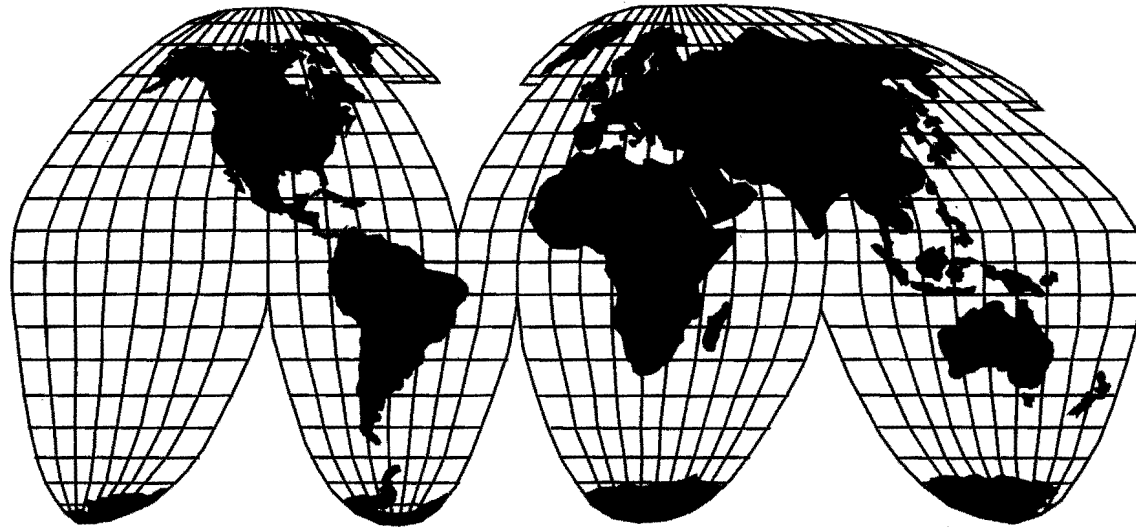


# DEFENSE HEALTH PROGRAM



## FISCAL YEAR (FY) 2012 BUDGET ESTIMATES

OPERATION AND MAINTENANCE

PROCUREMENT

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Volume 1: Justification of Estimates

Volume 2: Data Book

February 2011

CLEARED  
For Open Publication

JAN 26 2011 10

Office of Security Review  
Department of Defense

The Defense Health Program spans the globe in support of the Department of Defense's most important resource--active and retired military members and their families.

11-c-0168

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Fiscal Year (FY) FY 2012 Budget Estimates**

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(\$ in Millions)

<u>Appropriation Summary:</u>	FY 2010 <sup>1</sup> <u>Actuals</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2011 <sup>2</sup> <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2012 <sup>3</sup> <u>Estimate</u>
Operation & Maintenance <sup>4</sup>	28,423.7	719.3	772.3	29,915.3	785.7	201.6	30,902.5
RDT&E	1,443.6	20.2	-963.9	499.9	7.5	156.3	663.7
Procurement	<u>524.7</u>	<u>11.8</u>	<u>-16.6</u>	<u>519.9</u>	<u>12.1</u>	<u>100.5</u>	<u>632.5</u>
<b>FY 2011 Annual CR Total<sup>5</sup></b>				<b>30,534.3</b>			
Total, DHP	30,392.0	751.3	-208.2	30,935.1	805.3	458.4	32,198.7
MERHCF Receipts <sup>6</sup>	<u>8,026.7</u>			<u>8,998.9</u>			<u>9,448.0</u>
Total Health Care Costs	38,418.7			39,934.0			41,646.7

<sup>1/</sup> FY 2010 actuals include Operation and Maintenance (O&M) funding of \$1,289.2 million for Overseas Contingency Operations (OCO) under the FY 2010 Department of Defense Appropriations Act, Public Law 111-118 and \$33.4 million for Department of Defense Supplemental, FY 2010, Public Law 111-212. Additionally, FY 2010 includes \$132.0 million O&M and \$8.0 million RDT&E funding transferred from Health and Human Services for H1N1 in the Supplemental Appropriations Act of 2009, Public Law 111-32.

<sup>2/</sup> FY 2011 President's Budget Request estimate excludes \$1,398.1 million for OCO.

<sup>3/</sup> FY 2012 request excludes \$1,228.3 million for OCO.

<sup>4/</sup> The Department of Defense projects \$132.2 million O&M funding should transfer in FY 2011, and \$135.6 million in FY 2012 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).

<sup>5/</sup> FY 2011 reflects DHP annualized Continuing Resolution funding.

<sup>6/</sup> Reflects Departmental DoD Medicare-Eligible Retiree Health Care Fund (MERHCF) for FY 2010, FY 2011, and FY 2012 O&M only. FY 2012 MERHCF includes Department of Defense healthcare reform initiatives.

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Description of Operations Financed:

The medical mission of the Department of Defense (DoD) is to enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care. The Defense Health Program (DHP) appropriation funding provides for worldwide medical and dental services to active forces and other eligible beneficiaries, veterinary services, medical command headquarters, specialized services for the training of medical personnel, and occupational and industrial health care. Included are costs associated with provisions of the TRICARE benefit which provides for the health care of eligible active duty family members, retired members and their family members, and the eligible surviving family members of deceased active duty and retired members. The FY 2012 Defense Health Program budget request of \$32,198.7 million includes realistic cost growth for pharmacy, managed care support contracts, and other health care services either provided in the Military Treatment Facility or purchased from the private sector. This budget includes funding for continued support of Traumatic Brain Injury and Psychological Health (TBI/PH) and Wounded, Ill and Injured (WII) requirements. It also complies with Congressional mandate related to support of Centers of Excellence (COE) and Secretary of Defense's initiative for operations efficiencies. Operation and Maintenance (O&M) funding is divided into seven major areas: In-House Care, Private Sector Care, Information Management, Education and Training, Management Activities, Consolidated Health Support, and Base Operations. The DoD Medicare Eligible Retiree Health Care Fund (MERHCF) is an accrual fund to pay for DoD's share of health care costs for Medicare-eligible retirees, retiree family members and survivors. MERHCF receipts fund applicable In-House and Private Sector Care operation and maintenance health care costs.

The Defense Health Program appropriation also funds the Research, Development, Test and Evaluation (RDT&E) program for medical Information Management/Information Technology (IM/IT), medical laboratory research, and the Armed Forces Radiobiological Research Institute (AFRRI). The Defense Health Program appropriation Procurement program funds acquisition of capital equipment in Military Treatment Facilities and other selected health care activities which include equipment for initial outfitting of newly

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constructed, expanded, or modernized health care facilities; equipment for modernization and replacement of worn-out, obsolete, or uneconomically repairable items; equipment supporting programs such as pollution control, clinical investigation, and occupational/environmental health; and Military Health System information processing requirements.

Narrative Explanation of FY 2011 and FY 2012 Operation and Maintenance (O&M) Changes:

The Defense Health Program O&M funding reflects an overall increase of \$987.3 million between FY 2011 and FY 2012, consisting of \$785.7 million in price growth and net program increase of \$201.6 million. Program increases include: \$379.1 million for Federal Ceiling Pricing revised reimbursement projections; \$205.9 million for increased healthcare provided in Military Treatment Facilities; \$151.1 million for Facilities Sustainment, Restoration and Modernization (FSRM); \$137.8 million for initial outfitting in support of MILCON and Restoration and Modernization projects; \$137.4 million for TRICARE Reserve Select enrollment increase; \$87.2 million for Warrior Transition Command (WTC) transfer and other Wounded Warrior support; \$83.8 million for readiness enhancements for bio-defense vaccines, pandemic influenza and surveillance; \$71.6 million for fact of life funding realignment and adjustments; \$66.3 million for medical education collocation, Tri-Service Nurse Academic Partnership, and other programs enhancements; \$50.2 million National Interagency Bio-Defense Campus (NIBC) Central Utility Plan project and lease costs increases; \$40.7 million for Navy Individual Augmentees; \$30.6 million for collocated medical headquarters transition and sustainment; \$29.9 million for Military Health System innovation, strategic communications, and other headquarters and oversight activities; \$14.3 million for Hearing and Vision Centers of Excellence enhancements; \$6.5 million for Non- Electronic Health Record (EHR) information systems support; \$4.6 million for EHR planning, acquisition and oversight activities; and \$2.3 million for West Point Medical Facilities transfer from Army Installation Command (IMCOM). Program decreases include: \$511.9 million for Private Sector Care net changes in benefits and utilization; \$316.8 million for Secretary of Defense Efficiencies which include: *Pharmacy Co-Pay for Non-Medicare Eligible (\$95.0 million)*; *Reducing Reliance on DoD Service Support Contractors (\$67.6 million)*; *TMA Baseline Review to Consolidate*

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*Headquarters' Activities (\$51.4 million); Prime enrollment fees increase (\$31.4 million); Medicare reimbursement rates for Critical Access Hospital services (\$31.0 million); Reports, Studies, Boards and Commissions Review to reduce reliance on Advisory and Assistance Service (\$27.4 million); Medical Supply Chain Sourcing Optimization (\$12.9 million); DFAS Baseline Review (\$0.9 million), and net Civilian Manpower Freeze and Exceptions (+\$0.8 million); \$146.7 million for Civilian in-sourcing and other civilian pay adjustments to include one less pay day in FY 2012; \$81.6 million for installations transfer to Army Installation Command (IMCOM) and Network Enterprise Technology Command (NETCOM); \$68.7 million for military to civilian conversions restoral; \$62.0 million for medical installation transfer to Navy; \$31.1 million for Army Substance Abuse Program (ASAP) transfer to Army Installation Command (IMCOM); \$25.6 million for Patient Centered Medical Home investment's net impact on private sector care requirements; \$21.8 million for Military Health System savings initiatives: \$14.6 million for Fraud, Waste and Abuse cost savings initiatives; \$9.1 million for State Directors of Psychological Health Transfer to Army National Guard; and \$7.6 million for Managed Care Support Contract (T3 version) automated eligibility systems support.*

Continuing in FY 2012, the Department projects \$135.631 million should transfer to the Joint Department of Defense (DoD) - Department of Veterans Affairs (VA) Medical Facility Demonstration Fund established by section 1704 of Public Law 111-84, (National Defense Authorization Act for FY 2010). This fund combines the resources of DoD and VA to operate the first totally integrated Federal Health Care Facility in the country by the total integration of the North Chicago VA Medical Center and the Navy Health Clinic Great Lakes.

Narrative Explanation of FY 2011 and FY 2012 Research Development Test & Evaluation (RDT&E) Changes:

The Defense Health Program RDT&E Program reflects a net increase of \$163.8 million between FY 2011 and FY 2012. This includes price growth of \$7.5 million and a net program increase of \$156.3 million. Program increases include: \$46.6 million for medical research to reduce capability gap requirements; \$44.4 million for Electronic Health



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Record(EHR)funding that will support enhanced speed, reliability, and user interface, as well as improve security of protected information and data integrity; \$19.5 million for initial outfitting and transition for the new US Army Medical Research Institute of Infectious Disease (USAMRIID) and the US Army Medical Research Institute of Chemical Defense (USAMRICD); \$15.6 million for Hyperbaric Oxygen (HBO2) Therapy for Traumatic Brain Injury (TBI) clinical trial support; \$15.2 million for the development of new injury metrics related to Underbody Blast; \$11.9 million for Defense Occupational and Environmental Health Readiness-Industrial Hygiene (DOEHRS-IH) RDT&E associated with enhancements to improve data sharing across DOEHRS modules, ergonomics, hazmat product hazard data, interface with current DoD EHR applications, risk assessment, and the completion of veterinary; \$7.7 million increase for operations support for the Pacific Based Joint Information Technology Center - Maui (JITC- Maui); \$7.1 million increase to research programs in support of high-interest projects and enhance competitiveness; \$4.0 million clinical trial laboratory support at CONUS laboratories and Military Treatment Facilities; \$3.1 million for Army medical overseas research laboratory support of existing OCONUS laboratories and the new laboratory in the Republic of Georgia; \$2.2 million for continued testing and evaluation of Patient Safety Record (PSR) System evaluations and system refresh; \$2.0 million increase associated with the Theater Medical information Program-Joint (TMIP-J) associated with AHLTA Theater enhancements for aeromedical evacuation and pharmacy functionality, continued performance improvements of administrative functions within the TMIP-J framework and interfaces with the Services Joint Theater Trauma Registry (JTTR) applications; \$0.9 million for improving testing protocols related to hard body armor; \$0.4 million for information technology support related to the transfer of the US Army Warrior Transition Command (WTC) to the DHP; and \$1.6 million in miscellaneous enhancements/realignments (net of increases and decreases).

Program decreases include: \$10.1 million for the planned completion of medical logistics capabilities and evolving wireless technology in FY 2011 offset by continued migration of Defense Medical Logistics Standard System (DMLSS) into net-centric, service oriented architecture and development of enhanced functionality to include federated medical logistics capabilities and evolving wireless technology; \$4.6 million decrease associated with information management and technology development within the DHP Components; \$2.9

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million decrease due to the completion of spiral development of Wounded Warrior requirements in support of Traumatic Brain Injury and Psychological Health (TBI/PH) specifically the Neuro Cognitive Assessment Tool (NCAT) allowing data to be available to the Bi-Directional Health Information Exchange (BHIE) network which will assist the Services in detecting, evaluating, and monitoring all TBI cases; \$2.5 million for decreases in AHLTA associated with the current timeline for patient safety enhancements; \$2.3 million for reductions in e-Commerce development; \$2.0 million decrease due to the completed integration required for development of two new blood management COTS products in FY 2011; \$0.6 for the Secretary of Defense Efficiency to reduce reliance on DoD Service Support Contractors; and \$0.9 million in miscellaneous enhancements/realignments (net of increases and decreases).

Narrative Explanation of FY 2011 and FY 2012 Procurement Changes:

The Defense Health Program Procurement Program has a net increase of \$112.6 million between FY 2011 and FY 2012. This consists of \$12.1 million in price growth and an increased program growth of \$100.5 million. Program increases include: \$90.4 million for the Electronic Health Record (EHR) to support enhanced speed, reliability, and user interface, as well as, improve security of protected information and data integrity; \$18.0 million due to replacement cycles of End User Devices (EUDs) and Local Area Network (LAN) Upgrades; \$10.3 million for initial outfitting of military construction (MILCON) projects accelerated due to one-time Congressional adds, Base Realignment and Closure (BRAC), American Recovery and Reinvestment Act (ARRA), and Supplemental funding increases; and \$0.8 million in miscellaneous enhancements/realignments (net of increases and decreases).

Program decreases include: \$7.0 million decrease due to completed implementation of COTS solutions providing donor and transfusion tracking for blood management; \$3.8 million due to completion of the Defense Occupational and Environmental Health Readiness-Industrial Hygiene (DOEHRS-IH) Mobile PC tablets deployment to the Air Force and Navy in FY 2011 offset by increased requirements for server storage associated with DOEHRS data warehouse

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in FY 2012; \$3.6 million associated with the completion of hardware refresh for the Clinical Information System initiative in FY 2011; and \$4.6 million in miscellaneous enhancements/realignments (net of increases and decreases).

President's Management Plan - Performance Metrics Requirements:

The Defense Health Program continues to refine existing performance measures and develop specific criterion to determine and measure outputs/outcomes as compared with initial goals. Over the past year the DHP has transitioned to the Quadruple Aim that is focused on a balanced approach to overall performance to include not only production but outcome measures related to medical readiness, a healthy population, positive patient experiences and responsible management of health care costs.

- **Individual Medical Readiness** - This measure provides operational commanders, Military Department leaders and primary care managers the ability to monitor the medical readiness status of their personnel, ensuring a healthy and fit fighting force medically ready to deploy. This represents the best-available indicator of the medical readiness of the Total Force, Active Components and Reserve Components prior to deployment
- **TRICARE Prime Enrollee Preventive Health Quality Index** - The National Committee for Quality Assurance (NCQA) established the Healthcare Effectiveness Data and Information Set (HEDIS) to provide the health care system with regular statistical measurements to track the quality of care delivered by the nation's health plans with a goal of improving the overall health of the population. This composite index scores Prime enrollee population for compliance with HEDIS like measures on seven treatment protocols related to: Appropriate Asthma Medication Use; Breast Cancer Screening; Cervical Cancer Screening; Colorectal Cancer Screening; and Diabetic Care. The selected measures support an evidence-based approach to population health and quality assessment. It also provides a direct comparison with civilian health plans and a means of tracking improvements in disease screening and treatment. Improved scores in this measure should translate directly to a healthier beneficiary

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population, reduced acute care needs, and reduced use of integrated health system resources.

- **Beneficiary Satisfaction with Health Plan** - An increase in the satisfaction with the Health Plan indicates that actions being taken are improving the overall functioning of the plan from the beneficiary perspective. Improvements represent positive patient experiences with the health care benefit and services they receive through the system. The goal is to improve overall satisfaction level to that of civilian plans using a standard survey instrument.
- **Medical Cost Per Member Per Year** - Annual Cost Growth - The medical cost per member per year looks at the overall cost of the Prime enrollees for the DHP. This tracks all costs related to care delivered to enrollees. The objective is to keep the rate of cost growth for the treatment of TRICARE enrollees to a level at or below the civilian health care plans rate increases at the national level. Currently the measure provides insight to issues regarding unit cost, utilization management, and purchased care management. The metric has been enhanced to properly account for differences in population demographics and health care requirements of the enrolled population. Since enrollment demographics can vary significantly by Service, and across time, it is important to adjust the measure. For example, as increasing numbers of older individuals enroll, the overall average medical expense per enrollee would likely increase. Conversely, as younger, healthy active duty enroll, the overall average would likely decrease. Through the use of adjustment factors, a comparison across Services and across time is made more meaningful.

Output related measures that influence Medical Cost Per Member Per Year:

- **Inpatient Production Target** (Relative Weighted Products, referred to as RWP) - Achieving the production targets ensures that the initial plan for allocation of personnel and resources are used appropriately in the production of inpatient workload.
- **Outpatient Production Target** (Relative Value Units, referred to as RVU) - Achieving the production targets ensures that the initial plans for allocation of personnel and resources are used appropriately in the production of outpatient workload.

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Below is final reporting for 2010 related to the prior performance measure goals. The next reporting period will focus on the measures related to the Quadruple Aim, and two output measures related to production plan targets. The overall success of each area measured is discussed below along with information related to continuation of reporting in future documents:

- **Beneficiary Satisfaction with Health Plan** - Satisfaction with Health Care Plan performance for FY 2010 exceeded the goal of 58 percent during each quarter for the year, with an aggregate score of 64 percent for the year. Continuous increases in enrollment and improvement in the score demonstrates real progress for the program with respect to satisfying our beneficiaries. This measure will continue to be reported in support of the Quadruple Aim.
- **Inpatient Production Target** (Relative Weighted Products) - For the most recent reported monthly data for FY 2010, the MHS produced 214 thousand RWPs against a target of 215 thousand RWPs. These numbers are based on the records reported to date, and will increase slightly as all records are completed. While care for Active Duty continues at high levels due to care for Wounded Warriors, there was a drop in the overall utilization from prior years that was not properly accounted for in the plan. This measure will continue to be reported as an output measure for the DHP.
- **Outpatient Production Target** (Relative Value Units) - With an increased emphasis on paying for performance, the system has seen a renewed focus on production of outpatient care. For FY 2010, the system produced 71.2 million relative value units versus a goal of 67.0 million relative value units. The MHS achieved the goal for the year. This measure will continue to be reported as an output measure for the DHP.
- **Medical Cost Per Member Per Year - Annual Cost Growth** - Through the most recent reporting timeframe the Military Health System achieved the goal for the annual cost growth related to Medical Cost per Member per Month. For FY 2010, the annual cost

Exhibit PBA-19, Appropriation Highlights

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growth rate was 5 percent, compared with the goal for the year of 6 percent. The primary reason for the improvement is related to changes made with respect to the outpatient prospective payments in Purchased Care. Performance improved with each quarter, and should continue into FY 2011 where the measure will continue to be reported.

**Defense Health Program  
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Operation and Maintenance  
Budget Years**

Total Obligational Authority  
(Dollars in Thousands)

	FY 2010	FY 2011 PB Request			FY 2011 Annualized CR Base			FY 2012 Request		
	Base + OCO <sup>1/</sup>	without CR Adjustment <sup>2/</sup>		Total	Base	OCO	Total	Base	OCO	Total
0130D Defense Health Program										
<b>BUDGET ACTIVITY 01: OPERATION &amp; MAINTENANCE</b>										
0130D DEFENSE HEALTH PROGRAM	28,423,679	29,915,277	1,398,092	31,313,369	29,514,514	1,398,092	30,912,606	30,902,546	1,228,288	32,130,834
<b>TOTAL, BA 01: OPERATION &amp; MAINTENANCE</b>	<b>28,423,679</b>	<b>29,915,277</b>	<b>1,398,092</b>	<b>31,313,369</b>	<b>29,514,514</b>	<b>1,398,092</b>	<b>30,912,606</b>	<b>30,902,546</b>	<b>1,228,288</b>	<b>32,130,834</b>
<b>BUDGET ACTIVITY 02: RDT&amp;E</b>										
0130D DEFENSE HEALTH PROGRAM	1,443,630	499,913	0	499,913	499,913	0	499,913	663,706	0	663,706
<b>TOTAL, BA 02: RDT&amp;E</b>	<b>1,443,630</b>	<b>499,913</b>	<b>0</b>	<b>499,913</b>	<b>499,913</b>	<b>0</b>	<b>499,913</b>	<b>663,706</b>	<b>0</b>	<b>663,706</b>
<b>BUDGET ACTIVITY 03: PROCUREMENT</b>										
0130D DEFENSE HEALTH PROGRAM	524,737	519,921	0	519,921	519,921	0	519,921	632,518	0	632,518
<b>TOTAL, BA 03: PROCUREMENT</b>	<b>524,737</b>	<b>519,921</b>	<b>0</b>	<b>519,921</b>	<b>519,921</b>	<b>0</b>	<b>519,921</b>	<b>632,518</b>	<b>0</b>	<b>632,518</b>
<b>Total Defense Health Program</b>	<b>30,392,046</b>	<b>30,935,111</b>	<b>1,398,092</b>	<b>32,333,203</b>	<b>30,534,348</b>	<b>1,398,092</b>	<b>31,932,440</b>	<b>32,198,770</b>	<b>1,228,288</b>	<b>33,427,058</b>

1/ FY 2010 actuals include Operation and Maintenance funding of \$1,289.2M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriations Act for FY 2010 Public Law 111-118; includes Operation and Maintenance funding of \$33.4M for Supplemental Appropriations Act, 2010 Public Law 111-212; includes \$132.0M for Operation and Maintenance and \$8.0M for Research, Development, Test and Evaluation transferred from Health and Human Services (HHS) for H1N1 in the Supplemental Appropriations Act of 2009, Public Law 111-32.

2/ Reflects the FY 2011 President's Budget Request.

3/ Adjusts the Operations and Maintenance budget line included in the FY 2011 President's Budget request to match the Annualized Continuing Resolution funding level.





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Exhibit PB-31R, Personnel Summary**

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2011/2012</u>
<u>Active Military End Strength (E/S) (Total)</u>	84,085	84,946	86,007	1,061
Officer	31,244	31,392	31,843	451
Enlisted	52,841	53,554	54,164	610
<u>Reserve Drill Strength (E/S) (Total)</u>	0	0	0	0
Officer	0	0	0	0
Enlisted	0	0	0	0
<u>Reservists on Full Time Active Duty (E/S) (Total)</u>	0	0	0	0
Officer	0	0	0	0
Enlisted	0	0	0	0
<u>Civilian End Strength (Total)</u>	64,236	61,792	60,187	-1,605
U.S. Direct Hire	61,676	59,307	57,782	-1,525
Foreign National Direct Hire	783	758	713	-45
Total Direct Hire	62,459	60,065	58,495	-1,570
Foreign National Indirect Hire	1,777	1,727	1,692	-35
(Reimbursable Civilians Included Above (Memo))	421	438	438	0
<u>Active Military Average Strength (A/S) (Total)</u>	82,225	84,516	85,477	961
Officer	30,758	31,318	31,618	300
Enlisted	51,467	53,198	53,859	662
<u>Reserve Drill Strength (A/S) (Total)</u>	0	0	0	0
Officer	0	0	0	0
Enlisted	0	0	0	0
<u>Reservists on Full Time Active Duty (A/S) (Total)</u>	0	0	0	0
Officer	0	0	0	0
Enlisted	0	0	0	0

Exhibit PB-31R, Personnel Summary  
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Fiscal Year (FY) 2012 Budget Estimates  
Exhibit PB-31R, Personnel Summary**

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	Change <u>FY 2011/2012</u>
<u>Civilian FTEs (Total)</u>	59,839	60,100	58,369	-1,731
U.S. Direct Hire	57,389	57,680	56,033	-1,647
Foreign National Direct Hire	757	736	686	-50
Total Direct Hire	58,146	58,416	56,719	-1,697
Foreign National Indirect Hire	1,693	1,684	1,650	-34
(Reimbursable Civilians Included Above (Memo))	645	618	619	1
Contractor FTE's (Total)	19,710	19,238	17,725	-1,513

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Summary of Increases and Decreases  
(Dollars in Thousands)

	Budget Activity			DHP Total
	O&M (01)	RDT&E (02)	Procurement (03)	
<b>FY 2011 President's Budget Request<sup>1/</sup></b>	<b>29,915,277</b>	<b>499,913</b>	<b>519,921</b>	<b>30,935,111</b>
In-House Care	7,781,877			7,781,877
Private Sector Care	16,034,745			16,034,745
Consolidated Health Support	2,122,483			2,122,483
Information Management	1,452,330			1,452,330
Management Activities	293,698			293,698
Education and Training	632,534			632,534
Base Operations/Communications	1,597,610			1,597,610
RDT&E		499,913		499,913
Procurement			519,921	519,921
1. Congressional Adjustments	0	0	0	0
a) Distributed Adjustments	0	0	0	0
b) Undistributed Adjustments	0	0	0	0
c) Adjustments to Meet Congressional Intent	0	0	0	0
d) General Provisions	0	0	0	0
<b>FY 2011 Annual CR Total<sup>2/</sup></b>	<b>29,514,514</b>	<b>499,913</b>	<b>519,921</b>	<b>30,534,348</b>
<b>FY 2011 Appropriated Amount</b>	<b>29,915,277</b>	<b>499,913</b>	<b>519,921</b>	<b>30,935,111</b>
In-House Care	7,781,877			7,781,877
Private Sector Care	16,034,745			16,034,745
Consolidated Health Support	2,122,483			2,122,483
Information Management	1,452,330			1,452,330
Management Activities	293,698			293,698
Education and Training	632,534			632,534
Base Operations/Communications	1,597,610			1,597,610
RDT&E		499,913		499,913
Procurement			519,921	519,921
2. OCO and Other Supplemental Appropriations	1,398,092	0	0	1,398,092
3. Fact-of-Life Changes	0	0	0	0
a) Functional Transfers	0	0	0	0
1) Transfers In	0	0	0	0
2) Transfers Out	0	0	0	0
b) Technical Adjustments	0	0	0	0
1) Increases	0	0	0	0
2) Decreases	0	0	0	0
c) Emergent Requirements	0	0	0	0
1) One-Time Costs	0	0	0	0
2) Program Growth	0	0	0	0
3) Program Reductions	0	0	0	0

Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Summary of Increases and Decreases  
(Dollars in Thousands)

	O&M (01)	Budget Activity RDT&E (02)	Procurement (03)	DHP Total
<b>FY 2011 Baseline Funding</b>	<b>31,313,369</b>	<b>499,913</b>	<b>519,921</b>	<b>32,333,203</b>
In-House Care	8,490,881			8,490,881
Private Sector Care	16,573,121			16,573,121
Consolidated Health Support	2,250,895			2,250,895
Information Management	1,454,616			1,454,616
Management Activities	294,216			294,216
Education and Training	650,595			650,595
Base Operations/Communications	1,599,045			1,599,045
RDT&E		499,913		499,913
Procurement			519,921	519,921
4. Reprogrammings/Supplemental	0	0	0	0
a) Anticipated War-Related and Disaster Supplemental Appropriations	0	0	0	0
b) Reprogrammings	0	0	0	0
1) Increases	0			
2) Decreases	0			
<b>Revised FY 2011 Estimate</b>	<b>31,313,369</b>	<b>499,913</b>	<b>519,921</b>	<b>32,333,203</b>
In-House Care	8,490,881			8,490,881
Private Sector Care	16,573,121			16,573,121
Consolidated Health Support	2,250,895			2,250,895
Information Management	1,454,616			1,454,616
Management Activities	294,216			294,216
Education and Training	650,595			650,595
Base Operations/Communications	1,599,045			1,599,045
RDT&E		499,913		499,913
Procurement			519,921	519,921
5. Less: War-Related and Disaster Supplemental Appropriations and Reprogrammings (Items 2 and 4)	-1,398,092	0	0	-1,398,092
<b>Normalized Current Estimate for FY 2011</b>	<b>29,915,277</b>	<b>499,913</b>	<b>519,921</b>	<b>30,935,111</b>
In-House Care	7,781,877			7,781,877
Private Sector Care	16,034,745			16,034,745
Consolidated Health Support	2,122,483			2,122,483
Information Management	1,452,330			1,452,330
Management Activities	293,698			293,698
Education and Training	632,534			632,534
Base Operations/Communications	1,597,610			1,597,610
RDT&E		499,913		499,913
Procurement			519,921	519,921
6. Price Change	785,684	7,499	12,575	805,758
7. Transfers	-147,061	0	0	-147,061
a) Transfers In	44,625	0	0	44,625
b) Transfers Out	-191,686	0	0	-191,686

Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Summary of Increases and Decreases  
(Dollars in Thousands)

	O&M (01)	Budget Activity RDT&E (02)	Procurement (03)	DHP Total
8. Program Increases	2,453,469	182,293	123,445	2,759,207
a) Annualization of New FY 2011 Program	0	0	0	0
b) One-Time FY 2012 Costs	90,912	0	0	90,912
c) Program Growth in FY 2012	2,362,557	182,293	123,445	2,668,295
9. Program Decreases	-2,104,823	-25,999	-23,313	-2,154,135
a) One-Time FY 2012 Costs	0	0	0	0
b) Annualization of FY 2011 Program Decreases	0	0	0	0
c) Program Decreases in FY 2012	-2,104,823	-25,999	-23,313	-2,154,135
<b>FY 2012 Budget Request</b>	<b>30,902,546</b>	<b>663,706</b>	<b>632,628</b>	<b>32,198,880</b>
In-House Care	8,148,856			8,148,856
Private Sector Care	16,377,272			16,377,272
Consolidated Health Support	2,193,821			2,193,821
Information Management	1,422,697			1,422,697
Management Activities	312,102			312,102
Education and Training	705,347			705,347
Base Operations/Communicatio:	1,742,451			1,742,451
RDT&E		663,706		663,706
Procurement			632,628	632,628

1/ Reflects the FY 2011 President's Budget request.

2/ Adjusts the Operation and Maintenance budget line included in the FY 2011 President's Budget request to match the Annualized Continuing Resolution funding level.

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
In-House Care**

**I. Description of Operations Financed:** This Budget Activity Group provides for the delivery of patient care in the Continental United States (CONUS) and Outside the Continental United States (OCONUS). This program includes the following:

**Care in Department of Defense Medical Centers, Hospitals and Clinics:** Resources medical care in CONUS and OCONUS facilities which are staffed and equipped to provide inpatient and outpatient care for both surgical and non-surgical conditions for Military Health System beneficiaries.

**Dental Care:** Resources dental care and services in CONUS and OCONUS for authorized personnel through the operation of hospital departments of dentistry, installation dental clinics, and Regional Dental Activities.

**Pharmaceuticals:** Resources pharmaceuticals specifically identified and measurable to the provision of pharmacy services in CONUS and OCONUS facilities.

**II. Force Structure Summary:** The In-House Care Budget Activity Group (BAG) includes staffing to provide medical and dental care in military facilities which provide the full range of inpatient and ambulatory medical and dental care services. In addition to medical and dental care this BAG also includes medical center laboratories, alcohol treatment facilities, clinical investigation activities, facility on-the-job training/education programs and federal sharing agreements. This BAG excludes operation of management headquarters for TRICARE Regional Offices, deployable medical and dental units and health care resources devoted exclusively to teaching.

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
In-House Care**

**III. Financial Summary (\$ in Thousands):**

A. <u>Subactivities:</u>	<u>FY 2010 Actuals</u>	<u>Budget Request</u>	<u>Congressional Action</u>		<u>Current Appropriation</u>	<u>Current Estimate</u>	<u>FY 2012 Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
1. MEDCENS, Hospitals & Clinics (CONUS)	5,588,633	5,317,643	0	0%	5,317,643	5,317,643	5,529,998
2. MEDCENS, Hospitals & Clinics (OCONUS)	489,193	420,786	0	0%	420,786	420,786	436,149
3. Pharmaceuticals (CONUS)	1,303,743	1,341,241	0	0%	1,341,241	1,341,241	1,455,142
4. Pharmaceuticals (OCONUS)	120,827	114,183	0	0%	114,183	114,183	143,687
5. Dental Care (CONUS)	464,545	521,537	0	0%	521,537	521,537	523,222
6. Dental Care (OCONUS)	<u>60,637</u>	<u>66,487</u>	0	0%	<u>66,487</u>	<u>66,487</u>	<u>60,658</u>
Total	8,027,578	7,781,877	0	0%	7,781,877	7,781,877	8,148,856

**Notes:**

1. FY 2010 actuals include \$603.900M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriation Act, FY 2010, Public Law 111-118. FY 2010 actuals include \$5.192M for Department of Defense Supplemental, FY 2010, Public Law 111-212. (Total FY 2010 OCO is \$609.092M).
2. FY 2011 President's Budget Request excludes \$709.004M for OCO.
3. FY 2012 Request excludes \$641.996 M for OCO.
4. Does not reflect Department of Defense Medicare-Eligible Retiree Health Care Fund (MERHCF) for FY 2010 of \$1,244.2M, FY 2011 of \$1,388.7M and FY 2012 of \$1,437.3M O&M only.

**Defense Health Program  
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<b>B. <u>Reconciliation Summary:</u></b>	<b>Change <u>FY 2011/2011</u></b>	<b>Change <u>FY 2011/2012</u></b>
<b>Baseline Funding</b>	7,781,877	7,781,877
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
<b>Subtotal Appropriated Amount</b>	<b>7,781,877</b>	<b>n/a</b>
OCO and Other Supplemental Appropriations	709,004	n/a
Fact-of-Life Changes	0	n/a
<b>Subtotal Baseline Funding</b>	<b>8,490,881</b>	<b>n/a</b>
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-709,004	n/a
<b>Revised Current Estimate</b>	<b>7,781,877</b>	<b>n/a</b>
Price Change	n/a	141,004
Functional Transfers	n/a	-2,857
Program Changes	<u>n/a</u>	<u>228,832</u>
<b>Current Estimate</b>	<b>7,781,877</b>	<b>8,148,856</b>



**Defense Health Program  
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		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>	
<b>FY 2011 President's Budget Request</b>		<b>7,781,877</b>	
1. Congressional Adjustments		0	
a. Distributed Adjustments	0		
b. Undistributed Adjustments	0		
c. Adjustments to meet Congressional Intent	0		
d. General Provisions	0		
<b>FY 2011 Appropriated Amount</b>		<b>7,781,877</b>	
2. OCO and Other Supplemental Appropriations		709,004	
3. Fact of Life Changes		0	
a. Functional Transfers	0		
b. Technical Adjustments	0		
c. Emergent Requirements	0		
<b>FY 2011 Baseline Funding</b>		<b>8,490,881</b>	
4. Reprogrammings (Requiring 1415 Actions)		0	
a. Increases	0		
b. Decreases	0		
5. Less: OCO and Other Supplemental Appropriations		-709,004	
<b>Current Estimate for FY 2011</b>		<b>7,781,877</b>	
6. Price Change		141,004	
7. Transfers		-2,857	
a. Transfers In		0	
b. Transfers Out		-2,857	
1) Transfer from DHP to Secretary of the Army:	-2,857		
Transfer of funding and personnel from In-House Care Budget Activity			
Group for Army Substance Program (ASAP) from Army Medical Command			
(MEDCOM) to Army Installation Command (IMCOM) (-33FTEs, -\$2.9M).			

**Defense Health Program  
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		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
8. Program Increases			474,127
a. Annualization of New FY 2011 Program		0	
b. One-Time FY 2012 Costs		26,470	
1) Navy Individual OCO Augmentees:		26,470	
Realigns 3,836 temporary Navy Individual Augmentees and funding from FY 2012 OCO request to the FY12 base budget request.			
c. Program Growth in FY 2012			447,657
1) Healthcare Provided In Military Treatment Facilities:		205,904	
Resources to support delivery of inpatient and outpatient care including Prospective Payment System (PPS) for increased workload (\$33.3M), Ground Force Augmentation (\$32.6M), United States Forces-Korea Tour Normalization (\$1.5M), Patient Centered Medical Home (PCMH) (+1,694 FTEs; \$66.2), Behavioral Health (+307 FTEs; \$37.2M), Comprehensive Pain Management (\$10M); and, demolish, expand and renovate Walter Reed National Military Medical Center (WRNMMC) as outlined in the Comprehensive Master Plan (funds transition costs: \$25M). FY 2011 Healthcare Funding Baseline: \$5,738.4M.			
2) Initial Outfitting:		137,773	
Resources for initial outfitting requirements for restoration and modernization and programmed MILCON projects including Fort Riley (\$53.6M) and Fort Sam Houston (\$38.2M). FY 2011 Funding Baseline: \$352.5M.			
3) Wounded Warrior Support:		33,998	
Resources to support healthcare delivery to Wounded Warriors including Traumatic Brain Injury and Psychological Health (TBI/PH) (\$11.5M), Wounded, Ill and Injured (WII) (\$7.6M) and the realignment of enduring OCO requirements to base (\$4.2M). Includes funding for congressionally-directed changes in Combat Related Retiree travel (Sec. 1632, FY08 NDAA, \$0.7M) and an increase in Physical Exam Board Liaison Officers (Sec. 597, FY07 NDAA, \$10M) for Wounded, Ill and Injured warriors.			

**Defense Health Program  
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<u>C. Reconciliation of Increases and Decreases</u>	<u>( \$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
4) Funding Realignment: Realigns funding from Private Sector Care Budget Activity Group (BAG) to In-House Care BAG for Patient Centered Medical Home (\$25.6M) and Clear and Legible Reports (\$20.1M). Realigns funding from various BAGs (3,4,5,7) to In-House Care BAG to align civilian pay execution to correct BAG (\$6.2M). FY 2011 Healthcare Funding Baseline: \$5,738.4M.	51,856	
5) Centers of Excellence: Provides resources for Vision (Sec. 722, FY 2009 NDAA) and Hearing (Sec. 721, FY 2009 NDAA) Centers of Excellence. FY 2011 Funding Baselines: Vision \$9.4M; Hearing \$5.0M.	6,705	
6) Secretary of Defense Efficiencies, Front End Assessment-Personnel, Pharmacy Co-Pay Adjustment (Non-Medicare Eligible): Provides resources to support projected increased utilization in the direct care (Military Treatment Facilities) pharmacies due to proposed changes in retail pharmacy co-pays. FY 2011 In-House Care Pharmacy Funding Baseline: \$1,455.4M.	11,421	
9. Program Decreases		-245,295
a. One-Time FY 2011 Costs		0
b. Annualization of FY 2011 Program Decreases		0
c. Program Decreases in FY 2012		-245,295
1) Civilian Personnel Adjustment: Reflects funding realignment due to changes in civilian personnel FTEs from in-sourcing (contract to civilian) (-381 contractor FTEs, -\$30.1M in contracts). In addition, realigns execution to correct program elements (-1,154 civilian FTEs, -\$59.2M in civilian pay). FY 2011 Funding Baselines: Other Contracts \$2,082.0M; Civilian Pay \$2,738.3M.	-89,275	
2) Reversal of Military to Civilian Conversions: Incremental funding transfer to MILPERS accounts to restore military	-54,047	

**Exhibit OP-5, In-House Care  
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**Defense Health Program  
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		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
authorizations previously programmed as military to civilian conversions, as required by Sec.721 of the FY 2008 NDAA(-202 FTEs)			
3) Funding Realignment:		-31,181	
	Reflects funding realignment from In-House Care Budget Activity Group for restoration and modernization projects and Facilities Sustainment Model execution to 100% (-\$30.2M). Also includes a joint basing realignment of medical functions between Army and Air Force Defense Health Program activities. Implements agreements on specific installation support services that MTFs provide at joint-base sites (10 civilian FTEs, \$1M).		
4) Funding Realignment:		-15,000	
	Reflects funding realignment from In-House Care Budget Activity Group to Consolidated Health Care Activity Group for DoD-VA Joint Incentive Fund.		
5) One Less Day Paid:		-12,810	
	Adjusts for one less civilian pay day in FY 2012. FY 2011 Funding Baseline: \$2,738.3M.		
6) Military Health System Initiative - Initial Outfitting and Transition (IO&T):		-9,187	
	FY 2012 IO&T savings achieved through better management, standardization of equipment buys and increase in equipment re-utilization for MILCON projects. FY 2011 Funding Baseline: \$352.5M.		
7) Military Health System Initiative - Patient Centered Medical Home (PCMH):		-12,639	
	Achieved savings through optimal internal staffing ratios (-263 FTEs). FY 2011 Healthcare Funding Baseline: \$5,738.4M.		
8) Secretary of Defense Efficiencies, Front End Assessment-Logistics, Medical Supply Chain Sourcing Optimization:		-12,113	
	Approves the Logistics Efficiency to optimize medical supply chain sourcing. FY 2011 Funding Baselines: In-House Care Pharmacy \$1,455.4M; Supply \$736.0M.		

**Exhibit OP-5, In-House Care  
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**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
In-House Care**

		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
9) Secretary of Defense Efficiencies - Reducing Reliance on DoD Service Support Contractors: Directs the components to reduce funding used to acquire service support contracts by 10% per year over the next three years from their reported FY 2010 levels. FY 2012 reduction is 20% and FY 2013 reduction is 30%. These efficiencies will have no impact on direct healthcare delivery. FY 2011 Funding Baseline: \$19.3M.	-3,806		
10) Secretary of Defense Efficiencies - Reports, Studies, Boards and Commissions Review: Directs the Components to reduce funding for advisory studies by 25% below the FY 2010 levels. Reductions are based upon self-reported "Advisory and Assistance Service" data and are from "Studies Analysis and Evaluation" activities. These efficiencies will have no impact on direct healthcare delivery. FY 2011 Funding Baseline: \$11.4M.	-3,707		
11) Secretary of Defense Efficiencies - TMA Baseline Review: Directs the Director for TRICARE Management Activity (TMA) to streamline operations by consolidating activities into a follow-on Military Health System Support Activity consisting of four divisions: 1) Uniformed Services University of the Health Sciences (USUHS), 2) TRICARE health plan, 3) Health Management Support, and Shared Services and to reduce 364 Contractor positions beginning in FY12. Directs the USD (P&R) to reduce redundancy, capitalize shared services efficiencies and to better align similar missions across the P&R enterprise and to eliminate 24 civilian full-time equivalents beginning in FY 2012. These efficiencies will have no impact on direct healthcare delivery. FY 2011 DHP Contract Services Funding Baseline: \$3,005.6M.	-1,530		
<b>FY 2012 Budget Request</b>			<b>8,148,856</b>

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

Population by Service Obligation - World Wide*	FY 2010 <u>Actual</u>	FY 2011 <u>Estimate</u>	FY 2012 <u>Estimate</u>	Change <u>FY 2010/2011</u>	Change <u>FY 2011/2012</u>
Average Eligible Population					
Catchment Area					
Army	1,806,893	1,832,959	1,821,299	26,066	-11,660
Coast Guard	60,548	60,854	60,498	306	-356
Air Force	853,829	852,323	827,901	-1,506	-24,422
Marine Corps	467,223	468,138	467,591	915	-547
Navy	818,169	813,107	806,676	-5,062	-6,431
Navy Afloat	267,752	273,890	272,945	6,138	-945
Other/Unknown	<u>10,947</u>	<u>10,978</u>	<u>10,964</u>	<u>31</u>	<u>-14</u>
Subtotal	4,285,360	4,312,247	4,267,874	26,887	-44,373
Non-Catchment Area					
Army	2,084,789	2,113,570	2,132,974	28,781	19,405
Coast Guard	143,952	145,312	147,390	1,360	2,078
Air Force	1,731,332	1,729,925	1,757,916	-1,408	27,992
Marine Corps	288,780	290,876	293,310	2,097	2,434
Navy	957,611	958,692	966,766	1,082	8,074
Navy Afloat	56,770	59,044	58,060	2,274	-984
Other/Unknown	<u>20,700</u>	<u>20,779</u>	<u>20,933</u>	<u>80</u>	<u>154</u>
Subtotal	5,283,932	5,318,197	5,377,348	34,265	59,151
Total Average Eligible Population					
Army	3,891,682	3,946,528	3,954,273	54,847	7,745
Coast Guard	204,500	206,166	207,888	1,666	1,722
Air Force	2,585,161	2,582,248	2,585,817	-2,914	3,570
Marine Corps	756,003	759,014	760,901	3,011	1,887
Navy	1,775,780	1,771,799	1,773,442	-3,981	1,643
Navy Afloat	324,522	332,934	331,005	8,412	-1,929
Other/Unknown	<u>31,646</u>	<u>31,757</u>	<u>31,896</u>	<u>111</u>	<u>140</u>
Subtotal	9,569,292	9,630,444	9,645,221	61,152	14,778

\*Note: The data are derived from the Managed Care Forecasting and Analysis System (MCFAS) -- Data Version FY2009.0.  
Numbers may not sum to totals due to rounding.

**Exhibit OP-5, In-House Care  
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**Defense Health Program**  
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**Fiscal Year (FY) 2012 Budget Estimates**  
**In-House Care**

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u> <u>FY 2010/2011</u>	<u>Change</u> <u>FY 2011/2012</u>
DHP Requirements (\$000's)	28,423,679	29,915,277	30,902,546	1,491,598	987,269
Beneficiaries (000's)	9,569	9,630	9,645	61	15
Enrollees (000's)	3,286	3,391	3,447	105	57

**Defense Health Program  
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In-House Care**

**V. Personnel Summary**

	<u>FY 2010</u>	<u>FY 2010</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S)<sup>1</sup></u>					
Officer	19,749	19,806	20,225	57	419
Enlisted	<u>36,853</u>	<u>37,480</u>	<u>38,104</u>	<u>627</u>	<u>624</u>
Total Military	56,602	57,286	58,329	684	1,043
 <u>Active Military Average Strength(A/S)</u>					
Officer	19,425	19,778	20,016	353	238
Enlisted	<u>36,028</u>	<u>37,167</u>	<u>37,792</u>	<u>1,139</u>	<u>625</u>
Total Military	55,453	56,945	57,808	1,492	863
 <u>Civilian FTEs<sup>2</sup></u>					
U.S. Direct Hire	42,552	41,255	40,251	-1,297	-1,004
Foreign National Direct Hire	<u>558</u>	<u>541</u>	<u>512</u>	<u>-17</u>	<u>-29</u>
Total Direct Hire	43,110	41,796	40,763	-1,314	-1,033
Foreign National Indirect Hire	<u>1,105</u>	<u>1,086</u>	<u>1,060</u>	<u>-19</u>	<u>-26</u>
Total Civilian	44,215	42,882	41,823	-1,333	-1,059
 (Reimbursable Included Above-memo)	574	577	578	3	1
 Average Civilian Salary (\$000's)	79.039	79.034	79.065		
 <u>Contractor FTEs (Total)</u>	14,018	13,888	12,617	-130	-1,271



**Defense Health Program  
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In-House Care**

\*Outyear contractor FTEs are baselined to FY 2012, however, reductions may be applied to comply with Secretary of Defense required reductions to Service Support Contractors and Reports, Studies, Boards and Commissions review.

Note 1 Military Personnel Adjustment: Data includes Air Force combat support personnel assigned to the DHP. The change in active military end strength is explained as follows--Change from FY 2010 to FY 2011 (+684): includes programmatic changes to FY 2011 from POM-2010 (restoral of MILCIV conversions +286), and PBR-2011 (restoral of MILCIV conversions (+228); miscellaneous manpower reprogramming/adjustments (+170) requested by field activities). Change from FY 2011 to FY 2012 (+1,043): includes programmatic changes to FY 2012 from POM-2010 (restoral of MILCIV conversions, +348), from PBR-2011 (restoral of MILCIV conversions, +206), and from POM-2012 (Grow the Army, +393); miscellaneous manpower reprogramming/adjustments requested by field activities (96).

Note 2 Civilian Personnel Adjustment: contract to civilian in-sourcing (+381 FTEs), execution adjustments (-1,154 FTEs), military to civilian conversion restoral (-202 FTEs) and miscellaneous mission and function realignment and changes (-84 FTEs).

VI. Outyear Summary: N/A

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

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	In-House Care	Foreign Currency				Program Growth	FY2011 Program	Line	In-House Care	Foreign Currency				Program Growth	FY2011 Program
		FY2010 Program	Adjust	Percent	Amount					FY2010 Program	Adjust	Percent	Amount		
30R	Travel of Persons	116,240	45	1.40%	1,629	-25,954	91,960	30R	Travel of Persons	91,960	207	1.50%	1,382	124	93,673
399	Total Travel	116,240	45		1,629	-25,954	91,960	399	Total Travel	91,960	207		1,382	124	93,673
401	DFSC Fuel	241	0	11.30%	27	1	269	401	DFSC Fuel	269	0	2.97%	8	12	289
402	Service Fund Fuel	0	0	11.30%	0	0	0	402	Service Fund Fuel	0	0	2.97%	0	0	0
411	Army Sup & Mat	7,684	0	4.51%	347	-2,124	5,907	411	Army Sup & Mat	5,907	0	1.34%	79	187	6,173
412	Navy Sup & Mat	17	0	3.23%	1	-18	0	412	Navy Sup & Mat	0	0	0.64%	0	0	0
414	AF Sup & Mat	0	0	3.26%	0	0	0	414	AF Sup & Mat	0	0	-0.97%	0	0	0
415	DLA Sup & Mat	3,600	0	2.07%	74	-438	3,236	415	DLA Sup & Mat	3,236	0	1.46%	47	-347	2,936
416	GSA Sup & Mat	10,666	0	1.40%	150	-3,103	7,713	416	GSA Sup & Mat	7,713	0	1.50%	116	-279	7,551
417	Local Proc Sup & Mat	14,667	0	1.40%	205	-977	13,895	417	Local Proc Sup & Mat	13,895	0	1.50%	208	0	14,103
418	Air Force Retail Supply	0	0	1.40%	0	0	0	418	Air Force Retail Supply	0	0	5.43%	0	0	0
499	Total Sup & Mat	36,875	0		804	-6,655	31,020	499	Total Sup & Mat	31,020	0		458	-426	31,052
502	Army Fund Equip	4,486	0	4.51%	202	-4,688	0	502	Army Fund Equip	0	0	1.34%	0	0	0
503	Navy Fund Equip	20,062	0	3.23%	674	0	21,536	503	Navy Fund Equip	21,536	0	0.64%	138	333	22,007
505	AF Fund Equip	30,319	0	3.26%	989	24,853	56,160	505	AF Fund Equip	56,160	0	-0.97%	-545	39,605	95,220
506	DLA Fund Equip	0	0	2.07%	0	0	0	506	DLA Fund Equip	0	0	1.46%	0	0	0
507	GSA Fund Equip	3,353	0	1.40%	47	-3,164	238	507	GSA Fund Equip	238	0	1.50%	4	0	240
599	Total Fund Equip	59,020	0		1,911	17,601	77,932	599	Total Fund Equip	77,932	0		-403	39,938	117,467
602	Army Depot Omd Maint	0	0	-1.55%	0	0	0	602	Army Depot Omd Maint	0	0	-11.63%	0	0	0
611	Naval Surface War Ctr	0	0	2.39%	0	0	0	611	Naval Surface War Ctr	0	0	-3.63%	0	0	0
631	Naval Civil Engr Ctr	0	0	1.77%	0	0	0	631	Naval Civil Engr Ctr	0	0	-0.34%	0	0	0
633	Naval Pub & Pnt Svc	1,713	0	2.99%	51	87	1,851	633	Naval Pub & Pnt Svc	1,851	0	5.93%	110	-55	1,906
634	Nav Pub Wks Ctr: Utilities	6	0	10.20%	0	0	0	634	Nav Pub Wks Ctr: Utilities	0	0	0.50%	0	0	0
635	Nav Pub Wks Ctr: Pub Wks	0	0	1.40%	0	0	0	635	Nav Pub Wks Ctr: Pub Wks	0	0	1.80%	0	0	0
647	DLA Enterprise Computer Centers	0	0	-14.00%	0	0	0	647	DLA Enterprise Computer Centers	0	0	-12.99%	0	0	0
671	Communications Svc	477	0	0.80%	0	410	477	671	Communications Svc	477	0	-8.06%	-38	41	480
673	Def Finance & Acct Svc	0	0	0.39%	0	0	0	673	Def Finance & Acct Svc	0	0	-17.69%	0	0	0
675	DLA Disposition Services	3,110	0	2.07%	64	0	3,174	675	DLA Disposition Services	3,174	0	2.07%	66	11	3,251
677	Comm Svcs Tier 1	60	0	10.60%	6	0	66	677	Comm Svcs Tier 1	66	0	12.64%	8	-1	73
679	Cost Reimbursable Svc	0	0	1.40%	0	0	0	679	Cost Reimbursable Svc	0	0	1.50%	0	0	0
680	Purchases from Building Maintenance	0	0	24.16%	0	0	0	680	Purchases from Building Maintenance P	0	0	24.16%	0	0	0
699	Total Purchases	4,950	0		121	497	5,568	699	Total Purchases	5,568	0		146	-4	5,710
701	MHC Cargo	0	0	1.40%	0	0	0	701	MHC Cargo	0	0	1.70%	0	0	0
707	MHC Training	0	0	10.70%	0	0	0	707	MHC Training	0	0	-2.80%	0	0	0
711	MHC Cargo	0	0	15.40%	0	0	0	711	MHC Cargo	0	0	26.90%	0	0	0
721	MTMC Post Handling	0	0	15.40%	0	0	0	721	MTMC Post Handling	0	0	26.90%	0	0	0
771	Commercial Transportation	6,536	11	1.40%	92	-650	5,989	771	Commercial Transportation	5,989	0	1.50%	90	3	6,082
799	Total Transportation	6,536	11		92	-650	5,989	799	Total Transportation	5,989	0		90	3	6,082
90X	Civ Pay Reimburs Host	3,291,217	0	0.50%	16,981	-121,865	3,291,333	90X	Civ Pay Reimburs Host	3,291,333	0	0.00%	0	-80,795	3,210,538
901	Foreign Nat Ins Hire	52,497	0	0.50%	762	-1,456	51,103	901	Foreign Nat Ins Hire	51,103	0	0.00%	0	-1,696	49,407
902	Separation Liability	615	0	0.50%	3	469	1,087	902	Separation Liability	1,087	0	0.00%	0	22	1,109
912	Rental Pay to GSA	25	0	1.40%	0	-25	0	912	Rental Pay to GSA	0	0	1.50%	0	0	0
913	Purchased Utilities	451	0	1.40%	6	0	457	913	Purchased Utilities	457	0	1.50%	7	2	466
914	Purchased Communica	3,257	0	1.40%	73	-1,981	3,349	914	Purchased Communica	3,349	0	1.50%	50	3	3,402
915	Rents non GSA	14,033	70	1.40%	197	7,232	21,532	915	Rents non GSA	21,532	0	1.50%	323	15	21,870
917	Postal Svcs	463	0	1.40%	6	71	540	917	Postal Svcs	540	0	1.50%	8	1	549
920	Supplies & Mat	795,154	679	3.30%	26,264	89,659	910,756	920	Supplies & Mat	910,756	0	3.50%	31,977	-11,671	930,962
921	Printing & Reproduct	9,808	0	1.40%	138	484	10,430	921	Printing & Reproduct	10,430	0	1.50%	154	9	10,595
922	Equip Maint Contract	114,686	49	1.40%	1,606	912	117,253	922	Equip Maint Contract	117,253	0	1.50%	1,759	98	119,110
923	Facility Maint Contract	110,281	394	1.40%	1,549	-25,176	87,038	923	Facility Maint Contract	87,038	0	1.50%	1,306	28	88,372
924	Pharmacy	1,424,570	0	3.30%	47,010	-16,156	1,455,424	924	Pharmacy	1,455,424	0	3.50%	50,939	92,466	1,598,829
925	Equip Purchases	317,088	164	3.30%	10,469	-85,805	241,916	925	Equip Purchases	241,916	0	3.50%	8,468	59,360	309,744
926	Overseas Purchases	0	0	1.40%	0	0	0	926	Overseas Purchases	0	0	1.50%	0	0	0
930	Other Depot Maint	15	0	1.40%	0	0	15	930	Other Depot Maint	15	0	1.50%	0	0	15
931	Contract Consultants	0	0	1.40%	0	0	0	931	Contract Consultants	0	0	1.50%	0	0	0
932	Mgmt & Prof Spt Svc	15,307	0	1.40%	214	1	15,522	932	Mgmt & Prof Spt Svc	15,522	0	1.50%	232	-1,862	13,892
933	Studies Analysis Eval	7,153	0	1.40%	100	0	7,253	933	Studies Analysis Eval	7,253	0	1.50%	109	-4,257	3,105
934	Engineering Tech Svc	0	0	1.40%	0	0	0	934	Engineering Tech Svc	0	0	1.50%	0	0	0
937	Fuel	8	0	11.30%	1	1	10	937	Fuel	10	0	1.50%	0	0	10
995	Other Costs (Medical Care)	182,317	3,344	3.30%	6,127	-7,418	184,370	995	Other Costs (Medical Care)	184,370	1,161	3.50%	6,494	265,291	457,316
960	Other Costs (Interest and Dividends)	139	0	1.40%	2	0	141	960	Other Costs (Interest and Dividends)	141	0	1.50%	2	0	143
964	Other Costs (Subsistence and Support	637	0	1.40%	9	0	646	964	Other Costs (Subsistence and Support o	646	0	1.50%	10	0	656
984	Equipment Contracts	0	0	1.40%	0	0	0	984	Equipment Contracts	0	0	1.50%	0	0	0
985	Research and Development Contracts	0	0	1.40%	0	0	0	985	Research and Development Contracts	0	0	1.70%	0	0	0
986	Medical Care Contracts	1,173,989	7	3.30%	38,742	-210,103	1,002,629	986	Medical Care Contracts	1,002,629	0	3.50%	35,991	-164,292	873,428
987	Other Intra-Government Purchases	432	0	1.40%	6	0	438	987	Other Intra-Government Purchases	438	0	1.50%	7	0	445
988	Grants	3,307	0	1.40%	46	-3,353	0	988	Grants	0	0	1.50%	0	0	0
989	Other Contracts	167,958	2,445	1.40%	2,386	-17,016	155,753	989	Other Contracts	155,753	0	1.50%	2,316	32,505	190,594
990	IT Contract Support Services	11,556	0	1.40%	162	-1,305	10,413	990	IT Contract Support Services	10,413	0	1.50%	157	-235	10,315
999	Total Purchases	7,803,957	7,142		152,359	-394,050	7,569,408	999	Total Purchases	7,569,408	1,161		139,331	184,972	7,894,872
9999	TOTAL	8,027,578	7,198		156,916	-409,815	7,781,877	9999	TOTAL	7,781,877	1,368		141,004	224,607	8,148,856

**Defense Health Program  
Operation and Maintenance  
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**I. Description of Operations Financed:** This Budget Activity Group provides for all medical and dental care plus pharmaceuticals received by DoD-eligible beneficiaries in the private sector. This includes the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Program, the TRICARE Managed Care Support Contracts (MCSC), the Uniformed Services Family Health Program (USFHP), the TRICARE Overseas Program, the Supplemental Care Program, TRICARE Mail Order Pharmacy, the National Retail Pharmacy, TRICARE Reserve Select (TRS) which is a premium based program for Reserves and their family members, and various support activities.

**Pharmaceuticals:** Purchased Health Care: Includes pharmaceutical costs associated with contractual pharmacy services providing authorized benefits to eligible beneficiaries via the TRICARE Mail Order Pharmacy Program (TMOP).

**National Retail Pharmacy:** Includes pharmaceutical costs associated with contractual pharmacy services providing authorized benefits to eligible beneficiaries via the TRICARE Retail Pharmacy (TRRx) program. TRRx provides network pharmaceutical prescription benefits for medications from local economy establishments.

**TRICARE Managed Care Support Contracts (MCSC):** The TRICARE Managed Care Support Contracts provide a managed care program which integrates a standardized health benefits package with military medical treatment facilities and civilian network providers on a regional basis. With the full deployment of TRICARE, all but a small portion of the standard Civilian Health and Medical Program of the Uniformed Services benefits have been absorbed into the MCSC. Includes health care costs provided in civilian facilities and by private practitioners to retired military personnel and authorized family members of Active Duty, retired, or deceased military service members.

**Military Treatment Facility (MTF) Enrollees Purchased Care:** Includes underwritten costs for providing health care benefits to the Military Treatment Facility Prime enrollees in the private sector as authorized under the Civilian Health and Medical Program of the Uniformed Services.

**Dental Purchased Care:** Includes the government paid portion of insurance premiums which provides dental benefits in civilian facilities and by private practitioners for the beneficiaries who are enrolled in the Dental Program. Beneficiaries eligible for enrollment are: (a) Active Duty family members; and, (b) Select Reservists or Individual Ready Reservist (IRR) and their family members.

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**Uniformed Services Family Health Program (USFHP):** Provides TRICARE-like benefits authorized through contracts with designated civilian hospitals in selected geographic markets to beneficiaries who reside in one of these markets and who are enrolled in the program.

**Supplemental Care - Health Care:** This program provides the TRICARE Prime benefit to Active Duty Service Members and other designated eligible patients who receive health care services in the civilian sector and non-DoD facilities either referred or non-referred from the MTF including emergency care. This program also covers health care sought in the civilian sector or non-DoD facilities due to Active Duty assignments in remote locations under TRICARE Prime Remote. Care to Active Duty members stationed overseas who receive health care in the private sector paid under this program will appear in the Overseas Purchased Health Care program element.

**Supplemental Care - Dental:** Provides for uniform dental care and administrative cost for Active Duty members receiving dental care services in the civilian sector to include Veteran Administration facilities. All dental claims are managed, paid and reported by the Military Medical Support Office (MMSO) or through contractual services.

**Continuing Health Education/Capitalization of Assets (CHE/CAP):** Provides for support of graduate medical education and capital investment within civilian facilities that provide services to the Military Health Care System and Medicare.

**Overseas Purchased Health care:** Includes coverage for delivery of TRICARE Prime benefits in civilian facilities by private practitioners to eligible Active Duty and Active Duty family members through the TRICARE Overseas and Global Remote Overseas programs. The program also includes health care provided to retiree and retiree family members residing overseas who are eligible under the TRICARE Standard option and Medicare programs. The Supplemental Care program which funds health care provided in the private sector to Active Duty members and other designated eligible patients records costs for the overseas beneficiaries in this program element.

**Miscellaneous Purchased Health Care:** Provides for payments of health care services in civilian facilities by private practitioners not captured in other specifically defined elements. Includes administrative, management, and health care costs for Alaska claims, Custodial Care, Continuing Health Care Benefits Program, Dual-Eligible Beneficiaries Program, TMA managed demonstrations and congressionally directed health care programs, and the TRICARE Reserve Select program which is a premium based option available to Selected

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Reservists and their family members. The qualifying Dual-Eligible Beneficiaries claims are paid by the Medicare-Eligible Retiree Health Care Fund (MERHCF).

**Miscellaneous Support Activities:** Provides for payments of costs for functions or services in support of health care delivery not actual health care. Contracts for marketing and education functions, claims auditing, e-Commerce and the National Quality Monitoring Service are reflected in this program element.

**II. Force Structure Summary:** Approximately 9.6 million DoD beneficiaries are eligible to receive care under private sector care programs, including approximately 2.1 million Medicare eligible beneficiaries. Excluded from the budget figures presented are health care costs for military retirees, retiree family members and survivors who qualify and receive benefits through the Medicare program. These costs are paid from the Medicare-Eligible Retiree Health care Fund (MERHCF). The MCSCs provide a uniform, triple-option health care plan to eligible beneficiaries, allowing them to enroll in the health maintenance organization (HMO) type plan known as TRICARE Prime, or utilize a civilian preferred provider network (TRICARE Extra), or remain with the Standard Civilian Health and Medical Program of the Uniformed Services benefit (TRICARE Standard).

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**III. Financial Summary (\$ in Thousands):**

	FY 2010 Actuals	Budget Request	FY 2011 <u>Congressional Action</u>		Current Appropriation	Current Estimate	FY 2012 Estimate
			Amount	Percent			
<b>A. <u>Subactivities</u></b>							
1. Pharmaceuticals Purchased Health Care	323,953	320,885	0	0%	320,885	320,885	391,514
2. National Retail Pharmacy	1,885,198	1,853,760	0	0%	1,853,760	1,853,760	1,984,627
3. Managed Care Support Contracts	6,663,455	7,376,503	0	0%	7,376,503	7,376,503	7,203,021
4. MTF Enrollee Purchased Care	2,321,367	2,977,883	0	0%	2,977,883	2,977,883	2,947,481
5. Dental Purchased Care	334,546	354,505	0	0%	354,505	354,505	403,540
6. Uniformed Services Family Health Program	365,014	423,380	0	0%	423,380	423,380	455,714
7. Supplemental Care - Health Care	1,314,300	1,573,663	0	0%	1,573,663	1,573,663	1,642,260
8. Supplemental Care - Dental	170,840	144,021	0	0%	144,021	144,021	207,082
9. Continuing Health Education/Capitalizatio	318,320	336,156	0	0%	336,156	336,156	341,764
10. Overseas Purchased Health care	272,799	302,044	0	0%	302,044	302,044	313,650
11. Miscellaneous Purchased Health Care	291,604	261,825	0	0%	261,825	261,825	404,609
12. Miscellaneous Support Activities	<u>63,614</u>	<u>110,120</u>	<u>0</u>	<u>0%</u>	<u>110,120</u>	<u>110,120</u>	<u>82,010</u>
Total	14,325,010	16,034,745	0	0%	16,034,745	16,034,745	16,377,272

**Notes:**

1. FY 2010 actuals include \$530.567 for Overseas Contingency Operations (OCO) under DoD Supplemental Appropriations Act of 2010, Public Law 111-118, and \$28.175M from DoD Supplemental Appropriations Act of 2010, Public Law 111-112
2. FY 2011 President's Budget Request excludes \$538.376M for OCO.
3. FY 2012 Request excludes \$464.869M for OCO.
4. Excluded from the figures above are the receipts from the DoD Medicare Eligible Retiree Health Care Fund, in the amount of \$6,777.565M in FY 2010. Excluded are projections for MERHCF in FY 2011 of approximately \$7,597.400M and in FY 2012 \$7,997.411M to pay for purchased health care.

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<b>B. <u>Reconciliation Summary</u></b>	<u>Change FY 2011/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<b>Baseline Funding</b>	16,034,745	16,034,745
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
<b>Subtotal Appropriated Amount</b>	<b>16,034,745</b>	<b>n/a</b>
OCO and Other Supplemental Appropriations	538,376	n/a
Fact-of-Life Changes	0	n/a
<b>Subtotal Baseline Funding</b>	<b>16,573,121</b>	<b>n/a</b>
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-538,376	n/a
<b>Revised Current Estimate</b>	<b>16,034,745</b>	<b>16,034,745</b>
Price Change	n/a	561,217
Functional Transfers	n/a	-7,600
Program Changes	<u>n/a</u>	<u>-211,090</u>
<b>Current Estimate</b>	<b>16,034,745</b>	<b>16,377,272</b>

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		(\$ in Thousands)	
		<u>Amount</u>	<u>Totals</u>
<b>C. Reconciliation of Increases and Decreases</b>			
<b>FY 2011 President's Budget Request</b>			<b>16,034,745</b>
1.	Congressional Adjustments		0
a.	Distributed Adjustments	0	
b.	Undistributed Adjustments	0	
c.	Adjustments to meet Congressional Intent	0	
d.	General Provisions	0	
<b>FY 2011 Appropriated Amount</b>			<b>16,034,745</b>
2.	OCO and Other Supplemental Appropriations		538,376
3.	Fact of Life Changes		0
a.	Functional Transfers	0	
b.	Technical Adjustments	0	
c.	Emergent Requirements	0	
<b>FY 2011 Baseline Funding</b>			<b>16,573,121</b>
4.	Reprogrammings (requiring 1415 Actions)		0
a.	Increases	0	
b.	Decreases	0	
5.	Less: OCO and Other Supplemental Appropriations		-538,376
<b>Current Estimate for FY 2011</b>			<b>16,034,745</b>
6.	Price Change		561,217
7.	Transfers		-7,600
a.	Transfers In	0	
b.	Transfers Out	-7,600	
1)	Third Generation of TRICARE Contracts (T3) Support:	-7,600	
	Realignment of funding to support programming revisions under T3 versions of MCSC within the automated eligibility systems used by the Military Health System.		



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<u>C. Reconciliation of Increases and Decreases</u>	<u>(\$ in Thousands)</u>	
	<u>Amount</u>	<u>Totals</u>
8. Program Increases		1,402,548
a. Annualization of New FY 2011 Program	0	
b. One-Time FY 2012 Costs	14,253	
1) OCO to Base - Transfer of Navy Individual Augmentees: Realigns 3,836 temporary Navy Individual Augmentees and funding from FY 2012 OCO request to the FY 2012 base budget request.	14,253	
c. Program Growth in FY 2012		1,388,295
1) Utilization of Managed Care Support Contracts: Cost increases are the result of 1.04% growth in health care users and 5.62% increased utilization of health care benefits by all users as well as sustaining the increased users from Active Duty end-strength growth, additional retirees and their family members who are now using TRICARE as their primary health care plan.	743,114	
2) Federal Ceiling Pricing: Revised estimates for cost savings projections under initiative enacted for achieving reimbursement paid to the government from prescriptions filled by civilian pharmacies implementing maximum rates per Federal Ceiling Pricing standards. FY 2011 Retail Pharmacy Funding Baseline: \$1,853.8M.	379,052	
3) Pharmacy: Cost increases are the result of 1.93% growth in new users and 3.74% increased utilization of the pharmacy benefits by all users as well as sustaining the increase in users resulting from active duty end-strength growth, additional retirees and their family members who are now using TRICARE as their primary health care plan. FY 2011 PSC Pharmacy Funding Baseline: \$2,174.6M.	128,771	
4) TRICARE Reserve Select (TRS): Increase in government costs due to rise in enrollment above previous projections. FY 2011 TRS Funding Baseline: \$201.0M.	137,358	

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(\$ in Thousands)

**C. Reconciliation of Increases and Decreases**

	<u>Amount</u>	<u>Totals</u>
9. Program Decreases		-1,613,638
a. One-Time FY 2011 Costs	0	
b. Annualization of FY 2011 Program Decreases	0	
c. Program Decreases in FY 2012	-1,613,638	
1) Change in Growth Projections:	-1,383,777	
Decrease in requirements resulting from lower baseline costs per claim and slower growth pattern of eligibles as retirees age into Medicare at age 65 with claims paid by the Medicare-Eligible Retiree Health Care Fund (MERHCF).		
2) Patient Centered Medical Home:	-25,574	
Reduction to PSC requirements for assumed increases in workload within the In-House Care BAG under the Patient Center Medical Home concept.		
3) Clear and Legible Reporting:	-20,071	
Transfer of requirement to In-House Care BAG for oversight of Clear and Legible Reporting duties.		
4) Fraud, Waste and Abuse Activities:	-14,620	
Additional incremental estimated savings over FY 2011 from initiatives designed to improve identification and verification of waste, fraud and abuse within the TRICARE pharmacy and health care programs.		
5) Secretary of Defense Efficiencies - Front End Assessment (FEA)-Personnel, Pharmacy Co-Pay adjustment:	-106,421	
Assumed savings resulting from proposal to adjust pharmacy co-pays for working age retirees and families at retail establishments to incentivize use of Military Treatment Facility pharmacy locations and mail order. FY 2011 PSC Pharmacy Funding Baseline: \$2,171.6M		

**Defense Health Program  
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(\$ in Thousands)

**C. Reconciliation of Increases and Decreases**

	<u>Amount</u>	<u>Totals</u>
6) Secretary of Defense Efficiencies - FEA-Personnel, Enrollment Fees: Assumed savings resulting from proposal to increase current enrollment fees. The fees will apply to working age retirees and families.	-31,398	
7) Secretary of Defense Efficiencies - FEA-Personnel, Medicare Rates at Sole Community Hospitals: Projected savings resulting from proposal to adhere to Medicare reimbursement rates for inpatient and outpatient services rendered at Sole Community Hospitals.	-31,000	
8) Secretary of Defense Efficiencies - FEA-Logistics, Medical Supply Chain Sourcing Optimization: Approves the logistics efficiency to optimize medical supply chain sourcing; adjusts TRICARE Mail Order Pharmacy based on these optimization initiatives. FY 2011 Pharmaceuticals (Mail Order) Funding Baseline: \$320.9M.	-777	

FY 2012 Budget Request

16,377,272

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

	FY 2010	FY 2011	FY 2012	Change	Change
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>	<u>FY 2010/FY 2011</u>	<u>FY 2011/FY 2012</u>
<b>Uniformed Services Family Health Services</b>	<b>102,631</b>	<b>105,616</b>	<b>110,108</b>	<b>2,985</b>	<b>4,492</b>
Enrollees (Non-MERHCF, DoD only)	65,345	67,303	70,771	1,958	3,468
Enrollees (MERHCF, DoD only)	37,286	38,313	39,337	1,027	1,024

**Exhibit OP-5, Private Sector Care  
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**Defense Health Program**  
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V. Personnel Summary:

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S)</u>					
Officer	0	0	0	0	0
Enlisted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Military	0	0	0	0	0
 <u>Active Military Average Strength(A/S)</u>					
Officer	0	0	0	0	0
Enlisted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Military	0	0	0	0	0
 <u>Civilian FTEs</u>					
U.S. Direct Hire	0	0	0	0	0
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	0	0	0	0	0
Foreign National Indirect Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Civilian	0	0	0	0	0
 Average Civilian Salary (\$000's)	0.000	0.000	0.000		
 <u>Contractor FTEs (Total)</u>	0	0	0	0	0

VI. Outyear Summary: N/A

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

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	Private Sector Care	FY2010 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY2011 Program	Line	Private Sector Care	FY2011 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY2012 Program
308	Travel of Persons	1,428	0	1.40%	20	-1,448	0	308	Travel of Persons	0	0	1.50%	0	0	0
399	Total Travel	1,428	0		20	-1,448	0	399	Total Travel	0	0		0	0	0
401	DFSC Fuel	0	0	11.30%	0	0	0	401	DFSC Fuel	0	0	2.97%	0	0	0
402	Service Fund Fuel	0	0	11.30%	0	0	0	402	Service Fund Fuel	0	0	2.97%	0	0	0
411	Army Sup & Mat	0	0	4.51%	0	0	0	411	Army Sup & Mat	0	0	1.34%	0	0	0
412	Navy Sup & Mat	0	0	3.23%	0	0	0	412	Navy Sup & Mat	0	0	3.64%	0	0	0
414	AF Sup & Mat	0	0	2.26%	0	0	0	414	AF Sup & Mat	0	0	-0.97%	0	0	0
415	DLA Sup & Mat	0	0	2.07%	0	0	0	415	DLA Sup & Mat	0	0	1.46%	0	0	0
416	GSA Sup & Mat	0	0	1.40%	0	0	0	416	GSA Sup & Mat	0	0	1.50%	0	0	0
417	Local Proc Sup & Mat	0	0	1.40%	0	0	0	417	Local Proc Sup & Mat	0	0	1.50%	0	0	0
418	Air Force Retail Supply	0	0	1.40%	0	0	0	418	Air Force Retail Supply	0	0	5.43%	0	0	0
499	Total Sup & Mat	0	0		0	0	0	499	Total Sup & Mat	0	0		0	0	0
502	Army Fund Equipmt	0	0	4.51%	0	0	0	502	Army Fund Equipmt	0	0	1.34%	0	0	0
503	Navy Fund Equipmt	0	0	3.23%	0	0	0	503	Navy Fund Equipmt	0	0	0.64%	0	0	0
505	AF Fund Equipmt	0	0	2.29%	0	0	0	505	AF Fund Equipmt	0	0	-0.97%	0	0	0
506	DLA Fund Equipmt	0	0	2.07%	0	0	0	506	DLA Fund Equipmt	0	0	1.46%	0	0	0
507	GSA Fund Equipmt	0	0	1.60%	0	0	0	507	GSA Fund Equipmt	0	0	1.50%	0	0	0
599	Total Fund Equipmt	0	0		0	0	0	599	Total Fund Equipmt	0	0		0	0	0
602	Army Depot Omd Maint	0	0	-1.55%	0	0	0	602	Army Depot Omd Maint	0	0	#####	0	0	0
611	Naval Surface War Ctr	0	0	2.38%	0	0	0	611	Naval Surface War Ctr	0	0	-3.63%	0	0	0
631	Naval Civil Engrs Ctr	0	0	1.77%	0	0	0	631	Naval Civil Engrs Ctr	0	0	+0.34%	0	0	0
632	Naval Pub & Fmt Svc	0	0	2.99%	0	0	0	632	Naval Pub & Fmt Svc	0	0	5.93%	0	0	0
634	Nav Pub Wks Ctr: Utilities	0	0	10.20%	0	0	0	634	Nav Pub Wks Ctr: Utilities	0	0	0.50%	0	0	0
635	Nav Pub Wks Ctr: Pub Wks	0	0	1.40%	0	0	0	635	Nav Pub Wks Ctr: Pub Wks	0	0	1.83%	0	0	0
647	DISA Enterprise Computer Centers	0	0	#####	0	0	0	647	DISA Enterprise Computer	0	0	#####	0	0	0
671	Communications Svc	0	0	0.60%	0	0	0	671	Communications Svc	0	0	-8.08%	0	0	0
673	Def Finance & Acct Svc	0	0	0.39%	0	0	0	673	Def Finance & Acct Svc	0	0	#####	0	0	0
675	DLA Disposition Services	0	0	2.07%	0	0	0	675	DLA Disposition Services	0	0	2.07%	0	0	0
677	Comm Svcs Tier 1	0	0	10.60%	0	0	0	677	Comm Svcs Tier 1	0	0	12.84%	0	0	0
679	Cost Reimbursable Svc	0	0	1.40%	0	0	0	679	Cost Reimbursable Svc	0	0	1.50%	0	0	0
680	Purchases from Buildings Maintenance	0	0	24.16%	0	0	0	680	Purchases from Buildings	0	0	24.16%	0	0	0
699	Total Purchases	0	0		0	0	0	699	Total Purchases	0	0		0	0	0
701	MHC Cargo	0	0	1.40%	0	0	0	701	MHC Cargo	0	0	1.70%	0	0	0
707	AMC Training	0	0	10.70%	0	0	0	707	AMC Training	0	0	-2.80%	0	0	0
711	MSC Cargo	0	0	19.40%	0	0	0	711	MSC Cargo	0	0	26.90%	0	0	0
721	MHC Port Handling	0	0	19.40%	0	0	0	721	MHC Port Handling	0	0	26.90%	0	0	0
771	Commercial Transportation	0	0	1.40%	0	0	0	771	Commercial Transportation	0	0	1.50%	0	0	0
799	Total Transportation	0	0		0	0	0	799	Total Transportation	0	0		0	0	0
90X	Civ Pay Reimburs Host	0	0	0.50%	0	0	0	90X	Civ Pay Reimburs Host	0	0	0.00%	0	0	0
901	Foreign Nat Ind Hse	0	0	0.50%	0	0	0	901	Foreign Nat Ind Hse	0	0	0.00%	0	0	0
902	Separation Liability	0	0	0.50%	0	0	0	902	Separation Liability	0	0	0.00%	0	0	0
912	Rental Pay to GSA	206	0	1.40%	3	-709	0	912	Rental Pay to GSA	0	0	1.50%	0	0	0
913	Purchased Utilities	0	0	1.40%	0	0	0	913	Purchased Utilities	0	0	1.50%	0	0	0
914	Purchased Communica	0	0	1.40%	0	0	0	914	Purchased Communica	0	0	1.50%	0	0	0
915	Rents non GSA	0	0	1.40%	0	0	0	915	Rents non GSA	0	0	1.50%	0	0	0
917	Postal Svcs	0	0	1.40%	0	0	0	917	Postal Svcs	0	0	1.50%	0	0	0
920	Supplies & Mat	439	0	1.40%	6	-445	0	920	Supplies & Mat	0	0	1.50%	0	0	0
921	Printing & Reproduct	5,115	0	1.40%	72	-5,187	0	921	Printing & Reproduct	0	0	1.50%	0	0	0
922	Equipmt Maint Contract	0	0	1.40%	0	0	0	922	Equipmt Maint Contract	0	0	1.50%	0	0	0
923	Facility Maint Contract	0	0	1.40%	0	0	0	923	Facility Maint Contract	0	0	1.50%	0	0	0
924	Pharmacy	2,209,151	0	3.30%	72,902	-107,408	2,174,645	924	Pharmacy	2,174,645	0	3.50%	76,113	125,383	2,376,141
925	Equipmt Purchases	325	0	1.40%	5	-330	0	925	Equipmt Purchases	0	0	1.50%	0	0	0
926	Overseas Purchases	0	0	1.40%	0	0	0	926	Overseas Purchases	0	0	1.50%	0	0	0
930	Other Depot Maint	0	0	1.40%	0	0	0	930	Other Depot Maint	0	0	1.50%	0	0	0
931	Contract Consultants	0	0	1.40%	0	0	0	931	Contract Consultants	0	0	1.50%	0	0	0
932	Mgmt & Prof Spt Svc	8,318	0	1.40%	116	-8,434	0	932	Mgmt & Prof Spt Svc	0	0	1.50%	0	0	0
933	Studies Analysis Eval	2,556	0	1.40%	36	-2,592	0	933	Studies Analysis Eval	0	0	1.50%	0	0	0
934	Engineering Tech Svc	0	0	1.40%	0	0	0	934	Engineering Tech Svc	0	0	1.50%	0	0	0
937	Fuel	0	0	11.30%	0	0	0	937	Fuel	0	0	1.50%	0	0	0
955	Other Costs (Medical Care)	9,160	0	3.30%	303	-9,463	0	955	Other Costs (Medical Car	0	0	3.50%	0	0	0
960	Other Costs (Interest and Dividends)	0	0	1.40%	0	0	0	960	Other Costs (Interest an	0	0	1.50%	0	0	0
964	Other Costs (Subsistence and Support)	0	0	1.40%	0	0	0	964	Other Costs (Subsistence	0	0	1.50%	0	0	0
984	Equipment Contracts	0	0	1.40%	0	0	0	984	Equipment Contracts	0	0	1.50%	0	0	0
985	Research and Development	0	0	1.40%	0	0	0	985	Research and Development	0	0	1.70%	0	0	0
986	Medical Care Contracts	12,955,910	0	3.30%	397,845	1,406,345	13,860,100	986	Medical Care Contracts	13,860,100	0	3.50%	485,104	-944,073	14,001,131
987	Other Intra-Government Purchases	6,466	0	1.40%	91	-6,557	0	987	Other Intra-Government P	0	0	1.50%	0	0	0
988	Grants	0	0	1.40%	0	0	0	988	Grants	0	0	1.50%	0	0	0
989	Other Contracts	12,580	0	1.40%	176	-12,756	0	989	Other Contracts	0	0	1.50%	0	0	0
990	IT Contract Support Services	13,136	0	1.40%	187	-13,523	0	990	IT Contract Support Serv	0	0	1.50%	0	0	0
999	Total Purchases	14,323,582	0		471,742	1,239,421	16,034,745	999	Total Purchases	16,034,745	0		561,217	-218,690	16,377,272
9999	TOTAL	14,325,010	0		471,762	1,237,973	16,034,745	9999	TOTAL	16,034,745	0		561,217	-218,690	16,377,272

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**I. Description of Operations Financed:** This Budget Activity Group comprises nine functions which support delivery of patient care worldwide:

**Examining Activities:** Resources required for 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 Medical Examination Review Board (DoDMERB).

**Other Health Activities:** Resources required for organizations and functions that support the provision of health care for Military Health System beneficiaries. Examples include central medical laboratories; medical services squadrons; Navy Medicine Regional Commands; public affairs; and the Women, Infants and Children (WIC) Program.

**Military Public/Occupational Health:** Resources required for 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, health surveillance, community health nursing, medical intelligence, disease and climate illness, disease prevention and control, and injury surveillance.

**Veterinary Services:** Resources required for 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, procedures involving animals in clinical investigation departments, and control of zoonotic and veterinary public health diseases.

**Military Unique - Other Medical Activities:** Resources required for 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 labs; optical repair and fabrication laboratories; pandemic influenza preparedness; medical logistics offices; medical support offices; medical materiel activities; and plans, operation and training offices in military treatment facilities. Beginning in FY 2012, funding will support the remaining missions of the Armed Forces Institute of

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Pathology (Medical Examiner, DNA Registry and Accident Investigation, Legal Medicine, Clinical Lab, and Patient Safety).

**Aeromedical Evacuation System:** Resources required for the operation and administration of the Aeromedical Evacuation System and the costs associated with intra- and inter-theater patient transportation.

**Service Support to Other Health Activities:** Support to TRANSCOM.

**Armed Forces Institute of Pathology (AFIP):** Resources required for manpower, equipment, facilities and the associated operation and maintenance of the AFIP. Due to BRAC, the AFIP is closed as of 1 October 2011 (FY 2012) and funding will move to the Joint Pathology Center and Military Unique/Other Medical Activities to support the remaining missions of AFIP (Medical Examiner, DNA Registry and Accident Investigation, and Legal Medicine, Clinical Lab, and Patient Safety).

**Joint Pathology Center (JPC):** NDAA 2008, Section 722 directs establishment of the JPC by FY 2012 as the reference center in pathology for the Federal Government. Resources required for manpower, equipment, facilities, and the associated operation and maintenance of the JPC will move from the AFIP.

**II. Force Structure Summary:** Consolidated Health Support includes a variety of Program Elements 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 but that are not included in other program elements.

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**III. Financial Summary (\$ in Thousands):**

A. <u>Subactivities:</u>	FY 2010 <u>Actuals</u>	Budget <u>Request</u>	FY 2011		Current <u>Appropriation</u>	Current <u>Estimate</u>	FY 2012 <u>Estimate</u>
			<u>Congressional Action</u>				
			<u>Amount</u>	<u>Percent</u>			
1. Examining Activities	72,757	74,290	0	0%	74,290	74,290	77,120
2. Other Health Activities	474,945	803,380	0	0%	803,380	803,380	840,083
3. Military Public/Occupational Health	379,368	335,919	0	0%	335,919	335,919	346,696
4. Veterinary Services	31,772	37,174	0	0%	37,174	37,174	32,745
5. Military Unique-Other Med Activities	760,548	753,278	0	0%	753,278	753,278	839,467
6. Aeromedical Evacuation System Service Spt to Other Health Activities-	67,848	51,880	0	0%	51,880	51,880	36,501
7. TRANSCOM	1,018	1,417	0	0%	1,417	1,417	1,121
8. Armed Forces Institute of Pathology (AFIP)	78,588	65,145	0	0%	65,145	65,145	0
9. Joint Pathology Center (JPC)	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>	<u>20,088</u>
Total	1,866,844	2,122,483	0	0%	2,122,483	2,122,483	2,193,821

**Notes:**

1. FY 2010 actuals include \$124.477M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriations Act, FY 2010, Public Law 111-118.
2. FY 2011 President's Budget Request excludes \$128.412M for OCO.
3. FY 2012 Request excludes \$95.994M for OCO.
4. FY 2012 reflects the BRAC directed closure of the Armed Forces Institute of Pathology (AFIP), with funding realigned to the Joint Pathology Center (JPC) and Military Unique/Other Medical Activities to support the remaining missions of AFIP.



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<b>B. <u>Reconciliation Summary:</u></b>	<b>Change <u>FY 2011/2011</u></b>	<b>Change <u>FY 2011/2012</u></b>
<b>Baseline Funding</b>	2,122,483	2,122,483
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments (General Provisions)	0	0
<b>Subtotal Appropriated Amount</b>	<b>2,122,483</b>	<b>n/a</b>
OCO and Other Supplemental Appropriations	128,412	n/a
Fact-of-Life Changes	0	n/a
<b>Subtotal Baseline Funding</b>	<b>2,250,895</b>	<b>n/a</b>
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-128,412	n/a
<b>Revised Current Estimate</b>	<b>2,122,483</b>	<b>2,122,483</b>
Price Change	n/a	28,236
Functional Transfers	n/a	218
Program Changes	n/a	<u>42,884</u>
<b>Current Estimate</b>	<b>2,122,483</b>	<b>2,193,821</b>

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	<u>( \$ in Thousands)</u>	
<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<b>FY 2011 President's Budget Request</b>		<b>2,122,483</b>
1. Congressional Adjustments		0
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	0	
<b>FY 2011 Appropriated Amount</b>		<b>2,122,483</b>
2. OCO and Other Supplemental Appropriations		128,412
3. Fact of Life Changes		0
a. Functional Transfers	0	
b. Technical Adjustments	0	
c. Emergent Requirements	0	
<b>FY 2011 Baseline Funding</b>		<b>2,250,895</b>
4. Reprogrammings (Requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: OCO and Other Supplemental Appropriations		-128,412
<b>Current Estimate for FY 2011</b>		<b>2,122,483</b>
6. Price Change		28,236
7. Transfers		218
a. Transfers In		42,309
1) Transfer from Warrior Transition Command (WTC) to DHP:	42,309	
Transfer manpower and dollars associated with the US Army WTC from		
Army (OMA) to the DHP. Includes 90 Civilian FTEs.		

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		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
b. Transfers Out			-42,091
1) Army Substance Abuse Program (ASAP) Transfer:	-28,200		
Transfers Army ASAP responsibilities and resources from the US Army Medical Command (MEDCOM) to the US Army Installation Command (IMCOM). Includes 141 Civilian FTEs.			
2) State Directors of Psychological Health Transfer:	-9,065		
Transfers funding for the State Directors of Psychological Health program to Army National Guard from the Defense Health Program.			
3) Medical Installation Transfers to Commander, Navy Installations Command (CNIC):	-4,664		
Transfers resources and responsibility for Class 1 and 2 Real Property, Base Operating Support, Installation Management, and fully funds associated resourcing to Commander, Navy Installations Command (CNIC) from the Defense Health Program for six Bureau of Medicine (BUMED) sites. Includes 3 Civilian FTEs.			
4) Transfer from DHP to Army Installation Command (IMCOM):	-162		
Transfers responsibilities, management, and oversight of garrison operations for the US Army Garrison, Fort Detrick from the US Army Medical Command (MEDCOM) to the US Army Installation Management Command (IMCOM). Includes one Civilian FTE.			
8. Program Increases			149,631
a. Annualization of New FY 2011 Program		0	
b. One-Time FY 2012 Costs		0	
c. Program Growth in FY 2012		149,631	
1) Sustainment of Biodefense Vaccines:	44,200		
Acquisition, storage, and shipment of anthrax and smallpox vaccines to protect and ensure readiness of military personnel.			
2) Funding Adjustments and Realignment:	34,533		
Includes civilian manpower adjustments, central program transfers and PE realignments to reflect accurate execution.			

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		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
3) Pandemic Influenza Medical Materiel and Biosurveillance Readiness: For purchase of vaccine doses, new anti-virals, and Personal Protective Equipment; to store existing anti-virals; and to expand the biosurveillance mission of Pandemic Influenza. FY 2011 Funding Baseline: \$51.5M.	33,300		
4) Joint Incentive Fund (JIF): National Defense Authorization Act (NDAA) 2010, Section 1706 extends the JIF through September 30, 2015.	15,000		
5) Hearing Center of Excellence (HCOE): Establish the HCOE and Registry which tracks the diagnosis, surgical intervention/operative procedure, other treatment, and follow up for each case of hearing loss and auditory system injury incurred by a member of the Armed Forces while serving on active duty. Cost includes manpower; facility costs for labs, offices, renovation; outfitting with furniture and equipment; travel; registry support (software, hardware, site support); and research support for studies, office supplies, medical supplies. FY 2011 Funding Baseline: \$4.951M.	7,575		
6) Readiness Enhancements: Programmatic increases due to increased execution over prior years in the following areas: Armed Services Blood Program, Global Emerging Infectious Disease Surveillance (GEIS), Industrial Hygiene Services, Occupational Health Services, and Force Health Protection items (Avian Flu and Malaria vaccine).	6,255		
7) Non-Pay Non-Fuel Purchases Inflation: Adjusts the funding for non-pay, non-fuel purchases based on revised rates.	4,297		
8) Military Entrance Processing Command (MEPCOM): Funds increased cost to sustain adequate level of staff and operations (consults and tests) and life cycle replacement of equipment at Military Entrance Processing Centers. FY 2011 Baseline: \$6.004M.	2,676		

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**Exhibit OP-5, Consolidated Health Support  
(Page 7 of 11)**

**Defense Health Program  
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		( \$ in Thousands)	
		<u>Amount</u>	<u>Totals</u>
<b>C. <u>Reconciliation of Increases and Decreases</u></b>			
9) Joint Basing Transfer:			
Transfer of Joint Basing Medical Functions between Army and Air Force Defense Health Program Activities. Implements agreements on specific installation support services that MTFs provide at joint-base sites. Includes 10 Civilian FTEs.	804		
10) Secretary of Defense Efficiencies - Civilian Manpower Freeze and Exceptions:			
Adds civilian FTEs and associated funding for the Secretary of Defense approved exceptions to the civilian manpower freeze.			
9. Program Decreases			-106,747
a. One-Time FY 2011 Costs			
b. Annualization of FY 2011 Program Decreases		0	
c. Program Decreases in FY 2012		-106,747	
1) Civilian Pay Raise Adjustment	-24,234		
Adjusts civilian personnel funding to reflect no pay raise for FY 2011 and FY 2012 consistent with direction to freeze Federal pay at the FY 2010 level for the next 2 years.			
2) Budget Activity Group Funding Realignment:	-18,000		
Funding realignment to the Management Activities Budget Activity Group to reflect proper execution of Patient Administration Systems and Biostatistics Activity (PASBA) and Medical Expense Performance Reporting Systems.			
3) Budget Activity Group Funding Realignment:	-12,825		
Funding realignment to the Management Activities Budget Activity Group to reflect proper execution of the Health Insurance Portability and Accountability Act (HIPAA) and Beneficiary Advisory Panel (BAP) programs.			
4) One Less Day Paid:	-3,074		
Adjusts for one less civilian pay day in FY 2012. FY 2011 Funding Baseline: \$802.3M.			

**Defense Health Program  
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		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
5) Wounded Warrior: Realigns funding to multiple Budget Activity Groups (In-House Care and Base Operations and Communications) for Traumatic Brain Injury/Psychological (TBI/PH) to reflect actual execution.	-2,641		
6) Civilian to Military Conversion Restoral: Incremental funding transfer to Service MILPERS accounts to restore military authorizations previously programmed as military to civilian conversions, as required by Section 721 of NDAA 2008.	-2,289		
7) Secretary of Defense Efficiencies - Reducing Reliance on DoD Service Support Contractors: Directs the components to reduce funding used to acquire service support contracts by 10% per year over the next three years from their reported FY 2010 levels. FY 2012 reduction is 20% and FY 2013 reduction is 30%. These efficiencies will have no impact on direct healthcare delivery. FY 2011 Funding Baseline: \$117.168M.	-23,110		
8) Secretary of Defense Efficiencies - Reports, Studies, Boards and Commissions Review: Directs the Components to reduce funding for advisory studies by 25% below the FY 2010 levels. Reductions are based upon self-reported "Advisory and Assistance Service" data from "Studies Analysis and Evaluation" activities. These efficiencies will have no impact on direct healthcare delivery. FY 2011 Funding Baseline: \$24.0M.	-12,620		
9) Secretary of Defense Efficiencies - TRICARE Management Activity (TMA) - Baseline Review: Directs TMA to streamline operations by consolidating activities into a follow-on Military Health System Support Activity consisting of four divisions: 1) Uniformed Services University of the Health Sciences (USUHS), 2) TRICARE health plan, 3) Health Management Support, and 4) Shared Services. Direction will reduce redundancy, capitalize shared services efficiencies, and better align similar missions across the enterprise. As a result, beginning in FY 2012,	-7,883		

**Defense Health Program  
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( \$ in Thousands)

**C. Reconciliation of Increases and Decreases**

Amount                      Totals

24 Civilian FTEs and 364 Contractor positions will be eliminated. FY 2011 DHP Contract Services Funding Baseline: \$3,005.6M.

10) Secretary of Defense Efficiencies - DFAS Baseline Review to Eliminate Civilian Personnel Positions: -71  
Reduced payments to DFAS due to DFAS elimination of multiple positions beginning in FY 2012 to reduce personnel and budget costs without impacting mission accomplishment.

**FY 2012 Budget Request**

**2,193,821**

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

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2010/2011</u>	<u>Change FY 2011/2012</u>
Active Duty Force Structure	1,425,000	1,432,400	1,408,300	7,400	-24,100
MEPS Workload (000's)	333	387	387	54	0
Spectacles/Inserts fabricated (000's)	1,723	1,766	1,816	43	50
Veterinary Lab procedures (000's)	185	220	260	35	40

**Defense Health Program  
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<u>V. Personnel Summary</u>	<u>FY 2010</u>	<u>FY 2010</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S)</u>					
Officer	2,781	2,879	2,902	98	23
Enlisted	<u>6,376</u>	<u>6,608</u>	<u>6,595</u>	<u>232</u>	<u>-13</u>
Total Military	9,157	9,487	9,497	330	10
 <u>Active Military Average Strength(A/S)</u>					
Officer	2,642	2,830	2,891	188	61
Enlisted	<u>5,990</u>	<u>6,492</u>	<u>6,602</u>	<u>502</u>	<u>110</u>
Total Military	8,632	9,322	9,493	690	171
 <u>Civilian FTEs</u>					
U.S. Direct Hire	7,527	9,052	9,009	1,525	-43
Foreign National Direct Hire	<u>135</u>	<u>131</u>	<u>110</u>	<u>-4</u>	<u>-21</u>
Total Direct Hire	7,662	9,183	9,119	1,521	-64
Foreign National Indirect Hire	<u>461</u>	<u>462</u>	<u>457</u>	<u>1</u>	<u>-5</u>
Total Civilian	8,123	9,645	9,576	1,522	-69
 Average Civilian Salary (\$000's)	82.133	83.184	82.480		
 <u>Contractor FTEs (Total)</u>	1,820	1,733	1,625	-87	-108

VI. Outyear Summary: N/A

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



DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2013 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2013 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	Consolidated Health Support	FY2010 Program	Foreign Currency Adjust	Price Growth Percent	Program Growth Amount	FY2011 Program	Line	Consolidated Health Support	FY2011 Program	Foreign Currency Adjust	Price Growth Percent	Program Growth Amount	FY2012 Program	
398	Travel of Persons	69,041	33	1.40%	966	-494	69,546	398	Travel of Persons	69,546	0	1.50%	1,043	-953
399	Total Travel	69,041	33		966	-494	69,546	399	Total Travel	69,546	0		1,043	-953
401	DFSC Fuel	37	0	11.30%	5	2	44	401	DFSC Fuel	44	0	2.97%	1	-6
402	Service Fund Fuel	0	0	11.30%	0	1	402	Service Fund Fuel	1	0	2.97%	0	0	
411	Army Sup & Mat	498	0	4.51%	18	-403	23	411	Army Sup & Mat	23	0	1.34%	0	23
412	Navy Sup & Mat	203	0	3.23%	7	6	216	412	Navy Sup & Mat	216	0	0.64%	1	218
414	AF Sup & Mat	0	0	3.26%	0	0	0	414	AF Sup & Mat	0	0	-0.97%	0	0
415	DIA Sup & Mat	85	0	2.07%	2	45	132	415	DIA Sup & Mat	132	0	1.46%	2	134
416	GSA Sup & Mat	951	0	1.40%	13	-114	550	416	GSA Sup & Mat	550	0	1.50%	8	558
417	Local Proc Sup & Mat	6	0	1.40%	0	0	6	417	Local Proc Sup & Mat	6	0	1.50%	0	6
418	Air Force Retail Supply	0	0	1.40%	0	0	0	418	Air Force Retail Supply	0	0	5.43%	0	0
499	Total Sup & Mat	1,690	0		45	-763	972	499	Total Sup & Mat	972	0		12	-5
502	Army Fund Equip	258	0	4.51%	12	47	317	502	Army Fund Equip	317	0	1.34%	4	10
503	Navy Fund Equip	0	0	3.23%	0	0	0	503	Navy Fund Equip	0	0	0.64%	0	0
505	AF Fund Equip	334	0	3.26%	8	-242	0	505	AF Fund Equip	0	0	-0.97%	0	0
506	DLA Fund Equip	3	0	2.07%	0	-3	0	506	DLA Fund Equip	0	0	1.46%	0	0
507	GSA Fund Equip	2,600	0	1.60%	41	-2,363	278	507	GSA Fund Equip	278	0	1.50%	4	282
599	Total Fund Equip	3,095	0		61	-2,561	595	599	Total Fund Equip	595	0		8	10
602	Army Depot Cmd Maint	0	0	-1.55%	0	0	0	602	Army Depot Cmd Maint	0	0	#####	0	0
611	Naval Surface War Ctr	0	0	2.38%	0	0	0	611	Naval Surface War Ctr	0	0	-3.63%	0	0
631	Naval Civil Engrg Ctr	0	0	1.77%	0	0	0	631	Naval Civil Engrg Ctr	0	0	-0.34%	0	0
633	Naval Pub & Print Svc	1,750	0	2.99%	52	343	2,145	633	Naval Pub & Print Svc	2,145	0	5.93%	127	-122
634	Nav Pub Wks Ctr: Utilities	0	0	10.20%	0	0	0	634	Nav Pub Wks Ctr: Utilities	0	0	0.50%	0	0
635	Nav Pub Wks Ctr: Pub Wks	0	0	1.40%	0	0	0	635	Nav Pub Wks Ctr: Pub Wks	0	0	1.80%	0	0
647	DISA Enterprise Computer Centers	0	0	#####	0	0	0	647	DISA Enterprise Computer Centers	0	0	#####	0	0
671	Communications Svc	11	0	0.60%	0	1	12	671	Communications Svc	12	0	-8.06%	-1	1
673	Def Finance & Acct Svc	0	0	0.39%	0	0	0	673	Def Finance & Acct Svc	0	0	#####	0	0
675	DLA Disposition Services	0	0	2.07%	0	0	0	675	DLA Disposition Services	0	0	2.07%	0	0
677	Cost Svcs Tier 1	0	0	10.50%	0	0	0	677	Cost Svcs Tier 1	0	0	12.64%	0	0
679	Cost Reimbursement Svc	0	0	1.40%	0	0	0	679	Cost Reimbursement Svc	0	0	1.50%	0	0
680	Purchases from Building Maintenance	0	0	24.16%	0	0	0	680	Purchases from Building Maintenance	0	0	24.16%	0	0
699	Total Purchases	1,761	0		52	344	2,157	699	Total Purchases	2,157	0		126	-121
701	MHC Cargo	0	0	1.40%	0	0	0	701	MHC Cargo	0	0	1.70%	0	0
707	AME Training	0	0	10.70%	0	0	0	707	AME Training	0	0	-2.80%	0	0
711	MSC Cargo	613	0	15.40%	94	0	707	711	MSC Cargo	707	0	26.90%	190	-81
721	MTMC Port Handling	0	0	15.40%	0	0	0	721	MTMC Port Handling	0	0	26.90%	0	0
771	Commercial Transportation	33,698	42	1.40%	472	132	34,344	771	Commercial Transportation	34,344	0	1.50%	514	57
799	Total Transportation	34,311	42		566	132	35,051	799	Total Transportation	35,051	0		704	-24
90X	Civ Pay Reimburse Host	640,505	0	0.50%	3,203	132,059	775,767	90X	Civ Pay Reimburse Host	775,767	0	0.00%	0	-12,616
901	Foreign Nat Ind Hire	26,553	0	0.50%	132	-240	26,445	901	Foreign Nat Ind Hire	26,445	0	0.00%	0	-266
902	Separation Liability	108	0	0.50%	0	-9	99	902	Separation Liability	99	0	0.00%	0	1
912	Rental Pay to GSA	2,766	0	1.40%	33	1,981	912	Rental Pay to GSA	1,981	0	1.50%	28	-2	
913	Purchased Utilities	524	0	1.40%	7	-317	214	913	Purchased Utilities	214	0	1.50%	3	218
914	Purchased Communica	6,268	1	1.40%	88	-34	6,323	914	Purchased Communica	6,323	0	1.50%	95	-1,866
915	Rents non GSA	4,375	0	1.40%	61	-2,224	2,212	915	Rents non GSA	2,212	0	1.50%	34	-37
917	Postal Svcs	2	7	1.40%	0	73	82	917	Postal Svcs	82	0	1.50%	1	83
920	Supplies & Mat	224,404	110	1.40%	3,143	36,990	264,647	920	Supplies & Mat	264,647	0	1.50%	3,969	76,904
921	Printing & Reproduct	708	0	1.40%	9	118	835	921	Printing & Reproduct	835	0	1.50%	13	1
922	Equip Maint Contract	5,888	17	1.40%	82	3,435	9,422	922	Equip Maint Contract	9,422	0	1.50%	142	-1,078
923	Facility Maint Contract	2,947	1	1.40%	41	7,607	10,596	923	Facility Maint Contract	10,596	0	1.50%	159	1
924	Pharmacy	0	0	3.30%	0	0	0	924	Pharmacy	0	0	3.50%	0	0
925	Equip Purchases	85,253	57	1.40%	1,195	-49,340	38,175	925	Equip Purchases	38,175	0	1.50%	573	-3,538
926	Overseas Purchases	94	0	1.40%	0	0	95	926	Overseas Purchases	95	0	1.50%	1	96
930	Other Depot Maint	421	0	1.40%	6	-327	100	930	Other Depot Maint	100	0	1.50%	1	101
931	Contract Consultants	0	0	1.40%	0	0	0	931	Contract Consultants	0	0	1.50%	0	0
932	Mgmt & Prof Spc Svc	129,383	0	1.40%	1,812	6,215	137,410	932	Mgmt & Prof Spc Svc	137,410	0	1.50%	2,061	-24,722
933	Studies Analysis Eval	23,844	0	1.40%	334	-164	24,014	933	Studies Analysis Eval	24,014	0	1.50%	361	-15,673
934	Engineering Tech Svc	0	0	1.40%	0	0	0	934	Engineering Tech Svc	0	0	1.50%	0	0
937	Fuel	18	0	11.30%	2	2	22	937	Fuel	22	0	1.50%	0	-6
955	Other Costs (Medical Care)	28,641	0	3.30%	946	226,369	255,950	955	Other Costs (Medical Care)	255,950	0	3.50%	8,958	58,327
960	Other Costs (Interest and Dividends)	24	0	1.40%	0	0	24	960	Other Costs (Interest and Dividends)	24	0	1.50%	0	-24
964	Other Costs (Subsistence and Support)	909	0	1.40%	13	0	922	964	Other Costs (Subsistence and Support)	922	0	1.50%	14	0
984	Equipment Contracts	0	0	1.40%	0	0	0	984	Equipment Contracts	0	0	1.50%	0	0
985	Research and Development Contracts	0	0	1.40%	0	0	0	985	Research and Development Contracts	0	0	1.70%	0	0
986	Medical Care Contracts	196,513	1	3.30%	6,485	-50,744	152,255	986	Medical Care Contracts	152,255	0	3.50%	5,330	18,379
987	Other Intra-Government Purchases	19,227	0	1.40%	260	0	19,496	987	Other Intra-Government Purchases	19,496	0	1.50%	292	0
988	Grants	0	0	1.40%	0	0	0	988	Grants	0	0	1.50%	0	0
989	Other Contracts	341,031	944	1.40%	4,787	-76,753	270,009	989	Other Contracts	270,009	0	1.50%	4,050	-48,112
990	IT Contract Support Services	16,930	0	1.40%	237	0	17,167	990	IT Contract Support Services	17,167	0	1.50%	259	-1,589
999	Total Purchases	1,756,946	1,138		22,886	233,192	2,014,162	999	Total Purchases	2,014,162	0		26,343	44,185
9999	TOTAL	1,866,844	1,213		24,576	229,850	2,127,483	9999	TOTAL	2,127,483	0		28,236	43,102

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**I. Description of Operations Financed:** This Budget Activity Group provides for the Information Management/Information Technology resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. This program includes the following:

**Service Medical IM/IT:** Includes funding for non-centrally managed, service medical Information Management/Information Technology (IM/IT) programs in the following functional areas: 1) Service medical funded support for functional area applications (service unique information systems); 2) Communications & computing infrastructure to include long haul/wide area communications, office automation and video teleconferencing; 3) related technical activities, which includes spectrum management, data administration, development of architectures, facilitation of interoperability and technical integration; and 4) Information assurance, which includes all efforts that protect and defend information and information systems by ensuring their availability, integrity, authentication, confidentiality and non-repudiation.

**DHP IM/IT Support Programs:** Includes funding for IM/IT services in support of the Military Health system (MHS). These services are in support of the Military Health System Chief Information Officer and can be contracted out or provided by other DoD agencies. Services deliver modifications to contractor owned IM/IT systems to meet congressional and other mandated changes; changes or modifications to other DoD agencies IM/IT systems to comply with changes in medical regulatory guidance; commercially purchased IM/IT related services that enable the Managed Care Support Contracts to meet compliance requirements; and funding to support centrally managed office automation, video-teleconferencing and related technical activities. Excludes funding for centrally managed and service medical IM/IT systems including acquisition of centrally developed systems.

**Tri-Service IM/IT:** Includes funding for tri-service IM/IT programs for program management, system and infrastructure sustainment, annual software licensing fees, and software and hardware maintenance fees. Major tri-service initiatives include: 1) AHLTA which is DoD's current Electronic Health Record (EHR) serving as one of the world's largest clinical information systems that provides secure, 24x7, worldwide online access to patients' medical records, making it a key enabler of military medical readiness; 2) Electronic Health Record (EHR) Way Ahead is the proposed Major Automated Information System program designed to replace/sunset the current portfolio of systems providing initial EHR capability (AHLTA and CHCS). EHR Way Ahead will provide a comprehensive, longitudinal, electronic health record that is available anytime anywhere; 3) Theater Medical Information Program - Joint (TMIP-J): Integrates the military health information systems to ensure timely interoperable medical support for mobilization, deployment and sustainment of missions in the theater environment. TMIP-J adapts medical information systems to Theater specific requirements; 4) Defense Medical

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Logistics Standard Support (DMLSS): Provides integrated supply chain and life cycle management for pharmaceuticals, medical supplies, equipment, health facilities, and services. Additionally, DMLSS enables medical logistics support to the Force Health Protection mission for the MHS; 5) Executive Information/Decision Support (EI/DS): Receives and stores data from MHS systems, processes those data through a variety of business rules, and makes the data available, in various data marts, to managers, clinicians, and analysts for the management of the business of health care; and 6) Defense Occupational and Environmental Health Readiness System - Industrial Hygiene (DOEHRS-IH): Assembles, stores and evaluates data on personnel occupational exposure information, environment monitoring, protective equipment usage, work practices, and health hazard education. Funding for other significant tri-service initiatives include, but are not limited to: Defense Medical Human Resources System (internet); the Patient Accounting System (PAS); Enterprise Blood Management System (EBMS); TRICARE On Line (TOL); Patient Safety Reporting (PSR), and the Joint Electronic Health Record Interoperability (JEHRI) for the DoD portion of the joint DoD/VA sharing initiative. Resources also support MHS communications and computing infrastructure under MHS Cyber Infrastructure Services (MCiS) Division (which includes the previously known Tri-Service Infrastructure Management Program Office (TIMPO)). MCiS manages the associated implementation of three basic components: (1) a wide area network (WAN) deployed to all TRICARE regions, to provide communication support for all medical information systems; (2) a local area network (LAN), to provide unified backbone networks within military treatment facilities; and (3) centralized network management, to include capacity planning, configuration management and security integration.

**II. Force Structure Summary:** This program funds concept exploration, management and sustainment of automated information systems, communications & computing infrastructure, related technical activities and information assurance supporting military medical readiness and promoting quality healthcare services to members of the armed forces, their families, and others entitled to DoD healthcare.

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**III. Financial Summary (\$ in Thousands):**

	FY 2011							FY 2012 Estimate
	FY 2010 Actuals	Budget Request	Congressional Action		Current Appropriation	Current Estimate		
<b>A. Subactivities</b>			Amount	Percent				
1. Service Medical IM/IT	550,346	521,908	0	0%	521,908	521,908	536,870	
2. DHP IM/IT Support Programs	98,898	115,624	0	0%	115,624	115,624	112,960	
3. Tri-Service IM/IT	<u>696,583</u>	<u>814,798</u>	<u>0</u>	<u>0%</u>	<u>814,798</u>	<u>814,798</u>	<u>772,867</u>	
Total	1,345,827	1,452,330	0	0%	1,452,330	1,452,330	1,422,697	

**Notes:**

1. FY 2010 actuals include \$6.124M for Overseas Contingency (OCO) under the Department of Defense Appropriations Act of 2010, Public Law 111-118.
2. FY 2011 President's Budget Request excludes \$2.286M for OCO.
3. FY 2012 Request excludes \$5.548M for OCO.
4. Excludes Departmental DoD Medicare-Eligible Retiree Health Care Fund (MERHCF) for FY 2010 of \$4.944M, FY 2011 of \$12.800M, and FY 2012 of \$13.248M.

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<b>B. <u>Reconciliation Summary</u></b>	<b>Change <u>FY 2011/FY 2011</u></b>	<b>Change <u>FY 2011/FY 2012</u></b>
<b>Baseline Funding</b>	1,452,330	1,452,330
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
<b>Subtotal Appropriated Amount</b>	<b>1,452,330</b>	<b>n/a</b>
OCO and Other Supplemental Appropriations	2,286	n/a
Fact-of-Life Changes	0	n/a
<b>Subtotal Baseline Funding</b>	<b>1,454,616</b>	<b>n/a</b>
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-2,286	n/a
<b>Revised Current Estimate</b>	<b>1,452,330</b>	<b>1,452,330</b>
Price Change	n/a	20,848
Functional Transfers	n/a	-8,794
Program Changes	n/a	-41,687
<b>Current Estimate</b>	<b>1,452,330</b>	<b>1,422,697</b>

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	(\$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<b>FY 2011 President's Budget Request</b>		<b>1,452,330</b>
1. Congressional Adjustments		0
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	0	
<b>FY 2011 Appropriated Amount</b>		<b>1,452,330</b>
2. OCO and Other Supplemental Appropriations		2,286
3. Fact of Life Changes		0
a. Functional Transfers	0	
b. Technical Adjustments	0	
c. Emergent Requirements	0	
<b>FY 2011 Baseline Funding</b>		<b>1,454,616</b>
4. Reprogrammings (requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: OCO and Other Supplemental Appropriations		-2,286
<b>Current Estimate for FY 2011</b>		<b>1,452,330</b>
6. Price Change		20,848
7. Transfers		-8,794
a. Transfers In	0	
b. Transfers Out	-8,794	
1) Transfer from DHP to Secretary of the Army:	-7,001	
Transfer of Army Medical Command manpower and dollar resources to Installation Management Command and Garrison Operations(-\$1.5M) and to Army Network Enterprise Technology Command(-\$5.5M and -40 civilian FTEs)for Fort Detrick.		

**Defense Health Program  
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		(\$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
2)	Transfer from DHP to Secretary of the Navy: Transfer of Naval Bureau of Medicine manpower and dollar resources to Commander, Naval Installations Command for Portsmouth, Beaufort, San Diego, Bremerton, Guam, and Bethesda medical facilities (-\$1.8M and -3 civilian FTEs).	-1,793	
8.	Program Increases		40,888
a.	Annualization of New FY 2011 Program		0
b.	One-Time FY 2012 Costs		0
c.	Program Growth in FY 2012		40,888
1)	Funding Realignment:	32,817	
	Realigns funding from other Budget Activity Groups to IM/IT Budget Activity Group to support proper execution. Realignments include: increased sustainment for critical service military treatment facility network security and web-based applications; Theater Medical Information Program; Defense Medical Human Resource System-internet (single-sign-on); Defense Occupational and Environmental Health Readiness System - Industrial Hygiene; Defense Medical Logistics Standard System Theater and service oriented architecture implementation; enhanced capabilities for blood management; tracking of In-House and Private Sector Care workload; accounting, medical surveillance; Business Modernization Program functions (\$2.5M); customer rate adjustments due to Department's methodology changes from fee-for-service to Defense Working Capital Fund (DWCF) rates and DWCF capital reductions (\$0.02M); and an increase in customer funding from Defense Information Systems network Subscription Services (\$0.8M).		

**Defense Health Program  
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		(\$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
		4,580	
2)	EHR Way Ahead: Provides funding support for the Analysis of Alternatives for the Department of Defense (DoD) Electronic Health Record to define the preferred alternative; initiate acquisition planning and program management activities; and continue risk reduction efforts including the Clinical Data Repository Stabilization which allows the DoD and the Veterans Affairs to share protected electronic health information. FY 2011 Funding Baseline: \$120.3M.		
3)	Wounded Warrior: Provides funding for IT development for the Wounded, Ill and Injured program including associated development and implementation efforts for clinical case management; Neuro Cognitive Assessment Tool (NCAT) and behavioral health notes; and access to radiographic images supporting infrastructure requirements for improved data sharing with the Veteran's Administration.	2,881	
4)	AHLTA: Provides funding to support transition training for Armed Forces Health Longitudinal Technology Application (AHLTA) block upgrades.	610	
9.	Program Decreases		-82,575
a.	One-time FY 2011 Costs		0
b.	Annualization of New FY 2011 Program		0
c.	Program Decreases in FY 2012		-82,575
1)	Secretary of Defense Efficiencies - TMA Baseline Review: Directs the Director for TRICARE Management Activity (TMA) to streamline operations by consolidating activities into a follow-on Military Health System Support Activity consisting of four divisions: 1) Uniformed Services University of the Health	-33,255	



**Defense Health Program  
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		(\$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
<p>Sciences (USUHS), 2) TRICARE health plan, 3) Health Management Support, and 4) Shared Services and to reduce 364 Contractor positions beginning in FY 2012. Directs the USD(P&amp;R) to reduce redundancy, capitalize shared services efficiencies and to better align similar missions across the P&amp;R enterprise and to eliminate 24 civilian full-time equivalents (-\$33.3M). FY 2011 DHP Contract Services Funding Baseline: \$3,005.6M.</p>			
2)	<p>Non-EHR Way Ahead Realignments: Realigns funding from sustainment operations to Research, Development, Test and Evaluation and Procurement in support of systems' capability enhancements including reduction in Composite Health Care System (CHCS) sustainment for on-site support transitioning to AHLTA; the completion of sustainment efforts supporting Enterprise Blood Management System development/implementation; a decrease of Theater Medical Information Program - Joint (TMIP-J) sustainment due to transition of medical logistics support in theater to Defense Medical Logistics Standard Support (DMLSS). Also realigns operations and sustainment funding for Managed Care Forecasting and Analysis System Data Analysts (-\$0.8M) and Computer/Electronic Accommodations Program (-\$1.1 and -7 civilian FTEs) to the Management Activities Budget Group.</p>	-26,946	
3)	<p>Secretary of Defense Efficiencies - Reducing Reliance on DoD Service Support Contractors: Directs the components to reduce funding used to acquire service support contracts by 10% per year over the next three years from their reported FY 2010 levels. FY 2012 reduction is 20% and FY 2013 reduction is 30% (-\$18.591M). FY 2011 Funding Baseline: \$94.3M.</p>	-18,591	
4)	<p>Secretary of Defense Efficiencies - Reports, Studies, Boards</p>	-2,129	

**Defense Health Program  
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		(\$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
and Commissions Review:			
Directs the Components to reduce funding for advisory studies by 25% below the FY 2010 levels. Reductions are based upon self-reported PB-15 exhibit "Advisory and Assistance Service" data and are from "Studies Analysis and Evaluation" activities (-\$2.129M). FY 2011 Funding Baseline: \$40.8M.			
5) Civilian to Military Conversions:		-1,038	
Incremental funding transfer to service MILPERS accounts to restore military authorizations previously programmed as military to civilian conversions, as required by Sec. 721 of the FY 2008 NDAA.			
6) One Less Pay Day:		-616	
Adjusts funding for one less civilian pay day in FY 2012. FY11 Funding Baseline: \$160.811M.			
<b>FY 2012 Budget Request</b>			<b>1,422,697</b>

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

An Electronic Health Record Usability Satisfaction Survey is currently under development using questions from the American Academy of Family Physicians and from customized Military Health Systems focus groups. A future performance baseline will be established upon deployment of this survey from which performance criteria will be reported.

**Defense Health Program  
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**V. Personnel Summary:**

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S)</u>					
Officer	158	153	152	-5	-1
Enlisted	<u>343</u>	<u>354</u>	<u>353</u>	<u>11</u>	<u>-1</u>
Total Military	501	507	505	6	-2
 <u>Active Military Average Strength(A/S)</u>					
Officer	155	156	153	1	-3
Enlisted	<u>333</u>	<u>349</u>	<u>354</u>	<u>16</u>	<u>5</u>
Total Military	488	505	507	17	2
 <u>Civilian FTEs</u>					
U.S. Direct Hire	1,658	1,642	1,601	-16	-41
Foreign National Direct Hire	<u>10</u>	<u>11</u>	<u>11</u>	<u>1</u>	<u>0</u>
Total Direct Hire	1,668	1,653	1,612	-15	-41
Foreign National Indirect Hire	<u>36</u>	<u>42</u>	<u>38</u>	<u>6</u>	<u>-4</u>
Total Civilian	1,704	1,695	1,650	-9	-45
 Average Civilian Salary (\$000's)	93.222	94.874	94.762		
 <u>Contractor FTEs (Total)</u>	1,970	1,794	1,917	-176	123

**VI. Outyear Summary: N/A**

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

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	Information Management	Foreign				FY2011 Program	Line	Information Management	Foreign				FY2012 Program		
		FY2010 Program	Currency Adjust	Price Growth Percent	Program Amount				FY2011 Program	Currency Adjust	Price Growth Percent	Program Amount			
308	Travel of Persons	4,777	1	1.40%	-660	4,044	308	Travel of Persons	4,044	0	1.50%	61	2	4,107	
359	Total Travel	4,777	1		-660	4,044	399	Total Travel	4,044	0		61	2	4,107	
401	DESC Fuel	21	0	11.30%	2	0	23	401	DESC Fuel	23	0	2.97%	1	2	26
402	Service Fund Fuel	0	0	11.30%	0	0	0	402	Service Fund Fuel	0	0	2.97%	0	0	0
411	Army Sup & Mat	19	0	4.51%	1	0	20	411	Army Sup & Mat	20	0	1.34%	0	1	21
412	Navy Sup & Mat	110	0	3.23%	4	3	117	412	Navy Sup & Mat	117	0	0.64%	1	3	121
414	AF Sup & Mat	0	0	3.26%	0	0	0	414	AF Sup & Mat	0	0	-0.97%	0	0	0
415	DLA Sup & Mat	95	0	2.07%	1	0	96	415	DLA Sup & Mat	96	0	1.46%	1	0	97
416	GSA Sup & Mat	164	0	1.40%	3	-65	167	416	GSA Sup & Mat	166	0	1.50%	2	0	168
417	Local Proc Sup & Mat	184	0	1.40%	2	0	186	417	Local Proc Sup & Mat	186	0	1.50%	2	0	188
418	Alt Force Retail Supply	0	0	1.40%	0	0	0	418	Alt Force Retail Supply	0	0	5.13%	0	0	0
499	Total Sup & Mat	543	0		13	-62	494	499	Total Sup & Mat	484	0		7	6	497
502	Army Fund Equip	39	0	4.51%	4	-103	0	502	Army Fund Equip	0	0	1.34%	0	0	0
503	Navy Fund Equip	0	0	3.23%	0	0	0	503	Navy Fund Equip	0	0	0.64%	0	0	0
505	AF Fund Equip	0	0	3.26%	0	0	0	505	AF Fund Equip	0	0	-0.97%	0	0	0
506	DLA Fund Equip	0	0	2.07%	0	0	0	506	DLA Fund Equip	0	0	1.46%	0	0	0
507	GSA Fund Equip	1,941	0	1.60%	31	-1,289	683	507	GSA Fund Equip	683	0	1.50%	10	1	694
599	Total Fund Equip	2,040	0		35	-1,392	683	599	Total Fund Equip	683	0		10	1	694
602	Army Depot Ord Maint	0	0	-1.55%	0	0	0	602	Army Depot Ord Maint	0	0	#####	0	0	0
611	Naval Surface War Ctr	0	0	2.38%	0	0	0	611	Naval Surface War Ctr	0	0	-3.63%	0	0	0
631	Naval Civil Engrs Ctr	0	0	1.77%	0	0	0	631	Naval Civil Engrs Ctr	0	0	-0.34%	0	0	0
633	Naval Pub & Print Svc	619	0	2.99%	18	-372	265	633	Naval Pub & Print Svc	265	0	5.93%	16	-4	277
634	Nav Pub Wks Ctr Utilities	0	0	10.20%	0	0	0	634	Nav Pub Wks Ctr Utilities	0	0	0.50%	0	0	0
635	Nav Pub Wks Ctr Pub Wks	0	0	1.43%	0	0	0	635	Nav Pub Wks Ctr Pub Wks	0	0	1.80%	0	0	0
647	DISA Enterprise Computer Centers	0	0	#####	0	0	0	647	DISA Enterprise Computer Centers	0	0	#####	0	0	0
671	Communications Svc	0	0	0.60%	0	42	42	671	Communications Svc	42	0	-8.06%	-3	3	42
673	Def Finance & Acct Svc	0	0	0.39%	0	0	0	673	Def Finance & Acct Svc	0	0	#####	0	0	0
675	DLA Disposition Services	0	0	2.07%	0	0	0	675	DLA Disposition Services	0	0	2.07%	0	0	0
677	Comm Svcs Tier 1	0	0	10.60%	0	0	0	677	Comm Svcs Tier 1	0	0	12.64%	0	0	0
679	Cost Reimbursable Svc	0	0	1.40%	0	0	0	679	Cost Reimbursable Svc	0	0	1.50%	0	0	0
680	Purchases from Building Maintenance	0	0	24.16%	0	0	0	680	Purchases from Building Maintenance	0	0	24.16%	0	0	0
699	Total Purchases	619	0		18	-330	307	699	Total Purchases	307	0		13	-1	319
701	MSC Cargo	0	0	1.40%	0	0	0	701	MSC Cargo	0	0	1.70%	0	0	0
707	AMC Training	0	0	10.70%	0	0	0	707	AMC Training	0	0	-2.80%	0	0	0
711	MSC Cargo	0	0	15.40%	0	0	0	711	MSC Cargo	0	0	26.50%	0	0	0
721	MIMC Port Handling	0	0	15.40%	0	0	0	721	MIMC Port Handling	0	0	26.90%	0	0	0
771	Commercial Transportation	94	1	1.40%	1	-5	81	771	Commercial Transportation	81	0	1.50%	1	3	85
799	Total Transportation	94	1		1	-5	81	799	Total Transportation	81	0		1	3	85
908	Civ Pay Reimburs Host	156,632	0	0.50%	765	711	156,128	908	Civ Pay Reimburs Host	158,128	0	0.00%	0	-4,134	153,994
901	Foreign Nat Ind Hire	2,120	0	0.50%	11	471	2,602	901	Foreign Nat Ind Hire	2,602	0	0.00%	0	-319	2,283
902	Separation Liability	95	0	0.50%	0	-18	81	902	Separation Liability	81	0	0.00%	0	0	81
912	Rental Pay to GSA	6,137	0	1.40%	86	-1	6,222	912	Rental Pay to GSA	6,222	0	1.50%	93	-6	6,309
913	Purchased Utilities	689	0	1.40%	10	-689	0	913	Purchased Utilities	0	0	1.50%	0	0	0
914	Purchased Communica	17,010	0	1.40%	239	2,134	19,383	914	Purchased Communica	19,383	0	1.50%	291	21	19,695
915	Rents non GSA	2,518	0	1.40%	22	479	2,019	915	Rents non GSA	2,019	0	1.50%	39	500	2,549
917	Postal Svcs	0	0	1.40%	0	0	0	917	Postal Svcs	0	0	1.50%	0	0	0
920	Supplies & Mat	20,024	0	1.40%	280	-2,428	17,895	920	Supplies & Mat	17,895	0	1.50%	268	800	18,963
921	Printing & Reproduct	944	0	1.40%	14	461	1,469	921	Printing & Reproduct	1,469	0	1.50%	21	2	1,492
922	Equip Maint Contract	7,723	0	1.40%	109	-1,331	6,501	922	Equip Maint Contract	6,501	0	1.50%	98	204	6,803
923	Facility Maint Contract	0	0	1.40%	0	65	65	923	Facility Maint Contract	65	0	1.50%	1	0	66
924	Pharmacy	0	0	3.30%	0	0	0	924	Pharmacy	0	0	3.50%	0	0	0
925	Equip Purchases	63,153	0	1.40%	885	6,567	70,605	925	Equip Purchases	70,605	0	1.50%	1,059	7,150	78,814
926	Overseas Purchases	0	0	1.40%	0	0	0	926	Overseas Purchases	0	0	1.50%	0	0	0
930	Other Depot Maint	0	0	1.40%	0	0	0	930	Other Depot Maint	0	0	1.50%	0	0	0
931	Contract Consultants	0	0	1.40%	0	0	0	931	Contract Consultants	0	0	1.50%	0	0	0
937	Mgmt & Prof Spt Svc	39,529	0	1.40%	554	-2,250	37,833	937	Mgmt & Prof Spt Svc	37,833	0	1.50%	568	-4,712	33,689
934	Studies Analysis Eval	4,663	0	1.40%	65	0	4,728	934	Studies Analysis Eval	4,728	0	1.50%	71	-2,585	2,214
934	Engineering Tech Svc	0	0	1.40%	0	0	0	934	Engineering Tech Svc	0	0	1.50%	0	0	0
937	Fuel	0	0	11.30%	0	0	0	937	Fuel	0	0	1.50%	0	0	0
955	Other Costs (Medical Care)	72,798	0	3.30%	2,402	-2,000	73,200	955	Other Costs (Medical Care)	73,200	0	3.50%	2,562	11,582	87,344
960	Other Costs (Interest and Dividends)	170	0	1.40%	3	-2	171	960	Other Costs (Interest and Dividends)	171	0	1.50%	3	-40	134
964	Other Costs (Subsistence and Support)	28	0	1.40%	0	0	28	964	Other Costs (Subsistence and Support)	28	0	1.50%	0	0	28
984	Equipment Contracts	0	0	1.40%	0	0	0	984	Equipment Contracts	0	0	1.50%	0	0	0
985	Research and Development Contracts	0	0	1.40%	0	0	0	985	Research and Development Contracts	0	0	1.70%	0	0	0
986	Medical Care Contracts	228	0	3.30%	8	0	236	986	Medical Care Contracts	236	0	3.50%	8	1	245
987	Other Intra-Government Purchases	9,795	0	1.40%	137	0	9,932	987	Other Intra-Government Purchases	9,932	0	1.50%	149	0	10,081
988	Grants	0	0	1.40%	0	0	0	988	Grants	0	0	1.50%	0	0	0
989	Other Contracts	330,315	59	1.40%	4,625	-37,359	297,640	989	Other Contracts	297,640	0	1.50%	4,464	-13,917	288,187
990	IT Contract Support Services	604,139	0	1.40%	8,458	125,396	737,993	990	IT Contract Support Services	737,993	0	1.50%	11,070	-45,039	704,024
999	Total Purchases	1,337,774	68		18,059	90,196	1,446,731	999	Total Purchases	1,446,731	0		20,756	-50,492	1,416,995
9999	TOTAL	1,345,627	70		18,926	87,607	1,452,330	9999	TOTAL	1,452,330	0		20,846	-50,481	1,422,697

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
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.

**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 headquarters 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 MHS, 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 Surgeon's staff at Air Force Major Commands.

**Defense Health Program  
Operation and Maintenance  
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Management Activities**

**III. Financial Summary (\$ in Thousands):**

	FY 2011						
	<u>Congressional Action</u>				Current Appropriation	Current Estimate	FY 2012 Estimate
	FY 2010 Actuals	Budget Request	Amount	Percent			
<b>A. <u>Subactivities</u></b>							
1. Management Headquarters	118,847	106,897	0	0%	106,897	106,897	114,295
2. TRICARE Management Activity	209,054	184,382	0	0%	184,382	184,382	197,807
3. BMMP Domain Management & Systems Integration	<u>2,399</u>	<u>2,419</u>	<u>0</u>	<u>0%</u>	<u>2,419</u>	<u>2,419</u>	<u>0</u>
Total	330,300	293,698	0	0%	293,698	293,698	312,102

Notes:

1. FY 2010 actuals include \$0.823M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriation Act, FY 2010, Public Law 111-118.
2. FY 2011 President's Budget Request excludes \$0.518M for OCO.
3. FY 2012 Request excludes \$0.751M for OCO.

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Management Activities**

<b>B. <u>Reconciliation Summary</u></b>	<u>Change FY 2011/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<b>Baseline Funding</b>	293,698	293,698
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
<b>Subtotal Appropriated Amount</b>	<b>293,698</b>	<b>n/a</b>
OCO and Other Supplemental Appropriations	518	n/a
Fact-of-Life Changes	0	n/a
<b>Subtotal Baseline Funding</b>	<b>294,216</b>	<b>n/a</b>
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-518	n/a
<b>Revised Current Estimate</b>	<b>293,698</b>	<b>293,698</b>
Price Change	n/a	1,996
Functional Transfers	n/a	-363
Program Changes	n/a	<u>16,771</u>
<b>Current Estimate</b>	<b>293,698</b>	<b>312,102</b>

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Management Activities**

		(\$ in Thousands)	
		<u>Amount</u>	<u>Totals</u>
<b>C. <u>Reconciliation of Increases and Decreases</u></b>			
<b>FY 2011 President's Budget Request</b>			<b>293,698</b>
1.	Congressional Adjustments		0
a.	Distributed Adjustments	0	
b.	Undistributed Adjustments	0	
c.	Adjustments to meet Congressional Intent	0	
d.	General Provisions	0	
<b>FY 2011 Appropriated Amount</b>			<b>293,698</b>
2.	OCO and Other Supplemental Appropriations		518
3.	Fact of Life Changes		0
a.	Functional Transfers	0	
b.	Technical Adjustments	0	
c.	Emergent Requirements	0	
<b>FY 2011 Baseline Funding</b>			<b>294,216</b>
4.	Reprogrammings (requiring 1415 Actions)		0
a.	Increases	0	
b.	Decreases	0	
5.	Less: OCO and Other Supplemental Appropriations		-518
<b>Current Estimate for FY 2011</b>			<b>293,698</b>
6.	Price Change		1,996
7.	Transfers		-363
a.	Transfers In	0	
b.	Transfers Out	-274	
1)	Transfer from DHP to Secretary of the Army: Transfer of resources for the establishment of the Office of Business Transformation (OBT) to the Office of the Secretary of the Army (2 Civilian FTEs).		
2)	Transfer from DHP to Secretary of the Army: Transfer of responsibilities and resources of the Army Substance Abuse Program (ASAP) to the Army Installation Command (IMCOM) (1 Civilian FTE).	-89	

Exhibit OP-5, Management Activities  
(Page 4 of 8)



**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Management Activities**

		(\$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
8. Program Increases			51,288
a. Annualization of New FY 2011 Program		0	
b. One-Time FY 2012 Costs		0	
c. Program Growth in FY 2012		51,288	
1) Funding Realignment:			
Realigns funding from Consolidated Health Support Budget Activity Group for: Patient Administration Systems and Biostatistics Activity (PASBA), Medical Expense & Performance Reporting Systems (MEPRS) to reflect proper execution (25 Civilian FTEs).		18,444	
2) Funding Realignment:			
Realigns funding from Consolidated Health Support and Education and Training Budget Activity Groups for Health Insurance Portability and Accountability Act (HIPPA) and Beneficiary Advisory Panel (BAP) to reflect proper execution.		14,110	
3) MHS Programs:			
Reflects funding to support various MHS programs to include Component Acquisition Executive Support (\$3.5M), Strategic Communications (\$3.0M), Innovative Investment Program (\$2.5M) and Mission Essential Non-Benefit activities (\$2.3M).		11,421	
4) MILCON Support:			
Reflects funding for contract support to various MILCON initiatives including program management of the Capital Investment Decision Model, overhaul of existing planning and design criteria and acceleration of the delivery of new buildings.		5,448	
5) Funding Realignment:			
Realigns funding from Information Management Budget Activity Group for Computer/Electronic Accommodations Program (CAP) (\$1.1M) and Managed Care Forecasting and Analysis System (MCFAS) Data Analysts (\$0.8M).		1,865	

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Management Activities**

(\$ in Thousands)

**C. Reconciliation of Increases and Decreases**

	<u>Amount</u>	<u>Totals</u>
9. Program Decreases		-34,517
a. One-Time FY 2011 Costs	0	
b. Annualization of FY 2011 Program Decreases	0	
c. Program Decreases in FY 2012	-34,517	
1) Funding Realignment:	-2,539	
Realigns funding to Information Management Budget Activity Group for Business Management Modernization Program (BMMP) to reflect proper execution (1 Civilian FTE).		
2) One Less Day Paid:	-591	
Adjusts for one less civilian pay day in FY 2012. FY 2011 Funding Baseline: \$154.0M.		
3) Secretary of Defense Efficiencies - Reducing Reliance on DoD Service Support Contractors:	-13,735	
Directs the components to reduce funding used to acquire service support contracts by 10% per year over the next three years from their reported FY 2010 levels. FY 2012 reduction is 20% and FY 2013 reduction is 30%. FY 2011 Funding Baseline: \$69.636M		
4) Secretary of Defense Efficiencies - Reports, Studies, Boards and Commissions Review:	-8,920	
Directs the Components to reduce funding for advisory studies by 25% below the FY 2010 levels. Reductions are based upon self-reported "Advisory and Assistance Service" data and are from "Studies Analysis and Evaluation" activities. FY 2011 Funding Baseline: \$27.4M		
5) Secretary of Defense Efficiencies - TMA - Baseline Review:	-8,732	
Directs the Director for TRICARE Management Activity (TMA) to streamline operations by consolidating activities into a follow-on Military Health System Support Activity consisting of four divisions: 1) Uniformed Services University of the Health Sciences (USUHS), 2) TRICARE health plan, 3) Health		

**Defense Health Program  
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(\$ in Thousands)

Amount   Totals

**C. Reconciliation of Increases and Decreases**

Management Support, and 4) Shared Services and to reduce 364 contractor positions beginning in FY 2012. Directs the USD(P&R) to reduce redundancy, capitalize shared services efficiencies and to better align similar missions across the P&R enterprise and to eliminate 24 civilian full-time equivalents beginning in FY 2012. FY 2011 DHP Contract Services Funding Baseline: \$3,005.6M.

**FY 2012 Budget Request**

**312,102**

**IV. Performance Criteria and Evaluation Summary: N/A**

**Defense Health Program  
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**V. Personnel Summary:**

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S)</u>					
Officer	525	545	547	20	2
Enlisted	<u>214</u>	<u>213</u>	<u>212</u>	<u>-1</u>	<u>-1</u>
Total Military	739	758	759	19	1
<u>Active Military Average Strength(A/S)</u>					
Officer	533	535	546	2	11
Enlisted	<u>214</u>	<u>214</u>	<u>213</u>	<u>0</u>	<u>-1</u>
Total Military	747	749	759	2	10
<u>Civilian FTEs</u>					
U.S. Direct Hire	1,245	1,249	1,268	4	19
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	1,245	1,249	1,268	4	19
Foreign National Indirect Hire	<u>5</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>
Total Civilian	1,250	1,254	1,273	4	19
Average Civilian Salary (\$000's)	119.188	122.904	114.490		
<u>Contractor FTEs (Total)</u>	1,519	1,447	1,160	-72	-287

**VI. Outyear Summary: N/A**

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

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	Management Activities	FY2010 Program	Foreign Currency Adjust	Price Growth Percent	Program Amount	Program Growth	FY2011 Program
308	Travel of Persons	10,896	0	1.40%	152	-3,105	7,943
399	Total Travel	10,896	0		152	-3,105	7,943
403	DFSC Fuel	0	0	11.30%	0	0	0
402	Service Fund Fuel	0	0	11.30%	0	0	0
411	Army Sup & Mat	0	0	4.51%	0	0	0
412	Navy Sup & Mat	0	0	3.23%	0	0	0
414	AF Sup & Mat	0	0	3.26%	0	0	0
415	DLA Sup & Mat	0	0	2.07%	0	0	0
416	GSA Sup & Mat	0	0	1.40%	0	0	0
417	Local Proc Sup & Mat	0	0	1.40%	0	0	0
418	Air Force Retail Supply	0	0	1.40%	0	0	0
499	Total Sup & Mat	0	0		0	0	0
502	Army Fund Equip	0	0	4.51%	0	0	0
503	Navy Fund Equip	0	0	3.23%	0	0	0
505	AF Fund Equip	0	0	3.26%	0	0	0
506	DLA Fund Equip	0	0	2.07%	0	0	0
507	GSA Fund Equip	0	0	1.60%	0	0	0
599	Total Fund Equip	0	0		0	0	0
602	Army Depot Cnd Maint	0	0	-1.55%	0	0	0
611	Naval Surface War Ctr	0	0	2.38%	0	0	0
631	Naval Civil Engr Ctr	0	0	1.77%	0	0	0
633	Naval Pub & Pnt Svc	136	0	2.99%	4	-1	135
634	Nav Pub Wks Ctr: Utilities	0	0	10.20%	0	0	0
635	Nav Pub Wks Ctr: Pub Wks	0	0	1.40%	0	0	0
647	DISA Enterprise Computer Centers	0	0	-14.00%	0	0	0
671	Communications Svc	0	0	0.40%	0	0	0
673	Def Finance & Acct Svc	0	0	0.39%	0	0	0
675	DLA Disposition Services	0	0	2.07%	0	0	0
677	Comm Svcs Tier 1	0	0	10.60%	0	0	0
679	Cost Reimbursable Svc	0	0	1.40%	0	0	0
680	Purchases from Building Maintenance	0	0	24.16%	0	0	0
699	Total Purchases	136	0		4	-1	135
701	MSC Cargo	0	0	1.40%	0	0	0
707	AMC Training	0	0	10.70%	0	0	0
711	MSC Cargo	0	0	15.46%	0	0	0
721	MTMC Port Handling	0	0	15.40%	0	0	0
771	Commercial Transportation	72	0	1.40%	1	-20	53
799	Total Transportation	72	0		1	-20	53
90X	Civ Pay Reimburs Host	149,169	0	0.50%	741	4,193	153,362
901	Foreign Mat Int Hire	483	0	0.50%	2	0	483
902	Separation Liability	336	0	0.50%	2	-1	337
912	Rental Pay to GSA	0	0	1.40%	0	0	0
913	Purchased Utilities	0	0	1.40%	0	0	0
914	Purchased Communis	216	0	1.40%	3	-15	204
915	Rents non GSA	0	0	1.40%	0	0	0
917	Postal Svcs	100	0	1.40%	1	-17	84
920	Supplies & Mat	7,027	0	1.40%	99	-1,139	5,987
921	Printing & Reproduct	157	0	1.40%	2	-40	159
922	Equip Maint Contract	70	0	1.40%	1	-11	60
923	Facility Maint Contract	0	0	1.40%	0	0	0
924	Pharmacy	0	0	3.30%	0	0	0
925	Equip Purchases	1,094	0	1.40%	15	462	1,571
926	Overseas Purchases	0	0	1.40%	0	0	0
930	Other Depot Maint	0	0	1.40%	0	0	0
931	Contract Consultants	0	0	1.40%	0	0	0
932	Mgmt & Prof Spt Svc	108,610	0	1.40%	1,520	-10,180	99,950
933	Studies Analysis Eval	17,210	0	1.40%	241	-2,906	14,545
934	Engineering Tech Svc	292	0	1.40%	4	-49	247
937	Fuel	0	0	11.30%	0	0	0
955	Other Costs (Medical Care)	3,609	0	3.30%	119	-8,333	-5,205
960	Other Costs (Interest and Dividends)	0	0	1.40%	0	0	0
964	Other Costs (Subsistence and Support)	0	0	1.40%	0	0	0
984	Equipment Contracts	0	0	1.40%	0	0	0
985	Research and Development Contracts	0	0	1.40%	0	0	0
986	Medical Care Contracts	894	0	3.30%	49	-924	0
987	Other Intra-Government Purchases	3,086	0	1.40%	43	-521	2,608
988	Grants	3,750	0	1.40%	53	-633	3,170
989	Other Contracts	16,947	0	1.40%	237	-7,125	10,059
990	IT Contract Support Services	7,109	0	1.40%	100	-1,199	6,010
999	Total Purchases	319,196	0		3,213	-36,846	285,563
9999	TOTAL	330,300	0		3,370	-39,972	293,698

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	Management Activities	FY2011 Program	Foreign Currency Adjust	Price Growth Percent	Program Amount	Program Growth	FY2012 Program
308	Travel of Persons	7,943	0	1.50%	120	8	8,071
399	Total Travel	7,943	0		120	8	8,071
403	DFSC Fuel	0	0	2.97%	0	0	0
402	Service Fund Fuel	0	0	2.97%	0	0	0
411	Army Sup & Mat	0	0	1.34%	0	0	0
412	Navy Sup & Mat	0	0	0.64%	0	0	0
414	AF Sup & Mat	0	0	-0.97%	0	0	0
415	DLA Sup & Mat	0	0	1.46%	0	0	0
416	GSA Sup & Mat	0	0	1.50%	0	0	0
417	Local Proc Sup & Mat	0	0	1.50%	0	0	0
418	Air Force Retail Supply	0	0	5.43%	0	0	0
499	Total Sup & Mat	0	0		0	0	0
502	Army Fund Equip	0	0	1.34%	0	0	0
503	Navy Fund Equip	0	0	0.64%	0	0	0
505	AF Fund Equip	0	0	-0.97%	0	0	0
506	DLA Fund Equip	0	0	1.46%	0	0	0
507	GSA Fund Equip	0	0	1.50%	0	0	0
599	Total Fund Equip	0	0		0	0	0
602	Army Depot Cnd Maint	0	0	###	0	0	0
611	Naval Surface War Ctr	0	0	-2.63%	0	0	0
631	Naval Civil Engr Ctr	0	0	-0.34%	0	0	0
633	Naval Pub & Pnt Svc	139	0	5.93%	8	-4	143
634	Nav Pub Wks Ctr: Utilities	0	0	0.50%	0	0	0
635	Nav Pub Wks Ctr: Pub Wks	0	0	1.80%	0	0	0
647	DISA Enterprise Computer Centers	0	0	###	0	0	0
671	Communications Svc	0	0	-8.06%	0	0	0
673	Def Finance & Acct Svc	0	0	###	0	0	0
675	DLA Disposition Services	0	0	2.07%	0	0	0
677	Comm Svcs Tier 1	0	0	12.64%	0	0	0
679	Cost Reimbursable Svc	0	0	1.50%	0	0	0
680	Purchases from Building Maintenance	0	0	24.16%	0	0	0
699	Total Purchases	139	0		8	-4	143
701	MSC Cargo	0	0	1.70%	0	0	0
707	AMC Training	0	0	-2.80%	0	0	0
711	MSC Cargo	0	0	25.96%	0	0	0
721	MTMC Port Handling	0	0	26.96%	0	0	0
771	Commercial Transportation	53	0	1.50%	1	75	129
799	Total Transportation	53	0		1	75	129
90X	Civ Pay Reimburs Host	153,362	0	0.00%	0	-4,376	144,926
901	Foreign Mat Int Hire	483	0	0.00%	0	0	483
902	Separation Liability	337	0	0.00%	0	0	337
912	Rental Pay to GSA	0	0	1.50%	0	0	0
913	Purchased Utilities	0	0	1.50%	0	0	0
914	Purchased Communis	204	0	1.50%	3	124	331
915	Rents non GSA	0	0	1.50%	0	0	0
917	Postal Svcs	84	0	1.50%	1	142	227
920	Supplies & Mat	5,987	0	1.50%	90	6,847	12,924
921	Printing & Reproduct	159	0	1.50%	2	253	414
922	Equip Maint Contract	60	0	1.50%	1	97	158
923	Facility Maint Contract	0	0	1.50%	0	0	0
924	Pharmacy	0	0	3.50%	0	0	0
925	Equip Purchases	1,571	0	1.50%	23	930	2,524
926	Overseas Purchases	0	0	1.50%	0	0	0
930	Other Depot Maint	0	0	1.50%	0	0	0
931	Contract Consultants	0	0	1.50%	0	0	0
932	Mgmt & Prof Spt Svc	91,942	0	1.50%	1,380	-17,614	75,708
933	Studies Analysis Eval	14,545	0	1.50%	216	-11,741	3,022
934	Engineering Tech Svc	247	0	1.50%	4	-49	202
937	Fuel	0	0	1.50%	0	0	0
955	Other Costs (Medical Care)	-5,205	0	3.50%	-183	20,638	15,450
960	Other Costs (Interest and Dividends)	0	0	1.50%	0	0	0
964	Other Costs (Subsistence and Support)	0	0	1.50%	0	0	0
984	Equipment Contracts	0	0	1.50%	0	0	0
985	Research and Development Contracts	0	0	1.70%	0	0	0
986	Medical Care Contracts	0	0	3.50%	0	0	0
987	Other Intra-Government Purchases	2,608	0	1.50%	39	4,292	7,039
988	Grants	3,170	0	1.50%	48	5,337	6,556
989	Other Contracts	10,059	0	1.50%	151	8,260	15,460
990	IT Contract Support Services	6,010	0	1.50%	90	9,839	15,999
999	Total Purchases	285,563	0		1,867	16,329	303,719
9999	TOTAL	293,698	0		1,996	16,408	312,102

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Education and Training**

**I. Description of Operations Financed:** This Budget Activity Group is comprised of three primary categories that provide support for education and training opportunities for personnel within the Defense Health Program.

**Health Professions Scholarship Program:** Resources required for the Armed Forces Health Professions Scholarship Program (HPSP), the Financial Assistance Program (FAP), Health Professions Loan Repayment Program (HPLRP), and other pre-commissioning professional scholarship programs. These funds are used for educational expenses including tuition, fees and reimbursed expenses (e.g., books, supplies, and equipment).

**Uniformed Services University of the Health Sciences (USUHS):** Resources required for operation and maintenance of the Uniformed Services University of the Health Sciences (USUHS). USUHS is a Department of Defense-funded medical school that produces an average of 165 medical doctors annually, advanced education for nurses in the Graduate School of Nursing, and graduate programs leading to a masters or doctoral degree in the biological sciences.

**Other Education and Training:** Resources required for specialized skill training and professional development education programs for health care personnel at the Medical Education and Training Campus (METC), U.S. Army Medical Department Center and School, Navy Bureau of Medicine and Surgery sponsored schools, and Air Force medical professions education and training programs. Includes formal educational programs for health care personnel at civilian academic institutions, civilian medical facilities and facilities of non-DoD governmental agencies. Professional development provides officer, enlisted, and civilian medical personnel with the skills and knowledge required to perform highly technical health services jobs.

**II. Force Structure Summary:** Education and training resources provide tuition and other educational expenses for the Armed Forces Health Professions Scholarship Program, Financial Assistance Program residencies, and the Health Professions Loan Repayment Program. USUHS resources fund operation and maintenance requirements necessary to operate a DoD-funded medical school that trains doctors, as well as offering graduate programs for nurses and professionals in the biological sciences. The remaining resources are required for professional development education, training programs, and specialized skills training to match medical job requirements.

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Education and Training**

**III. Financial Summary (\$ in Thousands):**

	FY 2011							FY 2012 <u>Estimate</u>
	<u>FY 2010 Actuals</u>	<u>Budget Request</u>	<u>Congressional Action</u>		<u>Current Appropriation</u>	<u>Current Estimate</u>		
			<u>Amount</u>	<u>Percent</u>				
<b>A. <u>Subactivities</u></b>								
1. Health Professions Scholarship Program	223,151	240,746	0	0%	240,746	240,746	259,998	
2. Uniformed Services University of the Health Sciences	131,540	105,529	0	0%	105,529	105,529	112,313	
3. Other Education and Training	<u>300,647</u>	<u>286,259</u>	<u>0</u>	<u>0%</u>	<u>286,259</u>	<u>286,259</u>	<u>333,036</u>	
Total	655,338	632,534	0	0%	632,534	632,534	705,347	

**Notes:**

1. FY 2010 actuals include \$16.848M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriation Act, FY 2010, Public Law 111-118.
2. FY 2011 President's Budget Request excludes \$18.061M for OCO.
3. FY 2012 Request excludes \$16.859M for OCO.

**Defense Health Program  
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Education and Training**

<b>B. <u>Reconciliation Summary</u></b>	<u>Change FY 2011/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
Baseline Funding	632,534	632,534
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
<b>Subtotal Appropriated Amount</b>	<b>632,534</b>	<b>n/a</b>
OCO and Other Supplemental Appropriations	18,061	n/a
Fact-of-Life Changes	0	n/a
<b>Subtotal Baseline Funding</b>	<b>650,595</b>	<b>n/a</b>
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-18,061	n/a
<b>Revised Current Estimate</b>	<b>632,534</b>	<b>632,534</b>
Price Change	n/a	17,798
Functional Transfers	n/a	0
Program Changes	n/a	<u>55,015</u>
<b>Current Estimate</b>	<b>632,534</b>	<b>705,347</b>



**Defense Health Program**  
**Operation and Maintenance**  
**Fiscal Year (FY) 2012 Budget Estimates**  
**Education and Training**

	(\$ in Thousands)	
	<u>Amount</u>	<u>Totals</u>
<b>C. <u>Reconciliation of Increases and Decreases</u></b>		
<b>FY 2011 President's Budget Request</b>		632,534
1. Congressional Adjustments		0
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	0	
<b>FY 2011 Appropriated Amount</b>		632,534
2. OCO and Other Supplemental Appropriations		18,061
3. Fact of Life Changes		0
a. Functional Transfers	0	
b. Technical Adjustments	0	
c. Emergent Requirements	0	
<b>FY 2011 Baseline Funding</b>		650,595
4. Reprogrammings (requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: OCO and Other Supplemental Appropriations		-18,061
<b>Current Estimate for FY 2011</b>		632,534
6. Price Change		17,798
7. Transfers		0
a. Transfers In	0	
b. Transfers Out	0	

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Education and Training**

		(\$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
8.	Program Increases		66,980
	a. Annualization of New FY 2011 Program	0	
	b. One-Time FY 2012 Costs	0	
	c. Program Growth in FY 2012	66,980	
	1) Funding Realignments:	47,475	
	Funds programmatic increases supported by historical execution in various educational and training programs including enhancement of Army and Air Force medical distance learning programs (\$3.0M), AMEDD Center and School's Master in Social Work program (\$3.0M), student travel for Army and Air Force medical enlisted training (\$5.0M), the Inter-Service Physician Assistant Program (\$2.0M), Navy Family Support and psychological health training programs (\$19.7M), and other Navy Wounded Ill & Injured Programs (\$10.6M). FY 2011 Other Education and Training Funding Baseline: \$286.3M.		
	2) Medical Education and Training Campus (METC):	7,400	
	Funding support for purchase of equipment, student books, and supplies required for the co-location of medical enlisted technical training in METC, San Antonio. FY 2011 Other Education and Training Funding Baseline: \$286.3M.		
	3) Health Professions Scholarship Program (HPSP):	7,208	
	Funding to support scholarships for the Tri-Service Nurse Academic Partnership program (TSNAP; \$4.7M) as directed by FY 2010 NDAA, Sec.525, and other HPSP students (\$2.5M). FY 2011 HPSP Funding Baseline: \$240.7M.		
	4) Uniformed Services University of Health Sciences (USUHS):	4,211	
	Total funding support for enhancements to various USUHS programs to include the curriculum reform for the School of Medicine (\$2.7M), Tri-Service Nursing Research Program (\$0.2M), Student Travel for Medical Clerkships (\$0.02M), Medical Effects of Ionizing Radiation (\$0.02M), Regenerative Medicine Center of Excellence (\$0.02M), Recruitment & Retention efforts (\$0.9M), the Tri-Service Center for Oral Health Studies (\$0.003M), and funding adjustments for transferred programs that include Patient Safety (-\$1.3M), and the In-house Laboratory Independent Research (-\$0.01). FY 2011 USUHS Funding Baseline: \$105.5M.		

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Education and Training**

		(\$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
5)	Manpower Reprogramming: Reinvestment of BRAC savings and converts Foreign Indirect hires (FIH) to US Direct hires.	412	
6)	Wounded Warrior Programs: Funds enhancements to various Wounded Ill and Injured and Traumatic Brain Injury/Psychological Health programs to include Army Physical Evaluation Board Liaison Officer Training, Re-Engineering Systems of primary care treatment in the military (Respect-Mil; a system of primary care designed to enhance the recognition and high-quality management of post-traumatic stress disorder and depression). FY 2011 Other Education and Training Funding Baseline: \$286.3M.	274	
9.	Program Decreases		-11,965
a.	One-Time FY 2011 Costs		0
b.	Annualization of FY 2011 Program Decreases		0
c.	Program Decreases in FY 2012		-11,965
1)	Military to Civilian Conversions and Restorals: Incremental funding effect of previously programmed military-to-civilian conversions (\$1.5M), and restoral of these conversions (\$-7.4M) as required by Sec. 721 of the FY 2008 NDAA. FY 2011 Other Education and Training Funding Baseline: \$286.3M.	-5,861	
2)	Civilian Pay Adjustment: Adjusts for one less civilian pay day in FY 2012. FY 2011 Baseline: \$171.7M.	-658	
3)	Secretary of Defense Efficiencies-Reducing Reliance on DoD Service Support Contractors: Directs the components to reduce funding used to acquire service support contracts by 10% per year over the next three years from their reported FY 2010 levels. FY 2012 reduction is 20% and FY 2013 reduction is 30%. FY 2011 Funding Baseline: \$27.6M	-5,439	

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Education and Training**

(\$ in Thousands)

Amount    Totals

**C. Reconciliation of Increases and Decreases**

- 4) Secretary of Defense Efficiencies- DFAS Baseline Review to Eliminate Civilian Personnel Positions  
Reduced payments to DFAS due to DFAS elimination of multiple positions beginning in FY 2012 to reduce personnel and budget costs without impacting mission accomplishment.

-7

FY 2012 Budget Request

705,347

IV. Performance Criteria and Evaluation Summary: N/A

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Education and Training**

**V. Personnel Summary:**

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S)</u>					
Officer	7,433	7,448	7,466	15	18
Enlisted	<u>7,151</u>	<u>7,142</u>	<u>7,207</u>	-9	<u>65</u>
Total Military	14,584	14,590	14,673	6	83
<u>Active Military Average Strength(A/S)</u>					
Officer	7,408	7,441	7,457	33	16
Enlisted	<u>7,048</u>	<u>7,147</u>	<u>7,175</u>	<u>99</u>	<u>28</u>
Total Military	14,456	14,588	14,632	132	44
<u>Civilian FTEs</u>					
U.S. Direct Hire	1,927	2,004	2,022	77	18
Foreign National Direct Hire	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>
Total Direct Hire	1,928	2,005	2,023	77	18
Foreign National Indirect Hire	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>
Total Civilian	1,929	2,006	2,024	77	18
(Reimbursable Included Above-memo)	71	41	41	-30	0
Average Civilian Salary (\$000's)	87.956	87.406	87.231		
<u>Contractor FTEs (Total)</u>	65	65	63	0	-2

**VI. Outyear Summary: N/A**

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

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	Education & Training	Foreign				FY2011 Program	Line	Education & Training	Foreign				FY2012 Program		
		FY2010 Program	Currency Adjust	Price Growth Percent	Program Amount				FY2011 Program	FY2011 Program	Currency Adjust	Price Growth Percent		Program Amount	
308	Travel of Persons	75,196	0	1.40%	1,052	+6,345	69,903	308	Travel of Persons	69,903	0	1.50%	1,049	11,748	82,699
399	Total Travel	75,196	0		1,052	-6,345	69,903	399	Total Travel	69,903	0		1,049	11,748	82,699
401	DFSC Fuel	76	0	11.30%	9	6	91	401	DFSC Fuel	91	0	2.97%	3	-17	77
402	Service Fund Fuel	0	0	11.30%	0	0	0	402	Service Fund Fuel	0	0	2.97%	0	0	0
411	Army Sup & Mat	82	0	4.51%	4	19	105	411	Army Sup & Mat	105	0	1.34%	1	4	110
412	Navy Sup & Mat	3,158	0	3.22%	102	0	3,260	412	Navy Sup & Mat	3,260	0	0.64%	21	84	3,365
414	AF Sup & Mat	0	0	3.26%	0	0	0	414	AF Sup & Mat	0	0	-0.97%	0	0	0
415	DLA Sup & Mat	260	0	2.07%	4	1,949	1,253	415	DLA Sup & Mat	1,253	0	1.46%	16	7	1,278
416	GSA Sup & Mat	139	0	1.40%	2	758	899	416	GSA Sup & Mat	899	0	1.50%	13	0	912
417	Local Proc Sup & Mat	0	0	1.40%	0	0	0	417	Local Proc Sup & Mat	0	0	1.50%	0	0	0
418	Ali Force Retail Supply	0	0	1.40%	0	0	0	418	Ali Force Retail Supply	0	0	5.43%	0	0	0
499	Total Sup & Mat	3,655	0		121	1,932	5,608	499	Total Sup & Mat	5,608	0		56	78	5,742
502	Army Fund Equipmt	9	0	4.51%	0	-9	0	502	Army Fund Equipmt	0	0	1.34%	0	0	0
503	Navy Fund Equipmt	92	0	3.23%	3	0	95	503	Navy Fund Equipmt	95	0	0.64%	1	2	98
505	AF Fund Equipmt	0	0	3.26%	0	0	0	505	AF Fund Equipmt	0	0	-0.97%	0	0	0
506	DLA Fund Equipmt	6	0	2.07%	0	450	456	506	DLA Fund Equipmt	456	0	1.46%	7	2	465
507	GSA Fund Equipmt	200	0	1.60%	3	495	498	507	GSA Fund Equipmt	498	0	1.50%	7	1	506
599	Total Fund Equipmt	307	0		6	736	1,049	599	Total Fund Equipmt	1,049	0		15	5	1,069
602	Army Depot End Maint	0	0	-1.55%	0	0	0	602	Army Depot End Maint	0	0	#####	0	0	0
611	Naval Surface War Ctr	0	0	2.28%	0	0	0	611	Naval Surface War Ctr	0	0	-3.63%	0	0	0
631	Naval Civil Engrg Ctr	0	0	1.77%	0	0	0	631	Naval Civil Engrg Ctr	0	0	-0.34%	0	0	0
633	Naval Pub & Print Svc	1,046	0	2.99%	31	-43	1,034	633	Naval Pub & Print Svc	1,034	0	5.93%	62	-31	1,065
634	Nav Pub Wks Ctr: Utilities	5	0	10.20%	1	0	6	634	Nav Pub Wks Ctr: Utilities	6	0	0.50%	0	1	7
635	Nav Pub Wks Ctr: Pub Wks	0	0	1.40%	0	0	0	635	Nav Pub Wks Ctr: Pub Wks	0	0	1.80%	0	0	0
647	DISA Enterprise Computer Centers	0	0	#####	0	0	0	647	DISA Enterprise Computer Centers	0	0	#####	0	0	0
671	Communications Svc	55	0	0.60%	0	0	55	671	Communications Svc	55	0	-8.06%	-4	4	55
673	Def Finance & Acct Svc	2	0	0.39%	0	0	2	673	Def Finance & Acct Svc	2	0	#####	0	0	2
675	DLA Disposition Services	0	0	2.07%	0	0	0	675	DLA Disposition Services	0	0	2.07%	0	0	0
677	Comm Svcs Tier 1	0	0	10.60%	0	0	0	677	Comm Svcs Tier 1	0	0	12.64%	0	0	0
679	Cost Reimbursible Svc	0	0	1.40%	0	0	0	679	Cost Reimbursible Svc	0	0	1.50%	0	0	0
680	Purchases from Building Maintenance	0	0	24.16%	0	0	0	680	Purchases from Building Maintenance	0	0	24.16%	0	0	0
699	Total Purchases	1,108	0		32	-43	1,097	699	Total Purchases	1,097	0		58	-26	1,129
701	MHC Cargo	0	0	1.40%	0	0	0	701	MHC Cargo	0	0	1.70%	0	0	0
707	AMC Training	0	0	10.70%	0	0	0	707	AMC Training	0	0	-2.80%	0	0	0
711	MSC Cargo	0	0	15.40%	0	0	0	711	MSC Cargo	0	0	26.90%	0	0	0
721	MMMC Port Handling	0	0	15.40%	0	0	0	721	MMMC Port Handling	0	0	26.90%	0	0	0
771	Commercial Transportation	255	0	1.40%	3	-13	245	771	Commercial Transportation	245	0	1.50%	3	0	248
799	Total Transportation	255	0		3	-13	245	799	Total Transportation	245	0		3	0	248
90X	Civ Pay Reimburs Host	163,360	0	0.50%	818	7,521	171,719	90X	Civ Pay Reimburs Host	171,719	0	0.00%	0	1,227	172,946
901	Foreign Nat Ind Rise	34	0	0.50%	0	0	34	901	Foreign Nat Ind Rise	34	0	0.00%	0	0	34
902	Separation Liability	9	0	0.50%	0	-9	0	902	Separation Liability	0	0	0.00%	0	0	0
912	Rental Pay to GSA	0	0	1.40%	0	0	0	912	Rental Pay to GSA	0	0	1.50%	0	0	0
913	Purchased Utilities	76	0	1.40%	1	-77	0	913	Purchased Utilities	0	0	1.50%	0	0	0
914	Purchased Communica	485	0	1.40%	7	-293	199	914	Purchased Communica	199	0	1.50%	3	1	203
915	Rents non GSA	605	0	1.40%	11	-474	342	915	Rents non GSA	342	0	1.50%	5	0	347
917	Rental Svcs	3	0	1.40%	0	0	3	917	Rental Svcs	3	0	1.50%	0	0	3
920	Supplies & Mat	30,992	0	1.40%	434	-6,154	24,672	920	Supplies & Mat	24,672	0	1.50%	369	500	25,541
921	Printing & Reproduct	289	0	1.40%	3	-6	286	921	Printing & Reproduct	286	0	1.50%	5	1	292
922	Equipmt Maint Contract	1,355	0	1.40%	19	0	1,374	922	Equipmt Maint Contract	1,374	0	1.50%	20	3	1,397
923	Facility Maint Contract	98	0	1.40%	1	-33	66	923	Facility Maint Contract	66	0	1.50%	1	0	67
924	Pharmacy	0	0	3.30%	0	0	0	924	Pharmacy	0	0	3.50%	0	0	0
925	Equipmt Purchases	14,293	0	1.40%	139	-7,288	7,204	925	Equipmt Purchases	7,204	0	1.50%	108	7,500	14,812
926	Overseas Purchases	0	0	1.40%	0	0	0	926	Overseas Purchases	0	0	1.50%	0	0	0
930	Other Depot Maint	0	0	1.40%	0	0	0	930	Other Depot Maint	0	0	1.50%	0	0	0
931	Contract Consultants	0	0	1.40%	0	0	0	931	Contract Consultants	0	0	1.50%	0	0	0
932	Mgmt & Prof Spt Svc	7,095	0	1.40%	99	0	7,194	932	Mgmt & Prof Spt Svc	7,194	0	1.50%	108	24	7,326
933	Studies Analysis Eval	0	0	1.40%	0	0	0	933	Studies Analysis Eval	0	0	1.50%	0	0	0
934	Engineering Tech Svc	4,308	0	1.40%	60	0	4,368	934	Engineering Tech Svc	4,368	0	1.50%	66	0	4,434
937	Fuel	1	0	11.30%	0	-1	0	937	Fuel	0	0	1.50%	0	0	0
955	Other Costs (Medical Care)	223,151	0	5.00%	11,158	6,437	240,746	955	Other Costs (Medical Care)	240,746	0	6.00%	14,445	4,807	259,998
960	Other Costs (Interest and Dividends)	6	0	1.40%	0	0	6	960	Other Costs (Interest and Dividends)	6	0	1.50%	0	-6	0
964	Other Costs (Subsistence and Support)	23	0	1.40%	0	0	23	964	Other Costs (Subsistence and Support)	23	0	1.50%	0	0	23
984	Equipment Contracts	0	0	1.40%	0	0	0	984	Equipment Contracts	0	0	1.50%	0	0	0
985	Research and Development Contracts	0	0	1.40%	0	0	0	985	Research and Development Contracts	0	0	1.70%	0	0	0
986	Medical Care Contracts	2,492	0	3.30%	83	-364	2,211	986	Medical Care Contracts	2,211	0	3.50%	77	7	2,295
987	Other Intra-Government Purchases	2	0	1.40%	0	0	2	987	Other Intra-Government Purchases	2	0	1.50%	0	0	2
988	Grants	25,472	0	1.40%	357	-13,931	11,898	988	Grants	11,898	0	1.50%	178	3,225	15,301
989	Other Contracts	190,252	0	1.40%	1,403	-19,569	82,086	989	Other Contracts	82,086	0	1.50%	1,230	25,921	109,237
990	IT Contract Support Services	199	0	1.40%	3	0	199	990	IT Contract Support Services	199	0	1.50%	3	0	202
999	Total Purchases	574,617	0		14,656	-34,841	534,632	999	Total Purchases	534,632	0		16,618	43,210	614,460
9999	TOTAL	655,338	0		15,870	-38,674	632,534	9999	TOTAL	632,534	0		17,798	55,015	705,347

**Defense Health Program  
Operation and Maintenance  
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Base Operations/Communications**

**I. Description of Operations Financed:** Base Operations (BASOPS)/Communications refers to the resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. BASOPS provides for facilities and services at military medical activities (CONUS and OCONUS) supporting active duty combat forces, reserve and guard components, training, eligible beneficiaries. The program consists of eight components:

**Facility Restoration and Modernization:** Resources required for facilities restoration and modernization. Restoration includes repair and replacement work to restore facilities damaged by lack of sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundations and structural members).

**Facility Sustainment:** Resources required for maintenance and repair activities necessary to keep facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, emergency response and service calls for minor repairs. Sustainment also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, etc.

**Facilities Operations:** Resources required for fire prevention and protection including crash rescue, emergency response, and disaster preparedness; engineering readiness; utilities to include plant operation and purchase of commodity; refuse collection and disposal to include recycling operations; pavement clearance including snow and ice removal from roads; lease costs for real property including off-base facilities; grounds maintenance and landscaping; real property management and engineering services including special inspections of facilities and master planning; pest control; and custodial services. The title of this Program Element (PE) was changed from Real Property Services in FY 2005.

**Base Communications:** Resources required to provide base communication resources to DHP medical activities. This includes non-tactical, non-DCS (Defense Communications System), base communication facilities and equipment systems that provide local communications worldwide.

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Base Operations/Communications**

**Base Operations Support:** Resources required to provide comptroller services, data processing services, information activities, legal activities, civilian personnel administration, military personnel administration, printing and reproduction, facility safety, management analysis/engineering services, retail supply operations, supply activities, procurement operations, storage activities, transportation activities, physical security and police activities, laundry and dry cleaning, food services, and morale, welfare and recreation activities.

**Environmental:** Resources required to comply with environmental laws, regulations, criteria, and standards. This includes manpower, training, travel, and supplies.

**Visual Information Systems:** Resources required to provide manpower, travel, contractual service, procurement of supplies and materials, expense equipment, necessary facilities and the associated services specifically identifiable to visual information productions, services, and support.

**Demolition/Disposal of Excess Facilities:** Resources required for demolition and/or disposal costs associated with excess facilities, including buildings or any other permanent or temporary structure as well as pavements, utility systems, and other supporting infrastructure. Includes environmental costs directly attributable to demolition/disposal to include inspection and removal of hazardous material (such as lead-based paint or asbestos).

**II. Force Structure Summary:**

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Inpatient Facilities	59	59	56
Medical Clinics	364	365	363
Dental Clinics	282	281	274
Veterinary Clinics	288	255	253



**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Base Operations/Communications**

**III. Financial Summary (\$ in Thousands):**

A. <u>Subactivities:</u>	FY 2010 <u>Actuals</u>	FY 2011					FY 2012 <u>Estimate</u>
		Budget <u>Request</u>	<u>Congressional Action</u>		Current <u>Appropriation</u>	Current <u>Estimate</u>	
			<u>Amount</u>	<u>Percent</u>			
1. Facility Restoration/Modernization - CONUS	438,714	305,728	0	0%	305,728	305,728	370,888
2. Facility Restoration/Modernization - OCONUS	34,198	49,691	0	0%	49,691	49,691	70,985
3. Facility Sustainment - CONUS	470,195	288,389	0	0%	288,389	288,389	380,867
4. Facility Sustainment - OCONUS	58,653	89,399	0	0%	89,399	89,399	61,927
5. Facilities Operations - Health Care (CONUS)	413,980	380,340	0	0%	380,340	380,340	366,818
6. Facilities Operations - Health Care (OCONUS)	33,648	29,470	0	0%	29,470	29,470	29,937
7. Base Communications - CONUS	39,544	41,499	0	0%	41,499	41,499	36,809
8. Base Communications - OCONUS	5,555	5,717	0	0%	5,717	5,717	4,908
9. Base Operations - CONUS	316,088	340,621	0	0%	340,621	340,621	362,911
10. Base Operations - OCONUS	21,899	21,029	0	0%	21,029	21,029	21,638
11. Environmental Conservation	657	955	0	0%	955	955	0
12. Pollution Prevention	5	3,628	0	0%	3,628	3,628	255
13. Environmental Compliance	28,986	28,371	0	0%	28,371	28,371	24,160
14. Visual Information Systems	10,660	12,773	0	0%	12,773	12,773	7,648
15. Demolition	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0</u>	<u>2,700</u>
Total	1,872,782	1,597,610	0	0%	1,597,610	1,597,610	1,742,451

**Notes:**

1. FY 2010 actuals includes \$6.439M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriation Act, FY 2010, Public Law 111-118.
2. FY 2011 President's Budget Request excludes \$1.435M for OCO.
3. FY 2012 Request excludes \$2.271M for OCO.

**Defense Health Program  
Operation and Maintenance  
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Base Operations/Communications**

<b>B. <u>Reconciliation Summary:</u></b>	<u>Change</u> <u>FY 2011/2011</u>	<u>Change</u> <u>FY 2011/2012</u>
<b>Baseline Funding</b>	1,597,610	1,597,610
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
<b>Subtotal Appropriated Amount</b>	1,597,610	n/a
OCO and Other Supplemental Appropriations	1,435	n/a
Fact-of-Life Changes	0	n/a
<b>Subtotal Baseline Funding</b>	1,599,045	n/a
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-1,435	n/a
<b>Revised Current Estimate</b>	1,597,610	1,597,610
Price Change	n/a	14,585
Functional Transfers	n/a	-127,665
Program Changes	n/a	<u>257,921</u>
<b>Current Estimate</b>	1,597,610	1,742,451

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Base Operations/Communications**

		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>	
<b>FY 2011 President's Budget Request</b>			<b>1,597,610</b>
1. Congressional Adjustments			0
a. Distributed Adjustments	0		
b. Undistributed Adjustments	0		
c. Adjustments to meet Congressional Intent	0		
d. General Provisions	0		
<b>FY 2011 Appropriated Amount</b>			<b>1,597,610</b>
2. OCO and Other Supplemental Appropriations			1,435
3. Fact of Life Changes			0
a. Functional Transfers	0		
b. Technical Adjustments	0		
c. Emergent Requirements	0		
<b>FY 2011 Baseline Funding</b>			<b>1,599,045</b>
4. Reprogrammings (Requiring 1415 Actions)			0
a. Increases	0		
b. Decreases	0		
5. Less: OCO and Other Supplemental Appropriations			-1,435
<b>Current Estimate for FY 2011</b>			<b>1,597,610</b>
6. Price Change			14,585
7. Transfers			-127,665
a. Transfers In		2,316	
1) Transfer from IMCOM to DHP: Transfer resources and command responsibilities of the Keller Army Community Hospital and associated medical treatment facilities at West Point from the Army Installation Command (IMCOM).	2,316		
b. Transfers Out			
1) Transfer from DHP to IMCOM: Transfer of responsibilities, management and oversight of garrison	-71,178	-129,981	

**Defense Health Program  
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Base Operations/Communications**

		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
operations at Fort Detrick to IMCOM (435 Civilian FTEs and 11 Military Personnel).		-55,560	
2) Transfer from DHP to Commander, Navy Installations Command (CNIC): Transfer resources and responsibility for Class 1 and 2 Real Property, Base Operating Support, and Installation Management for six Bureau of Medicine sites to the Commander, Navy Installations Command (145 Civilian FTEs and 64 Military Personnel).		-3,243	
3) Transfer from DHP to NETCOM and IMCOM: Transfer of resources and responsibilities of Fort Detrick Directorate of Information Management to the Army Network Enterprise Technology Command (NETCOM) (15 Civilian FTEs) (-\$2.1M), and the transfer of resources for the Army Civilian Human Resources Agency from MEDCOM to Army Installation Management Command (-\$1.1M).			
8. Program Increases			268,007
a. Annualization of New FY 2011 Program			0
b. One-Time FY 2012 Costs			50,189
1) National Interagency Bio-Defense Campus (NIBC): Reflects funding adjustments from prior year due to one-time Central Utility Plan project and lease costs increase.		50,189	
c. Program Growth in FY 2012			217,818
1) Facilities Sustainment, Restoration and Modernization (FSRM): Reflects funding realignment from In-House Care (\$30.2M) and Private Sector Care (\$146.6M) Budget Activity Group for restoration and modernizations projects and Facilities Sustainment Model execution to 100%. FY 2011 Funding Baseline: \$733.207M.		176,798	
2) Colocated Medical Headquarters: Reflects funding for lease costs (Lease \$19.6M + \$11.0M Transition Costs) associated with the collocation of the Medical Headquarters in the Northern Virginia area. FY 2011 Funding Baseline: \$10.4M		30,600	
3) Wounded Warrior: Realigns funding from multiple Budget Activity Groups for Traumatic		10,420	

**Exhibit OP-5, Base Operations/Communications  
(Page 6 of 9)**

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Base Operations/Communications**

		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
Brain Injury/Psychological (TBI/PH) to reflect actual execution.			
9. Program Decreases			-10,086
a. One-Time FY 2011 Costs		0	
b. Annualization of FY 2011 Program Decreases		0	
c. Program Decreases in FY 2012		-10,086	
1) Military to Civilians conversions:		-5,466	
Incremental funding transfer to Service MILPERS accounts to restore military authorizations previously programmed as Military to Civilian conversions, as required by Section 721 of the FY 2008 NDAA.			
2) One Less Day Paid:		-805	
Adjusts for one less civilian pay day in FY12. FY 2011 Funding Baseline: \$210.0M.			
3) Secretary of Defense Efficiencies - Reducing Reliance on DoD Service Support Contractors:		-2,945	
Directs the components to reduce funding used to acquire service support contracts by 10% per year over the next three years from their reported FY 2010 levels. FY 2012 reduction is 20% and FY 2013 reduction is 30%. FY 2011 Funding Baseline: \$14.9M.			
4) Secretary of Defense Efficiencies - DFAS Baseline Review to Eliminate Civilian Personnel Positions:		-870	
Reduced payments to DFAS due to DFAS elimination of multiple positions beginning in FY 2012 to reduce personnel and budget costs without impacting mission accomplishment.			
<b>FY 2012 Budget Request</b>			<b>1,742,451</b>

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Base Operations/Communications**

**IV. Performance Criteria and Evaluation Summary:** See performance criteria located with Exhibit OP-5 Facilities Sustainment, Restoration and Modernization.

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Base Operations/Communications**

**V. Personnel Summary**

	<u>FY 2010</u>	<u>FY 2010</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S)</u>					
Officer	598	561	551	-37	-10
Enlisted	<u>1,904</u>	<u>1,757</u>	<u>1,693</u>	<u>-147</u>	<u>-64</u>
Total Military	2,502	2,318	2,244	-184	-74
 <u>Active Military Average Strength(A/S)</u>					
Officer	596	580	556	-16	-24
Enlisted	<u>1,855</u>	<u>1,831</u>	<u>1,725</u>	<u>-24</u>	<u>-106</u>
Total Military	2,451	2,411	2,281	-40	-130
 <u>Civilian FTEs</u>					
U.S. Direct Hire	2,480	2,478	1,883	-2	-595
Foreign National Direct Hire	<u>53</u>	<u>52</u>	<u>52</u>	<u>-1</u>	<u>0</u>
Total Direct Hire	2,533	2,530	1,935	-3	-595
Foreign National Indirect Hire	<u>85</u>	<u>88</u>	<u>88</u>	<u>3</u>	<u>0</u>
Total Civilian	2,618	2,618	2,023	0	-595
 Average Civilian Salary (\$000's)	79.276	80.247	77.364		
 <u>Contractor FTEs (Total)</u>	318	311	343	-7	32

**VI. Outyear Summary: N/A**

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

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	Base Operations	FY2010 Program	Foreign Currency Adjust	Price Growth Percent	Program Growth Amount	FY2011 Program
308	Travel of Persons	12,740	0	1.40%	178	-771
399	Total Travel	12,740	0		178	-771
401	DFSC Fuel	5,181	0	11.30%	585	88
402	Service Fund Fuel	388	0	11.30%	44	837
411	Army Sup & Mat	27	0	4.51%	1	-27
412	Navy Sup & Mat	186	0	3.23%	6	0
414	AF Sup & Mat	0	0	3.26%	0	0
415	DLA Sup & Mat	1,233	0	2.07%	26	-172
416	GSA Sup & Mat	960	0	1.40%	13	-576
417	Local Proc Sup & Mat	1,878	0	1.40%	25	0
418	Air Force Retail Supply	0	0	1.40%	0	0
499	Total Sup & Mat	9,803	0		701	150
502	Army Fund Equip	1	0	4.51%	0	-1
503	Navy Fund Equip	245	0	3.23%	8	0
505	AF Fund Equip	0	0	3.26%	0	0
506	DLA Fund Equip	0	0	2.07%	0	0
507	GSA Fund Equip	526	0	1.60%	9	-237
599	Total Fund Equip	772	0		17	-238
602	Army Depot End Maint	80	0	-1.55%	-1	0
611	Naval Surface War Ctr	43	0	2.38%	1	0
631	Naval Civil Engrg Ctr	14,714	0	1.77%	260	-3,941
633	Naval Pub & Print Svc	211	0	2.99%	6	-26
634	Nav Pub Wks Ctr: Utilities	21,482	0	10.26%	2,159	0
635	Nav Pub Wks Ctr: Pub Wks	124,925	0	1.40%	1,749	-53,828
647	DISA Enterprise Computer Centers	0	0	#####	0	0
671	Communications Svc	6,069	0	0.60%	37	0
673	Def Finance & Acct Svc	27,492	0	0.39%	107	4,406
675	DLA Disposition Services	0	0	2.07%	0	0
677	Comm Svcs Tier 1	9,579	0	10.60%	1,015	-9,732
679	Cost Reimbursable Svc	4,533	0	1.40%	63	0
680	Purchases from Building Maintenance	0	0	24.16%	0	0
699	Total Purchases	209,108	0		5,426	-63,121
701	MSC Cargo	0	0	1.40%	0	0
707	MSC Training	0	0	10.70%	0	0
711	MSC Cargo	0	0	15.60%	0	0
721	MTMC Port Handling	575	0	15.40%	89	0
771	Commercial Transportation	638	0	1.40%	9	23
799	Total Transportation	1,213	0		98	23
90X	Civ Pay Reimburs Host	204,266	0	0.50%	1,022	1,228
901	Foreign Nat Ind Hire	2,989	0	0.50%	15	214
902	Separation Liability	269	0	0.50%	1	62
912	Rental Pay to GSA	11,729	0	1.40%	304	-439
913	Purchased Utilities	224,663	0	1.40%	3,145	-17,932
914	Purchased Communica	31,787	0	1.40%	445	18,682
915	Rents non GSA	15,234	6	1.40%	213	5,081
917	Postal Svcs	693	0	1.40%	10	334
920	Supplies & Mat	31,156	0	1.40%	636	14,923
921	Printing & Reproduc	2,088	0	1.40%	43	-61
922	Equip Maint Contract	14,068	483	1.40%	204	5,493
923	Facility Maint Contract	596,960	256	1.40%	8,361	-2,283
924	Pharmacy	0	0	3.30%	0	0
925	Equip Purchases	11,755	0	1.40%	165	-858
926	Overseas Purchases	251	0	1.40%	4	255
930	Other Depot Maint	2,428	0	1.40%	34	-167
931	Contract Consultants	0	0	1.40%	0	0
932	Host & Prof Svc Svc	339	0	1.70%	5	344
933	Studies Analysis Eval	0	0	1.40%	0	0
934	Engineering Tech Svc	0	0	1.40%	0	0
937	Fuel	1,833	0	11.30%	173	17
955	Other Costs (Medical Care)	16,644	0	3.30%	529	1,624
960	Other Costs (Interest and Dividends)	14	0	1.40%	0	-14
964	Other Costs (Subsistence and Support)	8,731	0	1.40%	122	-8,853
984	Equipment Contracts	0	0	1.40%	0	0
985	Research and Development Contracts	0	0	1.40%	0	0
986	Medical Care Contracts	306	0	3.30%	10	-316
987	Other Intra-Government Purchases	1,877	0	1.40%	26	-715
988	Grants	0	0	1.40%	0	0
989	Other Contracts	445,932	114	1.40%	6,245	-256,687
990	IT Contract Support Services	3,024	0	1.40%	43	0
999	Total Purchases	1,639,146	859		21,555	-240,049
9999	TOTAL	1,872,182	859		27,975	-304,006

DEFENSE HEALTH PROGRAM  
FISCAL YEAR (FY) 2012 BUDGET ESTIMATES  
OPERATION AND MAINTENANCE  
SUMMARY OF PRICE AND PROGRAM CHANGE  
(\$ in Thousands)

Line	Base Operations	FY2011 Program	Foreign Currency Adjust	Price Growth Percent	Program Growth Amount	FY2012 Program
308	Travel of Persons	12,147	0	1.50%	182	-1
399	Total Travel	12,147	0		182	-1
401	DFSC Fuel	5,454	0	2.97%	174	373
402	Service Fund Fuel	1,269	0	2.97%	38	-1,099
411	Army Sup & Mat	1	0	1.34%	0	0
412	Navy Sup & Mat	192	0	0.64%	1	5
414	AF Sup & Mat	0	0	-0.97%	0	0
415	DLA Sup & Mat	1,987	0	1.46%	16	6
416	GSA Sup & Mat	397	0	1.50%	6	0
417	Local Proc Sup & Mat	1,854	0	1.50%	28	0
418	Air Force Retail Supply	0	0	5.43%	0	0
499	Total Sup & Mat	10,654	0		263	-715
502	Army Fund Equip	0	0	1.34%	0	0
503	Navy Fund Equip	253	0	0.64%	2	6
505	AF Fund Equip	0	0	-0.97%	0	0
506	DLA Fund Equip	0	0	1.46%	0	0
507	GSA Fund Equip	298	0	1.50%	4	1
599	Total Fund Equip	551	0		6	7
602	Army Depot End Maint	79	0	#####	-9	8
611	Naval Surface War Ctr	44	0	-3.63%	-2	3
631	Naval Civil Engrg Ctr	11,033	0	-0.34%	-38	-1,397
633	Naval Pub & Print Svc	191	0	5.93%	12	-6
634	Nav Pub Wks Ctr: Utilities	23,451	0	0.50%	118	411
635	Nav Pub Wks Ctr: Pub Wks	72,816	0	1.90%	1,311	-9,950
647	DISA Enterprise Computer Centers	0	0	#####	0	0
671	Communications Svc	6,106	0	-8.06%	-492	520
673	Def Finance & Acct Svc	32,005	0	#####	-5,662	5,717
675	DLA Disposition Services	0	0	2.07%	0	0
677	Comm Svcs Tier 1	862	0	12.64%	109	-18
679	Cost Reimbursable Svc	4,596	0	1.50%	69	0
680	Purchases from Building Maintenance	0	0	24.16%	0	0
699	Total Purchases	151,413	0		-4,584	-4,703
701	MSC Cargo	0	0	1.70%	0	0
707	MSC Training	0	0	-2.80%	0	0
711	MSC Cargo	0	0	26.90%	0	0
721	MTMC Port Handling	664	0	26.30%	179	-77
771	Commercial Transportation	670	0	1.50%	9	1
799	Total Transportation	1,334	0		188	-76
90X	Civ Pay Reimburs Host	206,536	0	0.00%	0	-53,583
901	Foreign Nat Ind Hire	3,218	0	0.00%	0	0
902	Separation Liability	332	0	0.00%	0	4
912	Rental Pay to GSA	21,594	0	1.50%	323	-21
913	Purchased Utilities	209,876	0	1.50%	3,148	-8,411
914	Purchased Communica	50,914	0	1.50%	764	54
915	Rents non GSA	20,524	0	1.50%	307	46
917	Postal Svcs	1,637	0	1.50%	24	2
920	Supplies & Mat	46,513	0	1.50%	698	-100
921	Printing & Reproduc	3,070	0	1.50%	45	4
922	Equip Maint Contract	20,248	0	1.50%	304	3
923	Facility Maint Contract	603,294	0	1.50%	9,048	78,169
924	Pharmacy	0	0	3.50%	0	0
925	Equip Purchases	11,062	0	1.50%	166	-139
926	Overseas Purchases	255	0	1.50%	4	0
930	Other Depot Maint	2,295	0	1.50%	34	0
931	Contract Consultants	0	0	1.50%	0	0
932	Host & Prof Svc Svc	344	0	1.50%	5	0
933	Studies Analysis Eval	0	0	1.50%	0	0
934	Engineering Tech Svc	0	0	1.50%	0	0
937	Fuel	1,723	0	1.50%	26	-32
955	Other Costs (Medical Care)	18,197	0	3.50%	637	-1,681
960	Other Costs (Interest and Dividends)	0	0	1.50%	0	0
964	Other Costs (Subsistence and Support)	0	0	1.50%	0	0
984	Equipment Contracts	0	0	1.50%	0	0
985	Research and Development Contracts	0	0	1.70%	0	0
986	Medical Care Contracts	0	0	3.50%	0	0
987	Other Intra-Government Purchases	1,188	0	1.50%	18	0
988	Grants	0	0	1.50%	0	0
989	Other Contracts	195,624	0	1.50%	2,933	121,436
990	IT Contract Support Services	3,067	0	1.50%	46	0
999	Total Purchases	1,421,511	0		18,530	135,744
9999	TOTAL	1,597,610	0		14,585	130,256



**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition (Attachment 4)**

**I. Description of Operations Financed:** Base Operations (BASOPS)/Communications refer to the resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. The DHP's BASOPS provides for facilities and services at military medical activities supporting active duty combat forces, reserve and guard components, training, eligible beneficiaries.

**Facility Restoration and Modernization:** Resources required for facilities restoration and modernization. Restoration includes repair and replacement work to restore facilities damaged by lack of sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundations and structural members).

**Facility Sustainment:** Resources required for maintenance and repair activities necessary to keep facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, emergency response and service calls for minor repairs. Sustainment also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, etc.

**Demolition/Disposal of Excess Facilities:** Resources required for demolition and/or disposal costs associated with excess facilities, including buildings or any other permanent or temporary structure as well as pavements, utility systems, and other supporting infrastructure. Includes environmental costs directly attributable to demolition/disposal to include inspection and removal of hazardous material (such as lead-based paint or asbestos).

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition (Attachment 4)**

**II. Force Structure Summary:**

	FY 2010 <u>Actual</u>	FY 2011 <u>Estimate</u>	FY 2012 <u>Estimate</u>
Inpatient Facilities	59	59	56
Medical Clinics	364	365	363
Dental Clinics	282	281	274
Veterinary Clinics	288	255	253

**III. Financial Summary (\$ in Thousands):**

A. <u>Subactivities:</u>	FY 2010 <u>Actuals</u>	FY 2011				Current <u>Appropriation</u>	Current <u>Estimate</u>	FY 2012 <u>Estimate</u>
		<u>Budget Request</u>	<u>Congressional Amount</u>	<u>Action Percent</u>				
1. Facility Restoration/Modernization - CONUS	438,714	305,728	0	0%	305,728	305,728	370,888	
2. Facility Restoration/Modernization - OCONUS	34,198	49,691	0	0%	49,691	49,691	70,985	
3. Facility Sustainment - CONUS	470,195	288,389	0	0%	288,389	288,389	380,867	
4. Facility Sustainment - OCONUS	58,653	89,399	0	0%	89,399	89,399	61,927	
5. Demolition	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0</u>	<u>2,700</u>	
Total	1,001,760	733,207	0	0%	733,207	733,207	887,367	

Notes:

1. FY 2010 actuals include \$0.248M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriation Act, FY 2010, Public Law 111-118.
2. FY 2011 President's Budget Request excludes \$0.422M for OCO.
3. FY 2012 Request excludes \$0.184M for OCO.

**Defense Health Program  
 Operation and Maintenance  
 Fiscal Year (FY) 2012 Budget Estimates  
 Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition (Attachment 4)**

<b>B. <u>Reconciliation Summary:</u></b>	<b>Change <u>FY 2011/2011</u></b>	<b>Change <u>FY 2011/2012</u></b>
<b>Baseline Funding</b>	733,207	733,207
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
<b>Subtotal Appropriated Amount</b>	<b>733,207</b>	<b>n/a</b>
OCO and Other Supplemental Appropriations	422	n/a
Fact-of-Life Changes	0	n/a
<b>Subtotal Baseline Funding</b>	<b>733,629</b>	<b>n/a</b>
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-422	n/a
<b>Revised Current Estimate</b>	<b>733,207</b>	<b>733,207</b>
Price Change	n/a	10,925
Functional Transfers	n/a	-28,872
Program Changes	n/a	<u>172,200</u>
<b>Current Estimate</b>	<b>733,207</b>	<b>887,367</b>

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition (Attachment 4)**

		( \$ in Thousands)	
		<u>Amount</u>	<u>Totals</u>
<b>C. <u>Reconciliation of Increases and Decreases</u></b>			
<b>FY 2011 President's Budget Request</b>			<b>733,207</b>
1.	Congressional Adjustments		0
a.	Distributed Adjustments	0	
b.	Undistributed Adjustments	0	
c.	Adjustments to meet Congressional Intent	0	
d.	General Provisions	0	
<b>FY 2011 Appropriated Amount</b>			<b>733,207</b>
2.	OCO and Other Supplemental Appropriations		422
3.	Fact of Life Changes		0
a.	Functional Transfers	0	
b.	Technical Adjustments	0	0
c.	Emergent Requirements	0	
<b>FY 2011 Baseline Funding</b>			<b>733,629</b>
4.	Reprogrammings (requiring 1415 Actions)		0
a.	Increases	0	
b.	Decreases	0	
5.	Less: OCO and Other Supplemental Appropriation		-422
<b>Current Estimate for FY 2011</b>			<b>733,207</b>
6.	Price Change		10,925
7.	Transfers		-28,872
a.	Transfers In	1,382	
1)	Transfer from IMCOM to DHP:	1,382	
	Transfer resources and command responsibilities of the Keller Army Community Hospital and associated medical treatment facilities at West Point from the Army Installation Management Command (IMCOM).		

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition (Attachment 4)**

		( \$ in Thousands)	
<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
b. Transfers Out			-30,254
1) Transfer from DHP to IMCOM:	-22,223		
Transfer of responsibilities, management and oversight of garrison operations at Fort Detrick to Army Installation Management Command.			
2) Transfer from DHP to Commander, Navy Installations Command (CNIC):	-8,031		
Transfer resources and responsibility for Class 1 and 2 real property, base operating support, and installation management for six Bureau of Medicine sites to the Commander, Navy Installations Command (CNIC).			
8. Program Increases			172,200
a. Annualization of New FY 2011 Program			
b. One-Time FY 2012 Costs			
c. Program Growth in FY 2012			172,200
1) Facilities Sustainment, Restoration and Modernization:	168,589		
Reflects funding realignment from In-House Care (\$30.2M) and Private Sector Care (\$138.4M) Budget Activity Group for Restoration and Modernizations Projects and Facilities Sustainment Model execution to 100%. FY 2011 Funding Baseline: \$733.207M			
2) One Less Day Paid:			
Adjusts for one less civilian pay day in FY 2012. FY 2011 Funding Baseline: \$32.0M.		3,611	

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2012 Budget Estimates  
Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition (Attachment 4)**

<b>C. <u>Reconciliation of Increases and Decreases</u></b>	( \$ in Thousands)	
	Amount	Totals
9. Program Decreases		-93
a. One-Time FY 2011 Costs	0	
b. Annualization of FY 2011 Program Decreases	0	
c. Program Decreases in FY 2012	-93	
1) Wounded Warrior:	-93	
Realigns funding from multiple Budget Activity Groups for Traumatic Brain Injury/Psychological (TBI/PH) to reflect proper execution.		
 <b>FY 2012 Budget Request</b>		 <b>887,367</b>

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

	FY 2010	FY 2011	FY 2012	Change	Change
<b>Funding Levels</b>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>FY 2010/2011</u>	<u>FY 2011/2012</u>
Facility Sustainment funding	528,848	377,788	442,794	-151,060	65,006
Facility Sustainment Model requirement	393,577	375,673	455,435	-17,904	79,762
Sustainment Rate (MILPERS excluded)	134.4%	100.6%	97.2%*	-11.0%	-3.3%

\*Note: FY 2012 Sustainment Rate does not reflect 100% of the model requirement due to the transfer of \$12.2M for DHP installation transfers to Army Installation Management Command and Commander, Navy Installations in FY 2012 after the model was run.

**Defense Health Program  
Operation and Maintenance**

**Fiscal Year (FY) 2012 Budget Estimates**

**Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition (Attachment 4)**

**V. Personnel Summary:**

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S))</u>					
Officer	10	9	9	-1	0
Enlisted	<u>10</u>	<u>6</u>	<u>6</u>	-4	<u>0</u>
Total Military	20	15	15	-5	0
<u>Active Military Average Strength(A/S)</u>					
Officer	10	10	10	0	0
Enlisted	<u>6</u>	<u>6</u>	<u>6</u>	<u>0</u>	<u>0</u>
Total Military	16	16	16	0	0

**V. Personnel Summary:**

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2010/FY 2011</u>	<u>Change FY 2011/FY 2012</u>
U.S. Direct Hire	406	343	258	-63	-85
Foreign National Direct Hire	<u>13</u>	<u>13</u>	<u>13</u>	<u>0</u>	<u>0</u>
Total Direct Hire	419	356	271	-63	-85
Foreign National Indirect Hire	<u>3</u>	<u>5</u>	<u>5</u>	<u>2</u>	<u>0</u>
Total Civilian	422	361	276	-61	-85
Average Civilian Salary (\$000's)	87.100	88.188	87.551		
Contractor FTEs (Total	0	0	0	0	0

**VI. Outyear Summary: N/A**

**VII. OP 32 Line Items as Applicable (Dollars in thousands): See OP-32 information included on the OP-5 Base Operations/Communications Exhibit.**

Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Cost of Medical Activities

Defense Health Program Funding by Subactivity Group  
(Dollars in Thousands)

	FY 2010 <sup>W</sup> Actuals	FY 2011 <sup>W</sup> Estimate	FY 2012 Estimate	FY 2010 - 2011 Change		FY 2011 - 2012 Change		
				\$	(%)	\$	(%)	
<b>IN-HOUSE CARE</b>								
0807700HP Defense Medical Centers, Hospitals and Medical Clinics - OCONUS	5,588,633	5,317,643	5,529,998	-270,990	-4.8%	212,355	4.0%	
0807900HP Defense Medical Centers, Hospitals and Medical Clinics - OCONUS	489,193	420,786	436,149	-68,407	-14.0%	15,363	3.7%	
0807701HP Pharmaceuticals - CONUS	1,303,743	1,341,241	1,455,142	37,498	2.9%	113,901	8.5%	
0807901HP Pharmaceuticals - OCONUS	120,827	114,183	143,687	-6,644	-5.5%	29,504	25.8%	
0807715HP Dental Care Activities - CONUS	464,545	521,537	523,222	56,992	12.3%	1,685	0.3%	
0807915HP Dental Care Activities - OCONUS	<u>60,637</u>	<u>66,487</u>	<u>60,658</u>	<u>5,850</u>	9.6%	<u>-5,829</u>	-8.8%	
<b>Subtotal In-House Care</b>	<b>8,027,578</b>	<b>7,781,877</b>	<b>8,148,856</b>	<b>-245,701</b>	<b>-3.1%</b>	<b>366,979</b>	<b>4.7%</b>	
<b>PRIVATE SECTOR CARE</b>								
0807702HP Pharmaceuticals - Purchased Health Care	323,953	320,885	391,514	-3,068	-0.9%	70,629	22.0%	
0807703HP Pharmaceuticals - National Retail Pharmacy	1,885,198	1,853,760	1,984,627	-31,438	-1.7%	130,867	7.1%	
0807723HP TRICARE Managed Care Support (MCS) Contracts	6,663,455	7,376,503	7,203,021	713,048	10.7%	-173,482	-2.4%	
0807738HP MTF Enrollees - Purchased Care	2,321,367	2,977,883	2,947,481	656,516	28.3%	-30,402	-1.0%	
0807741HP Dental - Purchased Care	334,546	354,505	403,540	19,959	6.0%	49,035	13.8%	
0807742HP Uniformed Services Family Health Program (USFHP)	365,014	423,380	455,714	58,366	16.0%	32,334	7.6%	
0807743HP Supplemental Care - Health Care	1,314,300	1,573,663	1,642,260	259,363	19.7%	68,597	4.4%	
0807745HP Supplemental Care - Dental	170,840	144,021	207,082	-26,819	-15.7%	63,061	43.8%	
0807747HP Continuing Health Education/Capitalization of Assets Program (CHE/CAP)	318,320	336,156	341,764	17,836	5.6%	5,608	1.7%	
0807749HP Overseas Purchased Health Care	272,799	302,044	313,650	29,245	10.7%	11,606	3.8%	
0807751HP Miscellaneous Purchased Health Care	291,604	261,825	404,609	-29,779	-10.2%	142,784	54.5%	
0807752HP Miscellaneous Support Activities	63,614	110,120	82,010	<u>46,506</u>	73.1%	<u>-28,110</u>	-25.5%	
<b>Subtotal Private Sector Care</b>	<b>14,325,010</b>	<b>16,034,745</b>	<b>16,377,272</b>	<b>1,709,735</b>	<b>11.9%</b>	<b>342,527</b>	<b>2.1%</b>	



Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Cost of Medical Activities

Defense Health Program Funding by Subactivity Group  
(Dollars in Thousands)

	FY 2010 Actuals	FY 2011 Estimate	FY 2012 Estimate	FY 2010 - 2011 Change \$	(%)	FY 2011 - 2012 Change \$	(%)
<b>CONSOLIDATED HEALTH SUPPORT</b>							
0801720HP Examining Activities	72,757	74,290	77,120	1,533	2.1%	2,830	3.8%
0807714HP Other Health Activities	474,945	803,380	840,083	328,435	69.2%	36,703	4.6%
0807705HP Military Public/Occupational Health	379,368	335,919	346,696	-43,449	-11.5%	10,777	3.2%
0807760HP Veterinary Services	31,772	37,174	32,745	5,402	17.0%	-4,429	-11.9%
0807724HP Military Unique Requirements - Other Medical	760,548	753,278	839,467	-7,270	-1.0%	86,189	11.4%
0807725HP Aeromedical Evacuation System	67,848	51,880	36,501	-15,968	-23.5%	-15,379	-29.6%
0807730HP Service Support to Other Health Activities - TRANSCOM	1,018	1,417	1,121	399	39.2%	-296	-20.9%
0807785HP Armed Forces Institute of Pathology (AFIP)	78,588	65,145	0	-13,443	-17.1%	-65,145	-100.0%
0807786HP Joint Pathology Center (JPC)	0	0	20,088	0	0.0%	20,088	100.0%
<b>Subtotal Consolidated Health Support</b>	<b>1,866,844</b>	<b>2,122,483</b>	<b>2,193,821</b>	<b>255,639</b>	<b>13.7%</b>	<b>71,338</b>	<b>3.4%</b>
<b>INFORMATION MANAGEMENT</b>							
0807781HP Non-Central Information Management/Information Technology	550,346	521,908	536,870	-28,438	-5.2%	14,962	2.9%
0807783HP DHP Information Management/Information Technology Support Programs	98,898	115,624	112,960	16,726	16.9%	-2,664	-2.3%
0807793HP MHS Tri-Service Information Management/Information Technology	696,583	814,798	772,867	118,215	17.0%	-41,931	-5.1%
<b>Subtotal Information Management</b>	<b>1,345,827</b>	<b>1,452,330</b>	<b>1,422,697</b>	<b>106,503</b>	<b>7.9%</b>	<b>-29,633</b>	<b>-2.0%</b>
<b>MANAGEMENT ACTIVITIES</b>							
0807798HP Management Activities	118,847	106,897	114,295	-11,950	-10.1%	7,398	6.9%
0807709HP TRICARE Management Activity	209,054	184,382	197,807	-24,672	-11.8%	13,425	7.3%
0901200HP BMMP Domain Management and System Integration	2,399	2,419	0	20	0.8%	-2,419	-100.0%
<b>Subtotal Management Activities</b>	<b>330,300</b>	<b>293,698</b>	<b>312,102</b>	<b>-36,602</b>	<b>-11.1%</b>	<b>18,404</b>	<b>6.3%</b>

Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Cost of Medical Activities

Defense Health Program Funding by Subactivity Group  
(Dollars in Thousands)

	FY 2010 Actuals	FY 2011 Estimate	FY 2012 Estimate	FY 2010 - 2011 Change		FY 2011 - 2012 Change	
				\$	(%)	\$	(%)
<b>EDUCATION AND TRAINING</b>							
0806722HP Armed Forces Health Professions Scholarship Program	223,151	240,746	259,998	17,595	7.9%	19,252	8.0%
0806721HP Uniformed Services University of the Health Sciences	131,540	105,529	112,313	-26,011	-19.8%	6,784	6.4%
0806761HP Other Education and Training	300,647	286,259	333,036	-14,388	-4.8%	46,777	16.3%
<b>Subtotal Education and Training</b>	<b>655,338</b>	<b>632,534</b>	<b>705,347</b>	<b>-22,804</b>	<b>-3.5%</b>	<b>72,813</b>	<b>11.5%</b>
<b>BASE OPERATIONS/COMMUNICATIONS</b>							
0806276HP Facilities Restoration and Modernization - CONUS	438,714	305,728	370,888	-132,986	-30.3%	65,160	21.3%
0806376HP Facilities Restoration and Modernization - OCONUS	34,198	49,691	70,985	15,493	45.3%	21,294	42.9%
0806278HP Facilities Sustainment - CONUS	470,195	288,389	388,867	-181,806	-38.7%	92,478	32.1%
0806378HP Facilities Sustainment - OCONUS	58,653	89,399	61,927	30,746	52.4%	-27,472	-30.7%
0807799HP Facilities Operations - Health Care - CONUS	413,980	380,340	366,818	-33,640	-8.1%	-13,522	-3.6%
0807979HP Facilities Operations - Health Care - OCONUS	33,648	29,470	29,937	-4,178	-12.4%	467	1.6%
0807795HP Base Communications - CONUS	39,544	41,499	36,809	1,955	4.9%	-4,690	-11.3%
0807995HP Base Communications - OCONUS	5,555	5,717	4,908	162	2.9%	-809	-14.2%
0807796HP Base Operations - CONUS	316,088	340,621	362,911	24,533	7.8%	22,290	6.5%
0807996HP Base Operations - OCONUS	21,899	21,029	21,638	-870	-4.0%	609	2.9%
0807753HP Environmental Conservation	657	955	0	298	45.4%	-955	-100.0%
0807754HP Pollution Prevention	5	3,628	255	3,623	72460.0%	-3,373	-93.0%
0807756HP Environmental Compliance	28,986	28,371	24,160	-615	-2.1%	-4,211	-14.8%
0807790HP Visual Information Systems	10,660	12,773	7,648	2,113	19.8%	-5,125	-40.1%
0808093HP Demolition/Disposal of Excess Facilities	0	0	2,700	0	0.0%	2,700	100.0%
<b>Subtotal Base Operations/Communications</b>	<b>1,872,782</b>	<b>1,597,610</b>	<b>1,742,451</b>	<b>-275,172</b>	<b>-14.7%</b>	<b>144,841</b>	<b>9.1%</b>
<b>Subtotal DHP Operation and Maintenance</b>	<b>28,423,679</b>	<b>29,915,277</b>	<b>30,902,546</b>	<b>1,491,598</b>	<b>5.2%</b>	<b>987,269</b>	<b>3.3%</b>

**Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Cost of Medical Activities**

Defense Health Program Funding by Subactivity Group  
(Dollars in Thousands)

	FY 2010 Actuals	FY 2011 Estimate	FY 2012 Estimate	FY 2010 - 2011 Change		FY 2011 - 2012 Change	
				\$	(%)	\$	(%)
<b>Procurement</b>							
(Program Elements 0807720HP & 0807721HP)							
Dental Equipment	3,400	1,200	1,672	-2,200	-64.7%	472	39.3%
Food Service, Preventive Medicine, and Pharmacy Equipment	15,757	6,507	3,291	-9,250	-58.7%	-3,216	-49.4%
Medical Information System Equipment	232,402	309,107	401,264	76,705	33.0%	92,157	29.8%
Medical Patient Care Administrative Equipment	2,357	2,404	2,452	47	2.0%	48	2.0%
Medical/Surgical Equipment	19,931	23,444	33,561	3,513	17.6%	10,117	43.2%
Other Equipment	81,319	11,774	15,837	-69,545	-85.5%	4,063	34.5%
Pathology/Lab Equipment	8,080	20,297	28,821	12,217	151.2%	8,524	42.0%
Radiographic Equipment	<u>161,491</u>	<u>145,188</u>	<u>145,620</u>	<u>-16,303</u>	-10.1%	<u>432</u>	0.3%
<b>Subtotal Procurement</b>	<b>524,737</b>	<b>519,921</b>	<b>632,518</b>	<b>-4,816</b>	<b>-0.9%</b>	<b>112,597</b>	<b>21.7%</b>
<b>Research, Development, Test and Evaluation</b>							
0601101HP In-House Laboratory Independent Research (ILIR)	2,670	2,875	2,935	205	7.7%	60	2.1%
0601117HP Basic Operational Medical Research Sciences	88,498	0	0	-88,498	-100.0%	0	0.0%
0602115HP Applied Biomedical Technology	116,662	28,658	33,805	-88,004	-75.4%	5,147	18.0%
0602787HP Medical Technology (AFRRI)	3,239	3,553	3,694	314	9.7%	141	4.0%
0603002HP Medical Advanced Technology (AFRRI)	699	752	767	53	7.6%	15	2.0%
0603115HP Medical Technology Development	782,755	133,376	181,042	-649,379	-83.0%	47,666	35.7%
0604110HP Medical Products Support and Advanced Concept Development	262,186	160,168	167,481	-102,018	-38.9%	7,313	4.6%
0605013HP Information Technology Development	121,077	136,761	176,345	15,684	13.0%	39,584	28.9%
0605145HP Medical Products and Support Systems Development	723	0	34,559	-723	-100.0%	34,559	100.0%
0605502HP Small Business Innovative Research (SBIR) Program	35,952	0	0	-35,952	-100.0%	0	0.0%
0606105HP Medical Program-Wide Activities	12,669	13,770	48,313	1,101	8.7%	34,543	250.9%
0607100HP Medical Products and Capabilities Enhancement Activities	<u>16,500</u>	<u>20,000</u>	<u>14,765</u>	<u>3,500</u>	21.2%	<u>-5,235</u>	-26.2%
<b>Subtotal RDT&amp;E</b>	<b>1,443,630</b>	<b>499,913</b>	<b>663,706</b>	<b>-947,217</b>	<b>-65.6%</b>	<b>169,028</b>	<b>33.8%</b>
<b>Total Defense Health Program</b>	<b>30,392,046</b>	<b>30,935,111</b>	<b>32,198,770</b>	<b>539,565</b>	<b>1.7%</b>	<b>1,268,894</b>	<b>3.9%</b>
<b>FY 2011 Continuing Resolution<sup>3/</sup></b>		<b>30,534,348</b>					

1/ FY 2010 actuals include Operation and Maintenance funding of \$1,289.2M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriations Act for FY 2010 Public Law 111-118; includes Operation and Maintenance funding of \$33.4M for Supplemental Appropriations Act, 2010 Public Law 111-212; includes \$132.0M for Operation and Maintenance; and includes \$8.0M for Research, Development, Test and Evaluation transferred from Health and Human Services (HHS) for H1N1 in the Supplemental Appropriations Act of 2009, Public Law 111-32.

2/ Reflects the FY 2011 President's Budget request.

3/ Adjusts the Operation and Maintenance budget line included in the FY 2011 President's Budget request to match the Annualized Continuing Resolution funding level.

Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Cost of Medical Activities

Defense Health Program Funding by Subactivity Group  
(Dollars in Thousands)

	FY 2010	FY 2011	FY 2012	FY 2010 - 2011 Change		FY 2011 - 2012 Change	
	Actuals	Estimate	Estimate	\$	(%)	\$	(%)
<b>SPECIAL INTEREST ITEMS</b>							
<b>Medicare Eligible Accrual Fund Receipts</b>							
Total Medicare Eligible Accrual Fund	8,429,109	9,457,000	9,916,600	1,027,891	12.2%	459,600	4.9%
Direct Care	1,253,900	1,401,500	1,450,553	147,600	11.8%	49,053	3.5%
Private Sector Care	6,772,809	7,597,400	7,997,411	824,591	12.2%	400,011	5.3%
Military Personnel Accounts	402,400	458,100	468,636	55,700	13.8%	10,536	2.3%
<b>Research, Development, Test &amp; Evaluation</b>							
Congressionally Directed Programs	822,528	0	0	-822,528	-100.0%	0	0.0%
TMA Central Information Technology Development	102,549	121,008	164,487	18,459	18.0%	43,479	35.9%
Service Information Technology Development	14,448	15,753	11,858	1,305	9.0%	-3,895	-24.7%
Small Business Innovative Research	32,451	0	0	-32,451	-100.0%	0	0.0%
Medical Technology Development	108,319	106,613	114,245	-1,706	-1.6%	7,632	7.2%
Biomedical Technology	88,000	3,394	3,479	-84,606	-96.1%	85	2.5%
Armed Forces Radiobiology Research Institute (AFRRI)	3,239	3,553	3,694	314	9.7%	141	4.0%
In-House Laboratory Independent Research (ILIR)	2,670	2,875	2,935	205	7.7%	60	2.1%
Medical Advanced Technology (AFRRI)	699	752	767	53	7.6%	15	2.0%
Medical Products Support and Advanced Concept Development	169,380	0	0	-169,380	-100.0%	0	0.0%
Medical Products and Support Systems Development	723	0	15,600	-723	-100.0%	15,600	100.0%
Medical Program-Wide Activities	2,456	13,770	40,590	11,314	460.7%	26,820	194.8%
Medical Products and Capabilities Enhancement Activities	16,500	0	0	-16,500	-100.0%	0	0.0%
Basic Operational Medical Research Sciences	53,568	0	0	-53,568	-100.0%	0	0.0%
GDF Medical Research Enhancement	26,100	232,195	306,051	206,095	789.6%	73,856	31.8%

**Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Exhibit PB-11A, Personnel Summary**

	<u>FY 2010 Actual</u>		<u>FY 2011 Estimate</u>		<u>FY 2012 Estimate</u>		<u>FY11-12 Change</u>	
	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>
<u>Active Military - Assigned to DHP</u>								
<u>Army Total</u>	25,866	24,816	26,207	26,037	26,748	26,478	541	441
Officers	11,506	11,142	11,573	11,540	11,889	11,731	316	192
Enlisted	14,360	13,675	14,634	14,497	14,859	14,747	225	250
<u>Navy Total</u>	26,709	26,351	27,220	26,965	27,715	27,468	495	503
Officers /1	8,580	8,526	8,662	8,621	8,790	8,726	128	105
Enlisted	18,129	17,826	18,558	18,344	18,925	18,742	367	398
<u>Air Force Total</u>	31,510	31,058	31,519	31,515	31,544	31,532	25	17
Officers	11,158	11,091	11,157	11,158	11,164	11,161	7	3
Enlisted	20,352	19,967	20,362	20,357	20,380	20,371	18	14
<u>Total Active Duty</u>	84,085	82,225	84,946	84,516	86,007	85,477	1,061	961
Officers	31,244	30,758	31,392	31,318	31,843	31,618	451	300
Enlisted	52,841	51,467	53,554	53,198	54,164	53,859	610	662
/1 Includes one USMC DHP officer strength								
<u>Active Military - Non DHP Medical</u>								
<u>Army Total</u>	21,705	20,937	21,931	21,818	21,971	21,951	40	133
Officers	4,168	3,980	4,266	4,217	4,270	4,268	4	51
Enlisted	17,537	16,957	17,665	17,601	17,701	17,683	36	82
<u>Navy Total</u>	10,852	9,609	12,375	11,614	12,149	12,262	-226	649
Officers	1,830	1,841	2,392	2,111	2,145	2,269	-247	158
Enlisted	9,022	7,768	9,983	9,503	10,004	9,994	21	491
<u>Air Force Total</u>	2,040	2,107	1,994	2,017	1,992	1,993	-2	-24
Officers	780	790	776	778	774	775	-2	-3
Enlisted	1,260	1,317	1,218	1,239	1,218	1,218	0	-21
<u>Total Active Duty</u>	34,597	32,653	36,300	35,449	36,112	36,206	-188	758
Officers	6,778	6,611	7,434	7,106	7,189	7,312	-245	206
Enlisted	27,819	26,042	28,866	28,343	28,923	28,895	57	552

Exhibit PB-11A, Personnel Summary  
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**Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Exhibit PB-11A, Personnel Summary**

	<u>FY 2010 Actual</u>		<u>FY 2011 Estimate</u>		<u>FY 2012 Estimate</u>		<u>FY11-12 Change</u>	
	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>
I. Civilian Personnel - US Direct Hire								
Army	40,092	37,456	38,316	37,480	36,608	35,772	-1,708	-1,708
Navy	12,937	12,019	12,800	12,614	12,452	12,266	-348	-348
Air Force	7,075	6,488	6,808	6,219	7,223	6,512	415	293
TRICARE Management Activity	1,572	1,426	1,383	1,367	1,499	1,483	116	116
Total	61,676	57,389	59,307	57,680	57,782	56,033	-1,525	-1,647
II. Civilian Personnel - Foreign National Direct Hire								
Army	449	431	433	428	383	378	-50	-50
Navy	227	219	236	213	236	213	0	0
Air Force	107	107	89	95	94	95	5	0
TRICARE Management Activity	0	0	0	0	0	0	0	0
Total	783	757	758	736	713	686	-45	-50
III. Civilian Personnel - Foreign National Indirect Hire								
Army	1,103	1,033	1,032	1,012	997	977	-35	-35
Navy	434	423	448	430	448	430	0	0
Air Force	235	232	242	237	242	238	0	1
TRICARE Management Activity	5	5	5	5	5	5	0	0
Total	1,777	1,693	1,727	1,684	1,692	1,650	-35	-34
IV. Total Civilian Personnel								
Army	41,644	38,920	39,781	38,920	37,988	37,127	-1,793	-1,793
Navy	13,598	12,661	13,484	13,257	13,136	12,909	-348	-348
Air Force	7,417	6,827	7,139	6,551	7,559	6,845	420	294
TRICARE Management Activity	1,577	1,431	1,388	1,372	1,504	1,488	116	116
Total /1	64,236	59,839	61,792	60,100	60,187	58,369	-1,605	-1,731
V. Summary Civilian Personnel								
U.S. Direct Hire	61,676	57,389	59,307	57,680	57,782	56,033	-1,525	-1,647
Foreign National Direct Hire	783	757	758	736	713	686	-45	-50
Foreign National Indirect Hire	<u>1,777</u>	<u>1,693</u>	<u>1,727</u>	<u>1,684</u>	<u>1,692</u>	<u>1,650</u>	-35	-34
Total, Civilians /1	64,236	59,839	61,792	60,100	60,187	58,369	-1,605	-1,731
	421	645	438	618	438	619	0	1

/1 Includes reimbursable civilians - memo

Exhibit PB-11A, Personnel Summary  
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**Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Exhibit PB-11A, Personnel Summary**

	<u>FY 2010 Actual</u>		<u>FY 2011 Estimate</u>		<u>FY 2012 Estimate</u>		<u>FY11-12 Change</u>	
	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>
<u>SPECIAL INTEREST MANPOWER</u>								
TRICARE Regional Offices (TRO):								
Military	1	1	1	1	1	1	0	0
Civilian	129	119	143	143	143	143	0	0
TRICARE Management Activity (PE 0807798)								
Military	3	6	0	2	0	0	0	-2
Civilian	68	65	69	69	69	69	0	0
Army Management Headquarters (PE 0807798)								
Military	104	104	109	107	110	110	1	3
Civilian	493	457	462	455	450	443	-12	-12
Navy Management Headquarters (PE 0807798)								
Military	204	204	204	204	204	204	0	0
Civilian	192	166	173	170	173	170	0	0
Air Force Management Headquarters (PE 0807798)								
Military	399	399	399	399	399	399	0	0
Civilian	150	129	119	113	144	138	25	25

Note: Some numbers do not add due to rounding.

Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Cost of Medical Activities - Medical Workload Data  
(Total Comp Level)

Defense Health Program  
Medical Workload and Productivity Data  
(Actual)

	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2010 - 2011 Change	FY 2011 - 2012 Change
<b><u>Population - Average Eligible Beneficiaries, CONUS</u></b>					
Active Duty	1,551,462	1,558,909	1,554,695	7,447	-4,214
Active Duty Dependents	2,236,805	2,245,074	2,235,334	8,269	-9,740
CHAMPUS Eligible Retirees	1,088,780	1,086,209	1,069,510	-2,571	-16,700
CHAMPUS Eligible Dependents of Retirees	2,204,498	2,221,739	2,225,557	17,242	3,818
Subtotal CHAMPUS Eligible	7,081,545	7,111,931	7,085,096	30,386	-26,835
Medicare Eligible Beneficiaries	2,023,280	2,054,973	2,104,178	31,693	49,205
Total Average Eligible Beneficiaries	9,104,825	9,166,904	9,189,273	62,079	22,370
<b><u>Population - Average Eligible Beneficiaries, OCONUS</u></b>					
Active Duty	185,459	184,941	180,805	-518	-4,136
Active Duty Dependents	171,334	173,018	171,419	1,684	-1,599
CHAMPUS Eligible Retirees	21,921	21,053	20,231	-868	-823
CHAMPUS Eligible Dependents of Retirees	53,597	52,045	50,662	-1,552	-1,383
Subtotal CHAMPUS Eligible	432,311	431,056	423,116	-1,255	-7,940
Medicare Eligible Beneficiaries	32,157	32,484	32,832	328	348
Total Average Eligible Beneficiaries	464,467	463,540	455,948	-927	-7,592
<b><u>Population - Average Eligible Beneficiaries, Worldwide</u></b>					
Active Duty	1,736,921	1,743,850	1,735,500	6,929	-8,350
Active Duty Dependents	2,408,139	2,418,091	2,406,753	9,952	-11,339
CHAMPUS Eligible Retirees	1,110,701	1,107,262	1,089,740	-3,439	-17,522
CHAMPUS Eligible Dependents of Retirees	2,258,094	2,273,784	2,276,219	15,690	2,436
Subtotal CHAMPUS Eligible	7,513,855	7,542,987	7,508,212	29,132	-34,775
<b><u>Medicare Eligible Beneficiaries:</u></b>					
Active Duty Family Members	7,677	7,767	7,741	91	-27
Guard/Reserve Family Members	2,393	2,396	2,402	3	6
Retirees	974,559	989,155	1,014,628	14,596	25,473
Family Members of Retirees	630,329	636,336	649,223	6,007	12,887
Survivors	438,758	450,072	461,289	11,314	11,217
Other	1,721	1,732	1,729	11	-3
Total Medicare Eligible Beneficiaries	2,055,437	2,087,457	2,137,010	32,021	49,553
Total Average Eligible Beneficiaries	9,569,292	9,630,444	9,645,221	61,152	14,778

Notes:

- The data are derived from the Managed Care Forecasting and Analysis System (MCFAS) -- Data Version FY2009.0.
- Medicare Eligible total does not include Active Duty Beneficiaries or Activated Guard/Reserve who are identified in DEERS as Medicare Eligible. For Active Duty, their healthcare
- Numbers may not sum to totals due to rounding.



**Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Cost of Medical Activities - Medical Workload Data  
(Total Comp Level)**

**DEFENSE HEALTH PROGRAM  
Medical Workload and Productivity Data**

	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2010 - 2011 Change	FY 2011 - 2012 Change
<b>Enrollees - Direct Care</b>					
TRICARE Region - North	949,195	897,958	898,651	-51,237	693
TRICARE Region - South	931,325	1,030,206	1,064,107	98,881	33,901
TRICARE Region - West	1,082,846	1,103,934	1,124,980	21,088	21,046
TRICARE Region - Europe	182,110	171,889	172,796	-10,221	907
TRICARE Region - Pacific	116,579	121,281	121,360	4,702	79
TRICARE Region - Latin America	1,119	1,147	1,147	28	0
Alaska <sup>1</sup>	65,931	66,716	66,686	785	-30
Sub-Total CONUS Regions	2,963,366	3,032,098	3,087,738	68,732	55,640
Sub-Total OCONUS Regions	299,808	299,808	299,808	188,966	188,966
Total Direct Care Enrollees	3,263,174	3,331,906	3,387,546	257,698	244,606

Source: FY2010 = M2; FY 2011-2012 = Service Medical Departments Business Plans as Projected December 2010

<sup>1</sup>Alaska in the West Contract is not underwritten therefore not included in the total

**Enrollees - Managed Care Support Contract**

TRICARE Region - North	447,672	492,486	543,166	44,814	50,680
TRICARE Region - South	614,818	662,683	716,129	47,865	53,446
TRICARE Region - West	375,697	406,152	440,213	30,455	34,061
Total MCS Contracts	1,438,187	1,561,321	1,699,508	123,134	138,187

**Infrastructure (Actual Numbers)**

Inpatient Facilities	59	59	56	0	-3
Medical Clinics	364	365	363	1	-2
Dental Clinics	282	281	274	-1	-7
Veterinary Clinics	288	255	253	-33	-2

**DEFENSE HEALTH PROGRAM  
Medical Workload and Productivity Data**

	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2010 - 2011 Change	FY 2011 - 2012 Change
<b>Direct Care System Workload (from M2 and Business Planning Tool)</b>					
Inpatient Admissions (SIDR Dispositions)	260,055	273,865	265,879	13,810	-7,986
Occupied Bed Days	796,350	851,970	807,813	55,620	-44,157
Inpatient Weighted Workload (MS-DRG RWPs)	215,035	227,192	215,347	12,157	-11,845
Average length of Stay (Bed Days/Dispositions)	3.06	3.11	3.04	0.05	-0.07
Total Ambulatory Visits (Aggregate Weight APCs)	35,247,219	34,276,012	34,469,718	-971,207	193,706
Outpatient Relative Value Units (Total Enhanced RVUs)	76,784,818	75,449,299	75,474,163	-1,335,519	24,864
<b>Pharmacy</b>					
Number of Scripts	48,104,898	48,613,506	49,436,495	508,608	822,988
<b>Dental Workload (Dental Weighted Values (DWVs))</b>					
CONUS	13,921,006	14,224,717	14,576,118	303,711	351,401
OCONUS	2,713,765	2,857,090	2,923,416	143,325	66,326
Total DWVs	16,634,771	17,081,807	17,499,534	0	0
<b>CONUS</b>					
Active Duty	12,464,021	12,733,082	13,041,712	269,061	308,630
Non-Active Duty	1,456,985	1,491,635	1,534,406	34,650	42,771
Total CONUS	13,921,006	14,224,717	14,576,118	303,711	351,401
<b>OCONUS</b>					
Active Duty	1,782,080	1,878,939	1,921,716	96,859	42,777
Non-Active Duty	931,686	978,151	1,001,699	46,465	23,548
Total OCONUS	2,713,765	2,857,090	2,923,415	143,325	66,325

Defense Health Program  
Fiscal Year (FY) 2012 Budget Estimates  
Cost of Medical Activities - Medical Workload Data  
(Total Comp Level)

DEFENSE HEALTH PROGRAM  
Medical Workload and Productivity Data

	FY 2010 Actual	FY 2011 Estimate	FY 2012 Estimate	FY 2010 - 2011 Change	FY 2011 - 2012 Change
<b>Private Sector Workload</b>					
Managed Care Support Contracts (TRICARE Prime)					
Inpatient Admissions	280,742	281,865	282,146	1,123	282
Inpatient Realtime Weighted Product (RWPs)	254,058	255,074	255,330	1,016	255
Outpatient Visits	35,648,908	38,322,576	40,813,544	2,673,668	2,490,967
Outpatient Revalitive Weighted Units (RVUs)	41,567,618	44,685,190	47,589,727	3,117,571	2,904,537
TRICARE Extra/Standard					
Inpatient Admissions	117,053	117,521	117,638	468	118
Inpatient Realtime Weighted Product (RWPs)	128,158	128,671	128,800	513	129
Outpatient Visits	15,233,808	16,376,343	17,440,805	1,142,536	1,064,462
Outpatient Revalitive Weighted Units (RVUs)	18,168,187	19,530,801	20,800,303	1,362,614	1,269,502
Overseas CHAMPUS					
Inpatient Admissions	14,861	14,647	14,436	-214	-211
Inpatient Realtime Weighted Product (RWPs)	7,911	7,736	7,564	-175	-171
Outpatient Visits	412,111	421,520	431,143	9,408	9,623
Outpatient Revalitive Weighted Units (RVUs)	322,682	316,753	310,932	-5,930	-5,821
Pharmacy					
Retail					
Number of Scripts	33,655,890	35,002,126	35,352,147	1,346,236	350,021
Mail Order					
Number of Scripts	2,371,891	2,537,923	2,664,820	166,032	126,896
TRICARE Dental Program					
Enrollment - Single Plan	302,849	313,737	331,442	16,759	17,705
Enrollment - Family Plan	467,982	483,441	496,766	12,967	13,325
Enrollment - Survivor Single Plan	467	452	442	-10	-10
Enrollment - Survivor Family Plan	1,040	1,181	1,172	-10	-9
Uniformed Services Family Health Plan					
Enrollees (Non-Medicare eligible, DoD Only)	102,631	105,616	110,108	4,271	4,492
Enrollees (Medicare eligible, DoD Only)	65,345	67,303	70,771	3,275	3,468
Enrollees (Medicare eligible, DoD only)	37,286	38,313	39,337	996	1,024