

DEFENSE HEALTH PROGRAM
Operation and Maintenance
Fiscal Year (FY) 2008/2009 Budget Estimates
Exhibit OP-5, Management Activities

I. Description of Operations Financed: This Budget Activity Group is comprised of Services Medical Headquarters and TRICARE Management Activity (TMA) functions supporting Military Health System (MHS) worldwide patient care delivery. This program includes the following:

Management Headquarters: Resources required for the U.S. Army Medical Command, the Navy Bureau of Medicine and Surgery, the Command Surgeon's staff at Air Force Major Commands, and TRICARE Management Activity personnel identified as management headquarter staff that coordinate and oversee the provision of health care within the Military Health System.

TRICARE Management Activity: Resources required for the operation of the TRICARE Management Activity. These operating costs support delivery of patient care worldwide for members of the Armed Forces, family members, and others entitled to DoD health care. This also includes the TRICARE Regional Offices (TROs), the Military Medical Support Office (MMSO), and the Pharmacoeconomic Center (PEC).

Business Management Modernization Program: The Domain structure consists of: Accounting and Finance, Strategic Planning and Budgeting, Human Resource Management, Logistics, Technical Infrastructure, Acquisition, and Installations and Environment. The Domains will perform such functions as Portfolio Management, Business Process Re-engineering, Pilot programs, and Process Coordination amongst the Domains, Services, and Agencies.

II. Force Structure Summary: Management Headquarters includes resources necessary to support headquarters functions outlined in DoD Directive 5100.73, Major Department of Defense Headquarters Activities. Within the Military Health System, this includes the cost of operating the TRICARE Management Activity, U.S. Army Medical Command, the Navy Bureau of Medicine and Surgery, and the Command Surgeons staff at Air Force Major Commands.

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III. Financial Summary (\$ in thousands)

	FY 2007							FY 2008 <u>Estimate</u>	FY 2009 <u>Estimate</u>
	FY 2006 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>			
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>				
A. Subactivities									
1. Management Headquarters	70,452	56,613		0%	56,613	56,613	63,521	66,199	
2. TRICARE Management Activity	171,790	178,351		0%	178,351	178,351	202,856	207,795	
3. BMMP Domain Management & Systems Integration	<u>2,287</u>	<u>2,424</u>		<u>0%</u>	<u>2,424</u>	<u>2,424</u>	<u>2,424</u>	<u>2,423</u>	
Total	244,529	237,388		0%	237,388	237,388	268,801	276,417	

Reflects FY 2007 President's Budget Request which is equal to the Continuing Resolution.

FY 2006 estimate includes \$1,133 in O&M funding to address P.L. 109-234, Emergency Supplemental Appropriation Act for Defense, The Global War on Terror and Hurricane Recovery 2006.

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<u>B. Reconciliation Summary</u>	<u>Change FY 2007/FY 2007</u>	<u>Change FY 2007/FY 2008</u>	<u>Change FY 2008/FY 2009</u>
Baseline Funding	237,388	237,388	268,801
Congressional Adjustments (Distributed)	0	n/a	n/a
Congressional Adjustments (Undistributed)	0	n/a	n/a
Adjustments to Meet Congressional Intent	0	n/a	n/a
Congressional Adjustments (General Provisions)	0	n/a	n/a
Subtotal Appropriated Amount	237,388	n/a	n/a
Fact-of-Life Changes (CY to CY Only)	0	n/a	n/a
Subtotal Baseline Funding	237,388	n/a	n/a
Anticipated Supplemental	0	n/a	n/a
Reprogrammings	0	n/a	n/a
Price Changes	0	5,778	6,112
Functional Transfers	n/a	139	0
Program Changes	n/a	25,496	1,504
Current Estimate	237,388	268,801	276,417
Less: Wartime Supplemental	0	0	0
Normalized Current Estimate	237,388	268,801	276,417

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2007 President's Budget Request (Amended, if applicable)		237,388
1. Congressional Adjustments		0
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	0	
e. Congressional Earmarks	0	
FY 2007 Appropriated Amount		237,388
2. War-Related and Disaster Supplemental Appropriations		0
3. Fact of Life Changes		0
a. Functional Transfers	0	
b. Technical Adjustments	0	
c. Emergent Requirements	0	
FY 2007 Baseline Funding		237,388
4. Reprogrammings (requiring 1415 Actions)	0	
a. Increases	0	
b. Decreases	0	
Revised FY 2007 Estimate		237,388
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		0
FY 2007 Normalized Current Estimate		237,388
6. Price Change		5,778
7. Functional Transfers		139
a. Transfers In	0	
1) Transfer of civilian FTEs resources for the Installation Management Agency (IMA) from Army Line to DHP.	139	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
a. Transfers Out	0	
8. Program Increases		65,282
a. Annualization of New FY 2007 Program	0	
b. One-Time FY 2008 Increases	0	
c. Program Growth in FY 2008	65,282	
1) Realigns funding from Consolidated Health Support for the TRICARE Regional Offices to reflect proper program execution.	30,738	
2) Increases funding to support compliance with the Chief Financial Officers Act of 1990 (P.L. 101-576)	17,700	
3) Realigns resources from Consolidated Health Support, Information Management, Education and Training, and Base Operations/Communications for the Military Medical Support Office (MMSO) to reflect proper program execution.	10,215	
4) Realigns funding from In House Care to support increase contract requirement.	3,000	
5) Realign resources from Consolidated Health Support for the Pharmacoeconomic Center (PEC) to reflect proper program execution.	1,856	
6) Conversion of military positions to civilians.	1,335	
7) Realigns resources from In-House Care and Consolidated Health Support for the Defense Health Board.	438	
9. Program Decreases		-39,786
a. Annualization of FY 2007 Program Decreases	0	
b. One-Time FY 2007 Increases	0	
c. Program Decreases in FY 2008	-39,786	
1) Realigns funding to Information Management for the Information Management Technology and Reengineering Directorate to reflect proper program execution.	-32,248	
2) Realigns funding to Base Operations/Communications to reflect proper program execution.	-6,377	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
3) Revised inflation assumptions.	-760	
4) Realigns funding to Education and Training to properly execute personnel training requirements for the TRICARE Regional Offices.	-401	
FY 2008 Budget Request		268,801
10. Price Change		6,112
11. Functional Transfers		0
a. Transfers In		0
b. Transfers Out		0
12. Program Increases		2,434
a. Annualization of New FY 2008 Program		0
b. One-Time FY 2009 Increases		0
c. Program Growth in FY 2009		2,434
1) Conversion of military positions to civilians.	2,434	
13. Program Decreases		-930
a. Annualization of FY 2008 Program Decreases		0
b. One-Time FY 2008 Increases		0
c. Program Decreases in FY 2009		-930
1) Revised Inflation assumptions	-886	
2) Realigns funding to Base Operations/Communications to reflect proper program execution.	-44	
FY 2009 Budget Request		276,417

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IV. Performance Criteria and Evaluation Summary:

						Change		
<u>V. Personnel Summary</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2006/ FY 2007</u>	<u>FY 2007/ FY 2008</u>	<u>FY 2008/ FY 2009</u>	
<u>Active Military End Strength (E/S) (Total)</u>	821	772	766	748	-49	-6	-18	
Officer	601	561	551	536	-40	-10	-15	
Enlisted	220	211	215	212	-9	4	-3	
<u>Active Military Average Strength(A/S)(Total)</u>	810	797	769	757	-13	-28	-12	
Officer	586	581	556	544	-5	-25	-12	
Enlisted	224	216	213	213	-8	-3	0	
<u>Civilian FTEs (Total)</u>	791	867	1,124	1,136	76	257	12	
U.S. Direct Hire	791	866	1,119	1,131	75	253	12	
Foreign National Direct Hire	0	0	0	0	0	0	0	
Total Direct Hire	791	866	1,119	1,131	75	4	12	
Foreign National Indirect Hire	0	1	5	5	1	0	0	
Memo: Military Technician Included	0	0	0	0	0	0	0	
Memo: Reimbursable Civilians Included	0	0	0	0	0	0	0	
<u>Average Annual Civilian Salary (\$000)</u>	99	101	103	106				

VI. OP 32 Line Items as Applicable (Dollars in thousands - see next page):