Other Intra- Govt Purch	50,578	0	860	-35,307	16,131	0	290	61,132	77,553
988 Grants	8,224	0	140	-3,323	5,041	0	91	-5,090	42
989 Other Services	243,090	0	4,133	-43,776	203,447	-4,461	3,582	-8,262	194,306
990 IT Contract	36,813	0	626	-26,731	10,708	0	193	3,939	14,840
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<u>OP 32 Line</u>	FY 2015 <u>Actual</u>	Foreign Currency <u>Rate Diff</u>	Change FY 2015/FY 2016		FY 2016 <u>Estimate</u>	Foreign Currency <u>Rate Diff</u>	Change FY 2016/FY 2017		FY 2017 <u>Estimate</u>
			<u>Price</u>	<u>Program</u>			<u>Price</u>	<u>Program</u>	
Support Services									
999 TOTAL OTHER PURCHASES	1,027,755	31	24,552	84,825	1,137,163	-4,604	31,251	187,456	1,351,266
Total	2,027,665	31	37,338	88,293	2,153,327	-4,612	46,845	172,199	2,367,759