

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

III. Financial Summary (\$ in Thousands):

	FY 2011						
	FY 2010 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		Current <u>Appropriation</u>	Current <u>Estimate</u>	FY 2012 <u>Estimate</u>
<u>Amount</u>			<u>Percent</u>				
A. <u>Subactivities</u>							
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. <u>Reconciliation Summary</u>	Change <u>FY 2011/FY 2011</u>	Change <u>FY 2011/FY 2012</u>
Baseline Funding	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
Subtotal Appropriated Amount	293,698	n/a
OCO and Other Supplemental Appropriations	518	n/a
Fact-of-Life Changes	0	n/a
Subtotal Baseline Funding	294,216	n/a
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-518	n/a
Revised Current Estimate	293,698	293,698
Price Change	n/a	1,996
Functional Transfers	n/a	-363
Program Changes	<u>n/a</u>	<u>16,771</u>
Current Estimate	293,698	312,102

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

	(\$ in Thousands)	
	<u>Amount</u>	<u>Totals</u>
C. <u>Reconciliation of Increases and Decreases</u>		
FY 2011 President's Budget Request		293,698
1. Congressional Adjustments		0
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	0	
FY 2011 Appropriated Amount		293,698
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	
FY 2011 Baseline Funding		294,216
4. Reprogrammings (requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: OCO and Other Supplemental Appropriations		-518
Current Estimate for FY 2011		293,698
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	

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

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

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

(\$ in Thousands)

	<u>Amount</u>	<u>Totals</u>
C. <u>Reconciliation of Increases and Decreases</u>		
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. <u>Performance Criteria and Evaluation Summary:</u> N/A		

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

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):