

**Defense Health Program  
Fiscal Year (FY) 2014 Budget Estimates  
Operation and Maintenance  
Information Management**

**I. Description of Operations Financed:**

This Budget Activity Group provides for the Information Management/Information Technology resources required to support the Military Health System. 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. Beginning in FY 2011 includes funding for the Joint Task Force National Capital Region Medical.

**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 supporting the Military Health System to comply with changes in medical regulatory guidance; commercially purchased IM/IT related services that enable the Managed Care Support Contracts to meet healthcare, security, and audit compliance requirements; and funding to support centrally managed office automation, video-teleconferencing and related technical activities. Beginning in FY 2011 includes funding for the Business Management Modernization Program Domain Management and Systems

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

Integration program that was realigned from the Management Activities Budget Activity Group.

**Integrated Electronic Health Record** - For the management, operations and support of the Integrated Electronic Health Record (iEHR) information program and associated capabilities within the Defense Health Program. Funding includes actions necessary for the acquisition, maintenance, enhancement, operation, sustainment, and program management in support of the iEHR and to achieve objectives as defined in requirements documentation. This program element reflects iEHR resources beginning in FY 2014 established in accordance with joint memorandum from the Under Secretaries of Defense Comptroller and Acquisition and logistics, "Joint Memorandum on Major Defense Acquisition Program and Major Automated Information System Program Resource Transparency in Department of Defense Budget Systems", April 24, 2012. Prior to 2014 the iEHR funding was included in the Electronic Health Record - Way Ahead and the Virtual Lifetime Electronic Health Record initiatives.

**Tri-Service IM/IT** - Includes funding for program management of Tri-Service IM/IT programs, system and infrastructure sustainment, annual software licensing fees, and software and hardware maintenance fees. Major Tri-Service initiatives include: 1) The Armed Forces Health Longitudinal Technology Application (AHLTA) that 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) Composite Health Care System (CHCS) that is the legacy computerized provider order entry (CPOE) system providing an interface to the EHR for official medical coding information entered by health care providers; and 3) integrated Electronic Health Record (iEHR) through FY 2013 that is the Major Automated Information System program designed to replace/sunset the current portfolio of systems providing initial EHR capability (primarily AHLTA and CHCS). iEHR

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

will provide a comprehensive, longitudinal, electronic health record that is available anytime anywhere and will share DoD health record information with the Department of Veterans Affairs; 4) Theater Medical Information Program - Joint (TMIP-J); that integrates the military health information systems to ensure timely interoperable medical support for mobilization, deployment and sustainment of contingency operations in the theater environment and adapts medical information systems to Theater specific requirements; 5) Defense Medical Logistics Standard Support (DMLSS) that provides integrated supply chain and life cycle management for pharmaceuticals, medical supplies, equipment, health facilities and services, and enables medical logistics support to the Force Health Protection mission for the MHS; 6) Executive Information/Decision Support (EI/DS) that 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 7) Defense Occupational and Environmental Health Readiness System - Industrial Hygiene (DOEHRS-IH) that 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 not limited to: Defense Medical Human Resources System (internet); Coding and Compliance Editor (CCE); Enterprise Blood Management System (EBMS); TRICARE On Line (TOL); Patient Safety Reporting (PSR); Wounded, Ill and Injured solutions (including Health Artifact and Image Management (HAIMS)); and the Joint Electronic Health Record Interoperability (JEHRI) for DoD's portion of the joint DoD/VA sharing initiative. Resources also support MHS communications and computing infrastructure that manage: (a) a wide area network (WAN) deployed to all TRICARE regions, providing communication support for all medical information systems; (b) a local area networks (LANs), providing unified backbone networks within military treatment facilities; and (c) centralized network management, including capacity planning, configuration management and security integration.

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

**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 2013							
	FY 2012	Budget	Congressional Action			Current	FY 2014	
			Actual	Request	Amount			Percent
<b>A. <u>BA Subactivities</u></b>								
1. Service Medical IM/IT	622,461	545,889	0	0.0	545,889	545,889	608,939	
2. DHP IM/IT Support Programs	97,681	100,548	0	0.0	100,548	100,548	102,632	
3. iEHR	0	0	0	n/a	0	0	75,801	
4. Tri-Service IM/IT	765,210	818,891	0	0.0	818,891	818,891	663,247	
<b>Total</b>	<b>1,485,352</b>	<b>1,465,328</b>	<b>0</b>	<b>0.0</b>	<b>1,465,328</b>	<b>1,465,328</b>	<b>1,450,619</b>	

1. FY 2012 actuals includes \$3.0M for Overseas Contingency Operations (OCO) under the Consolidated Appropriation Act, FY 2012, Public Law 112-74.
2. FY 2013 current estimate excludes \$4.8M for OCO.
3. FY 2014 request excludes OCO.
4. Does not reflect Departmental DoD Medicare-Eligible Retiree Health Care Fund (MERHCF) for FY 2012 of \$11.3M, FY 2013 of \$7.9M and FY 2014 of \$8.2M O&M only.

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<b>B. <u>Reconciliation Summary</u></b>	<b>Change</b>	<b>Change</b>
	<b><u>FY 2013/FY 2013</u></b>	<b><u>FY 2013/FY 2014</u></b>
<b>Baseline Funding</b>	<b>1,465,328</b>	<b>1,465,328</b>
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
<b>Subtotal Appropriated Amount</b>	<b>1,465,328</b>	
Fact-of-Life Changes (2013 to 2013 Only)		
<b>Subtotal Baseline Funding</b>	<b>1,465,328</b>	
Supplemental	4,773	
Reprogrammings		
Price Changes		26,568
Functional Transfers		
Program Changes		-41,277
<b>Current Estimate</b>	<b>1,470,101</b>	<b>1,450,619</b>
Less: Wartime Supplemental	-4,773	
<b>Normalized Current Estimate</b>	<b>1,465,328</b>	

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

	Amount	Totals
<b>C. Reconciliation of Increases and Decreases</b>		
<b>FY 2013 President's Budget Request (Amended, if applicable)</b>		<b>1,465,328</b>
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
<b>FY 2013 Appropriated Amount</b>		<b>1,465,328</b>
2. OCO and Other Supplemental Enacted		4,773
a. OCO and Other Supplemental Requested		
1) OCO	4,773	
3. Fact-of-Life Changes		
<b>FY 2013 Baseline Funding</b>		<b>1,470,101</b>
4. Reprogrammings (Requiring 1415 Actions)		
<b>Revised FY 2013 Estimate</b>		<b>1,470,101</b>
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-4,773
<b>FY 2013 Normalized Current Estimate</b>		<b>1,465,328</b>
6. Price Change		26,568
7. Functional Transfers		
8. Program Increases		60,978
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Air Force Information Technology (IT) Adjustments: Realigns available funds from the In-House Care Budget Activity Group (BAG) for Air Force (AF) medical IT initiatives. IT initiatives include: remote desktop services in support of Virtualization, the Surgical Scheduling System, the Aeromedical Electronic Health Record (EHR), Personal Health	28,000	

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<b>C. Reconciliation of Increases and Decreases</b>	<b>Amount</b>	<b>Totals</b>
Record secure messaging, Essentris inpatient EHR licenses, E-Health, the Theater Medical Information Program-Joint (TMIP-J), and headquarters IT support requirements. These funds support software licenses and contracted IT support. The FY 2013 AF IT baseline is \$160.7M, 199 civilian FTEs and 573 contractor FTEs.		
2) Clinical Intelligence Initiative: Establishes a new Military Health System Clinical Intelligence Initiative to leverage various technologies such as business intelligence, eHealth, and mobile platforms to improve patient-provider communications and the sharing of protected patient and medical research information across the enterprise. This initiative will improve the quality of patient care decision making. This initiative did not have a FY 2013 baseline. This initiative will be staffed by 72 contractor FTEs.	17,057	
3) Joint Task Force Capital Region Medical (JTF CapMed): Realigns funds from the Consolidated Health Support BAG to Information Management and Information Technology BAG for proper execution of Joint Task Force Capital Medical Region Medical IT operations including help desk support, network operations, and information assurance security support. The FY 2013 JTF CapMed IT baseline is \$23.2M, 50 civilian FTEs and 156 contractor FTEs.	10,334	
4) Information Assurance (Uniformed Services University of Health Sciences-(USUHS)): Realigns funds from Education and Training BAG for	2,587	



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<b>C. Reconciliation of Increases and Decreases</b>	<b>Amount</b>	<b>Totals</b>
security certification, accreditation and network operations that have been historically executing above baseline projections. The FY 2013 USUHS baseline IT program is \$4.2M and 32 civilian FTEs.		
5) Enterprise-Wide Sustainment: Realigns funds from Research, Development, Test and Evaluation and Procurement for proper execution of sustainment requirements supporting Theater Medical Logistics (TML) Plus, Defense Occupational and Environmental Health Readiness System - Industrial Hygiene (DOEHRS-IH), secure messaging licenses for primary care providers, and the Blood Standard System.	1,820	
6) National Intrepid Center of Excellence (NICoE): Realigns funds from In-House Care BAG to properly align NICoE information systems sustainment funds for IT initiatives supporting the Wounded Warrior. The FY 2013 NICoE baseline IT baseline is \$12.7M and 2 civilian FTEs.	1,180	
9. Program Decreases		-102,255
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Integrated Electronic Health Record (iEHR): Adjusts funding for proper execution as a result of revised requirements for an interoperable DoD/VA integrated Electronic Health Record (iEHR). The FY 2013 iEHR baseline program is \$163.4M, 72 civilian FTEs, and 998 contractor FTEs.	-87,615	
2) International Classification of Diseases - 10 (ICD-	-9,250	

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<b>C. Reconciliation of Increases and Decreases</b>	<b>Amount</b>	<b>Totals</b>
10):		
Reduces planned funding profile to ICD-10 requirement based on a FY 2013 implementation date. The FY 2013 ICD-10 baseline is \$11.5M.		
3) Manpower - Civilian Realignments:	-2,934	
Technical adjustment to realign 36 current civilian workforce FTEs to meet execution projections based on Army manpower requirements for mission and priorities. The Army FY 2013 civilian IT pay baseline is \$100.5M and 1,050 civilian FTEs.		
4) Travel and Printing Reductions:	-2,456	
Reduces non-patient care travel (\$2.4M) and printing (\$0.1M) in accordance with OMB Memo M12-12 (dated 11 May 2012) and Executive Order #13589 "Promoting Efficient Spending" (dated 9 November 2011). The FY 2013 travel baseline is \$4.9M and FY 2013 printing baseline is \$1.1M.		
<b>FY 2014 Budget Request</b>		<b>1,450,619</b>

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

The DHP met the FY 2014 IM/IT Department of Defense (DoD) performance objective of ninety percent for Major Automated Information Systems that are post Milestone B and have approved cost, schedule, and performance baselines achieving 100 percent in FY 2012 and FY 2013.

The DHP nearly achieved its internal objective of ninety-nine percent of operational availability with an average of ninety-eight percent for the following systems:

- a. Armed Forces Health Longitudinal Technology Application,
- b. Composite Health Care System (CHCS),
- c. Defense Medical Logistics Standard Support (DMLSS),
- d. Executive Information/Decision Support (EI/DS), and
- e. Defense Occupational and Environmental Health Readiness System - Industrial Hygiene (DOEGRS-IH).

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<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Change FY 2012/ FY 2013</u>	<u>Change FY 2013/ FY 2014</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>457</u>	<u>476</u>	<u>475</u>	<u>19</u>	<u>-1</u>
Officer	141	149	148	8	-1
Enlisted	316	327	327	11	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>482</u>	<u>467</u>	<u>476</u>	<u>-15</u>	<u>9</u>
Officer	147	145	149	-2	4
Enlisted	335	322	327	-13	5
<u>Civilian FTEs (Total)</u>	<u>1,932</u>	<u>2,052</u>	<u>2,025</u>	<u>120</u>	<u>-27</u>
U.S. Direct Hire	1,859	2,000	1,969	141	-31
Foreign National Direct Hire	34	11	11	-23	0
Total Direct Hire	1,893	2,011	1,980	118	-31
Foreign National Indirect Hire	39	41	45	2	4
Average Annual Civilian Salary (\$ in thousands)	96.3	98.1	99.0	1.8	.9
<u>Contractor FTEs (Total)</u>	<u>4,391</u>	<u>4,347</u>	<u>4,434</u>	<u>-44</u>	<u>87</u>

Military: The increase in military personnel from FY 2012 - FY 2013 reflects an adjustment to the Army based upon a manpower analysis and Air Force for the new Clinical Intelligence Initiative. The decrease from FY 2013 - FY 2014 reflects an Army Medical Action Plan adjustment.

Civilian: The increase of civilian personnel from FY 2012 - FY 2013 reflects the staff growth of the Interagency Project Office for the iEHR including civilian transfers from the Defense Human Resource Activity, and the Army's insourcing of IT contractor support.

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The decrease in civilian personnel from FY 2013 - FY 2014 reflects Army technical manpower realignments.

Contractor: The decrease in contractor personnel from FY 2012 - FY 2013 reflects contract efficiencies pertaining to the sustainment of DHP enterprise-wide IT systems the result of the Army's insourcing of IT contractor support. The contractor growth from FY 2013 - FY 2014 reflects increases for the new Clinical Intelligence Initiative, and Information Assurance personnel.

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

<u>OP 32 Line</u>	<u>FY 2012</u>	<u>Foreign</u>	<u>Change</u>		<u>FY 2013</u>	<u>Foreign</u>	<u>Change</u>		<u>FY 2014</u>
	<u>Actual</u>	<u>Currency</u>	<u>FY 2012/FY 2013</u>	<u>Program</u>	<u>Estimate</u>	<u>Currency</u>	<u>FY 2013/FY 2014</u>	<u>Program</u>	<u>Estimate</u>
		<u>Rate Diff</u>	<u>Price</u>			<u>Rate Diff</u>	<u>Price</u>		
308 Travel of Persons	4,349	0	87	404	4,840	0	92	574	5,506
<b>399 TOTAL TRAVEL</b>	<b>4,349</b>	<b>0</b>	<b>87</b>	<b>404</b>	<b>4,840</b>	<b>0</b>	<b>92</b>	<b>574</b>	<b>5,506</b>
411 Army Supply	0	0	0	22	22	0	-1	1	22
416 GSA Supplies & Materials	643	0	13	43	699	0	13	1	713
417 Local Purch Supplies & Mat	585	0	12	-172	425	0	8	1	434
422 DLA Mat Supply Chain (Medical)	57	0	1	1	59	0	0	5	64
<b>499 TOTAL SUPPLIES &amp; MATERIALS</b>	<b>1,285</b>	<b>0</b>	<b>26</b>	<b>-106</b>	<b>1,205</b>	<b>0</b>	<b>20</b>	<b>8</b>	<b>1,233</b>
502 Army Fund Equipment	0	0	0	34	34	0	-1	2	35
503 Navy Fund Equipment	133	0	3	0	136	0	0	2	138
505 Air Force Fund Equip	269	0	11	-280	0	0	0	0	0
506 DLA Mat Supply Chain (Const & Equip)	0	0	0	0	0	0	0	2	2
507 GSA Managed Equipment	835	0	17	118	970	0	18	2	990
<b>599 TOTAL EQUIPMENT PURCHASES</b>	<b>1,237</b>	<b>0</b>	<b>31</b>	<b>-128</b>	<b>1,140</b>	<b>0</b>	<b>17</b>	<b>8</b>	<b>1,165</b>
601 Army Industrial Operations	21,267	0	1,059	-22,326	0	0	0	0	0
614 Space & Naval Warfare Center	11,097	0	174	-9,548	1,723	0	33	-4	1,752
633 DLA Document Services	351	0	22	-195	178	0	0	3	181
647 DISA Enterprise Computing Centers	79,872	0	1,358	-81,230	0	0	0	70,000	70,000
671 DISA DISN Subscription Services (DSS)	12	0	0	3	15	0	1	7,000	7,016
677 DISA Telecomm Svcs - Reimbursable	74	0	-3	-71	0	0	0	19	19
679 Cost Reimbursable Purchase	0	0	0	0	0	0	0	9	9
<b>699 TOTAL DWCF PURCHASES</b>	<b>112,673</b>	<b>0</b>	<b>2,610</b>	<b>-113,367</b>	<b>1,916</b>	<b>0</b>	<b>34</b>	<b>77,027</b>	<b>78,977</b>
714 MSC Pol Tankership	123	0	-1	-122	0	0	0	0	0
771 Commercial Transport	358	0	7	-133	232	0	4	1	237
<b>799 TOTAL TRANSPORTATION</b>	<b>481</b>	<b>0</b>	<b>6</b>	<b>-255</b>	<b>232</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>237</b>
9xx Civ Pay Reimburs Host	183,939	0	443	14,630	199,012	0	1,741	-2,968	197,785
901 Foreign National Indirect Hire (FNIH)	1,777	0	4	293	2,074	0	18	283	2,375

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<u>OP 32 Line</u>	FY 2012	Foreign	Change		FY 2013	Foreign	Change		FY 2014
	<u>Actual</u>	<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
902 Separation Liab (FNIH)	349	0	1	-55	295	0	3	-3	295
912 Rental Payments to GSA (SLUC)	3,338	0	67	3,039	6,444	0	122	27	6,593
913 Purchased Utilities (Non-Fund)	335	0	7	531	873	0	17	2	892
914 Purchased Communications (Non-Fund)	7,276	0	146	8,005	15,427	103	295	-1,550	14,275
915 Rents (Non-GSA)	2,232	0	45	-1,654	623	0	12	-135	500
917 Postal Services (U.S.P.S)	280	0	6	-173	113	0	2	1	116
920 Supplies & Materials (Non-Fund)	14,171	0	283	5,115	19,569	0	372	91	20,032
921 Printing & Reproduction	2,058	0	41	-1,019	1,080	0	21	-59	1,042
922 Equipment Maintenance By Contract	2,401	0	48	423	2,872	0	55	4	2,931
923 Facilities Sust, Rest, & Mod by Contract	31	0	1	3,141	3,173	0	60	9	3,242
925 Equipment Purchases (Non-Fund)	75,766	0	1,515	-32,305	44,976	81	856	1,701	47,614
926 Other Overseas Purchases	0	0	0	0	0	0	0	1	1
932 Mgt Prof Support Svcs	80,132	0	1,603	-47,002	34,733	0	660	-7,183	28,210
933 Studies, Analysis & Eval	994	0	20	1,855	2,869	0	55	146	3,070
934 Engineering & Tech Svcs	9,270	0	185	-9,194	261	0	5	20	286
955 Other Costs (Medical Care)	1,859	0	74	26,028	27,961	0	1,090	-12,826	16,225
960 Other Costs (Interest and Dividends)	271	0	5	-120	156	0	3	1	160
984 Equipment Contracts	53	0	1	-54	0	0	0	0	0
986 Medical Care Contracts	2,592	0	104	-1,853	843	0	33	-256	620
987 Other Intra-Govt Purch	139,207	0	2,784	-40,926	101,065	0	1,920	3,221	106,206
989 Other Services	66,011	121	1,323	-24,014	43,441	0	825	13,456	57,722
990 IT Contract Support Services	770,985	0	15,420	161,730	948,135	37	18,015	-112,878	853,309
<b>999 TOTAL OTHER PURCHASES</b>	<b>1,365,327</b>	<b>121</b>	<b>24,126</b>	<b>66,421</b>	<b>1,455,995</b>	<b>221</b>	<b>26,180</b>	<b>-118,895</b>	<b>1,363,501</b>
<b>Total</b>	<b>1,485,352</b>	<b>121</b>	<b>26,886</b>	<b>-47,031</b>	<b>1,465,328</b>	<b>221</b>	<b>26,347</b>	<b>-41,277</b>	<b>1,450,619</b>