

**Defense Health Program
Fiscal Year (FY) 2008/2009 Budget Estimates
Exhibit PB-11, Cost of Medical Activities**

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

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Estimate</u>	FY 2009 <u>Estimate</u>	<u>FY06 - 07 Change</u>		<u>FY07 - 08 Change</u>		<u>FY08 - 09 Change</u>		
					\$	(%)	\$	(%)	\$	(%)	
<u>IN-HOUSE CARE</u>											
0807700HP	Defense Medical Centers, Hospitals and Medical Clinics - OCONUS	3,568,375	2,772,139	3,155,287	3,181,599	-796,236	-22.3%	383,148	13.8%	26,312	0.8%
0807900HP	Defense Medical Centers, Hospitals and Medical Clinics - OCONUS	299,556	268,739	263,661	279,414	-30,817	-10.3%	-5,078	-1.9%	15,753	6.0%
0807701HP	Pharmaceuticals - CONUS	1,132,010	2,009,002	1,456,778	1,595,954	876,992	77.5%	-552,224	-27.5%	139,176	9.6%
0807901HP	Pharmaceuticals - OCONUS	108,323	126,223	130,763	146,716	17,900	16.5%	4,540	3.6%	15,953	12.2%
0807715HP	Dental Care Activities - CONUS	356,886	355,350	363,193	375,446	-1,536	-0.4%	7,843	2.2%	12,253	3.4%
0807915HP	Dental Care Activities - OCONUS	<u>53,519</u>	<u>61,346</u>	<u>56,163</u>	<u>59,967</u>	<u>7,827</u>	14.6%	<u>-5,183</u>	-8.4%	<u>3,804</u>	6.8%
Subtotal In-House Care		5,518,669	5,592,799	5,425,845	5,639,096	74,130	1.3%	-166,954	-3.0%	213,251	3.9%
<u>PRIVATE SECTOR CARE</u>											
0807702HP	Pharmaceuticals - Purchased Health Care	185,284	232,378	222,934	256,132	47,094	25.4%	-9,444	-4.1%	33,198	14.9%
0807703HP	Pharmaceuticals - National Retail Pharmacy	1,469,283	1,582,383	1,278,169	1,349,903	113,100	7.7%	-304,214	-19.2%	71,734	5.6%
0807723HP	TRICARE Managed Care Support (MCS) Contracts	4,487,116	4,724,267	4,245,743	4,789,359	237,151	5.3%	-478,524	-10.1%	543,616	12.8%
0807738HP	MTF Enrollees - Purchased Care	1,909,443	1,811,865	2,088,724	2,230,431	-97,578	-5.1%	276,859	15.3%	141,707	6.8%
0807741HP	Dental - Purchased Care	245,626	260,022	277,867	293,919	14,396	5.9%	17,845	6.9%	16,052	5.8%
0807742HP	Uniformed Services Family Health Program (USFHP)	264,856	315,829	337,045	374,339	50,973	19.2%	21,216	6.7%	37,294	11.1%
0807743HP	Supplemental Care - Health Care	842,414	811,976	938,079	1,031,224	-30,438	-3.6%	126,103	15.5%	93,145	9.9%
0807745HP	Supplemental Care - Dental	96,238	130,698	95,601	108,067	34,460	35.8%	-35,097	-26.9%	12,466	13.0%
0807747HP	Continuing Health Education/ Capitalization of Assets Program (CHE/CAP)	197,113	228,713	308,768	252,958	31,600	16.0%	80,055	35.0%	-55,810	-18.1%
0807749HP	Overseas Purchased Health Care	208,932	227,959	243,030	255,865	19,027	9.1%	15,071	6.6%	12,835	5.3%
0807751HP	Miscellaneous Purchased Health Care	65,844	293,087	435,067	620,297	227,243	345.1%	141,980	48.4%	185,230	42.6%
0807752HP	Miscellaneous Support Activities	<u>32,926</u>	<u>19,607</u>	<u>37,286</u>	<u>39,570</u>	<u>-13,319</u>	-40.5%	<u>17,679</u>	90.2%	<u>2,284</u>	6.1%
Subtotal Private Sector Care		10,005,075	10,638,784	10,508,313	11,602,064	633,709	6.0%	-130,471	-1.2%	1,093,751	10.4%

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	Actual	Estimate	Estimate	Estimate	\$	(%)	\$	(%)	\$	(%)	
<u>CONSOLIDATED HEALTH SUPPORT</u>											
0801720HP	Examining Activities	45,450	46,177	52,157	53,611	727	1.6%	5,980	13.0%	1,454	2.8%
0807714HP	Other Health Activities	527,929	478,476	389,784	364,187	-49,453	-9.4%	-88,692	-18.5%	-25,597	-6.6%
0807705HP	Military Public/Occupational Health	282,157	240,881	256,788	264,985	-41,276	-14.6%	15,907	6.6%	8,197	3.2%
0807760HP	Veterinary Services	23,361	26,411	30,409	32,137	3,050	13.1%	3,998	15.1%	1,728	5.7%
0807724HP	Military Unique Requirements - Other Medical	345,242	309,791	442,945	440,252	-35,451	-10.3%	133,154	43.0%	-2,693	-0.6%
0807725HP	Aeromedical Evacuation System	29,827	51,909	48,804	48,906	22,082	74.0%	-3,105	-6.0%	102	0.2%
0807730HP	Service Support to Other Health Activities - TRANSCOM	473	1,031	1,048	1,058	558	118.0%	17	1.6%	10	1.0%
0807785HP	Armed Forces Institute of Pathology (AFIP)	<u>78,192</u>	<u>65,197</u>	<u>61,710</u>	<u>63,238</u>	<u>-12,995</u>	<u>-16.6%</u>	<u>-3,487</u>	<u>-5.3%</u>	<u>1,528</u>	<u>2.5%</u>
Subtotal Consolidated Health Support		1,332,631	1,219,873	1,283,645	1,268,374	-99,763	-7.5%	67,259	5.5%	-16,799	-1.3%
<u>INFORMATION MANAGEMENT</u>											
0807781HP	Non-Central Information Management/ Information Technology	443,853	377,730	421,320	427,827	-66,123	-14.9%	43,590	11.5%	6,507	1.5%
0807783HP	Component Medical Information Management/Information Technology	0	0	92,558	94,299	0		92,558		1,741	1.9%
0807793HP	MHS Tri-Service Information Management/Information Technology	<u>614,925</u>	<u>527,169</u>	<u>529,417</u>	<u>578,295</u>	<u>-87,756</u>	<u>-14.3%</u>	<u>2,248</u>	<u>0.4%</u>	<u>48,878</u>	<u>9.2%</u>
Subtotal Information Management		1,058,778	904,899	1,043,295	1,100,421	-153,879	-14.5%	138,396	15.3%	57,126	5.5%
<u>MANAGEMENT ACTIVITIES</u>											
0807798HP	Management Activities	70,452	56,613	63,521	66,199	-13,839	-19.6%	6,908	12.2%	2,678	4.2%
0807709HP	TRICARE Management Activity	171,790	178,351	202,856	207,795	6,561	3.8%	24,505	13.7%	4,939	2.4%
0901200HP	BMMP Domain Management and System Integration	<u>2,287</u>	<u>2,424</u>	<u>2,424</u>	<u>2,423</u>	<u>137</u>	<u>6.0%</u>	<u>0</u>	<u>0.0%</u>	<u>-1</u>	<u>0.0%</u>
Subtotal Management Activities		244,529	237,388	268,801	276,417	-7,141	-2.9%	31,413	13.2%	7,616	2.8%

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	Actual	Estimate	Estimate	Estimate	\$	(%)	\$	(%)	\$	(%)	
EDUCATION AND TRAINING											
0806722HP	Armed Forces Health Professions Scholarship Program	145,408	181,175	190,777	200,960	35,767	24.6%	9,602	5.3%	10,183	5.3%
0806721HP	Uniformed Services University of the Health Sciences	151,658	98,045	76,313	75,121	-53,613	-35.4%	-21,732	-22.2%	-1,192	-1.6%
0806761HP	Other Education and Training	<u>231,609</u>	<u>180,862</u>	<u>201,939</u>	<u>207,929</u>	<u>-50,747</u>	<u>-21.9%</u>	<u>21,077</u>	11.7%	<u>5,990</u>	3.0%
Subtotal Education and Training		528,675	460,082	469,029	484,010	-68,593	-13.0%	8,947	1.9%	14,981	3.2%
BASE OPERATIONS/COMMUNICATIONS											
0806276HP	Facilities Restoration and Modernization - CONUS	391,047	157,478	160,792	140,211	-233,569	-59.7%	3,314	2.1%	-20,581	-12.8%
0806376HP	Facilities Restoration and Modernization - OCONUS	28,650	26,739	28,978	28,326	-1,911	-6.7%	2,239	8.4%	-652	-2.2%
0806278HP	Facilities Sustainment - CONUS	441,993	290,736	276,658	238,126	-151,257	-34.2%	-14,078	-4.8%	-38,532	-13.9%
0806378HP	Facilities Sustainment - OCONUS	70,085	51,201	59,230	76,269	-18,884	-26.9%	8,029	15.7%	17,039	28.8%
0807799HP	Facilities Operations - Health Care (CONUS)	317,044	259,133	251,676	262,676	-57,911	-18.3%	-7,457	-2.9%	11,000	4.4%
0807979HP	Facilities Operations - Health Care (OCONUS)	28,242	25,471	25,753	26,211	-2,771	-9.8%	282	1.1%	458	1.8%
0807795HP	Base Communications - CONUS	35,045	41,943	43,418	44,250	6,898	19.7%	1,475	3.5%	832	1.9%
0807995HP	Base Communications - OCONUS	5,852	7,449	7,403	7,540	1,597	27.3%	-46	-0.6%	137	1.9%
0807796HP	Base Operations - CONUS	204,700	270,024	263,403	267,687	65,324	31.9%	-6,621	-2.5%	4,284	1.6%
0807996HP	Base Operations - OCONUS	20,471	26,151	25,228	26,883	5,680	27.7%	-923	-3.5%	1,655	6.6%
0807753HP	Environmental Conservation	1,313	380	1,116	856	-933	-71.1%	736	193.7%	-260	-23.3%
0807754HP	Pollution Prevention	275	609	3,747	3,598	334	121.5%	3,138	515.3%	-149	-4.0%
0807756HP	Environmental Compliance	26,001	26,674	24,489	25,429	673	2.6%	-2,185	-8.2%	940	3.8%
0807790HP	Visual Information Systems	6,996	11,350	11,562	11,788	4,354	62.2%	212	1.9%	226	2.0%
0808093HP	Demolition/Disposal of Excess Facilities	0	0	0	0	0		0		0	
Subtotal Base Operations/Communications		1,577,714	1,195,338	1,183,453	1,159,850	-382,376	-24.2%	-11,885	-1.0%	-23,603	-2.0%
Subtotal DHP Operation and Maintenance		20,266,071	20,249,163	20,182,381	21,530,232	-3,913	0.0%	-63,295	-0.3%	1,346,323	6.7%

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					\$	(%)	\$	(%)	\$	(%)
Procurement										
(Program Elements 0807720HP & 0807721HP)										
Dental Equipment	3,599	2,300	500	0	-1,299	-36.1%	-1,800	-78.3%	-500	-100.0%
Food Service, Preventive Medicine, and Pharmacy Equipment	16,541	4,999	14,170	5,266	-11,542	-69.8%	9,171	183.5%	-8,904	-62.8%
Medical Information System Equipment	195,818	228,191	186,740	147,697	32,373	16.5%	-41,451	-18.2%	-39,043	-20.9%
Medical Patient Care Administrative Equipment	2,408	2,633	2,651	2,621	225	9.3%	18	0.7%	-30	-1.1%
Medical/Surgical Equipment	30,573	16,002	24,882	27,156	-14,571	-47.7%	8,880	55.5%	2,274	9.1%
Other Equipment	15,697	24,276	16,314	18,860	8,579	54.7%	-7,962	-32.8%	2,546	15.6%
Pathology/Lab Equipment	7,073	9,785	10,158	11,018	2,712	38.3%	373	3.8%	860	8.5%
Radiographic Equipment	<u>115,509</u>	<u>108,169</u>	<u>106,846</u>	<u>95,529</u>	<u>-7,340</u>	<u>-6.4%</u>	<u>-1,323</u>	<u>-1.2%</u>	<u>-11,317</u>	<u>-10.6%</u>
Subtotal Procurement	387,218	396,355	362,261	308,147	9,137	2.4%	-34,094	-8.6%	-54,114	-14.9%
Research, Development, Test and Evaluation										
0601101HP In-House Laboratory Independent Research (ILIR)	2,296	2,424	2,213	2,259	128	5.6%	-211	-8.7%	46	2.1%
0602115HP Biomedical Technology	2,896	3,000	3,152	3,231	104	3.6%	152	5.1%	79	2.5%
0602787HP Medical Technology (AFRRI)	3,056	3,236	3,306	3,381	180	5.9%	70	2.2%	75	2.3%
0603002HP Medical Advanced Technology (AFRRI)	1,914	799	817	836	-1,115	-58.3%	18	2.3%	19	2.3%
0603115HP Medical Development	398,242	34,448	37,333	38,077	-363,794	-91.3%	2,885	8.4%	744	2.0%
0605502HP Small Business Innovative Research (SBIR) Program	14,234	0	0	0	-14,234	-100.0%	0		0	
0605013HP Information Technology Development	<u>143,648</u>	<u>86,696</u>	<u>87,661</u>	<u>129,188</u>	<u>-56,952</u>	<u>-39.6%</u>	<u>965</u>	<u>1.1%</u>	<u>41,527</u>	<u>47.4%</u>
Subtotal RDT&E	566,286	130,603^{2/}	134,482	176,972	-435,683	-76.9%	3,879	3.0%	42,490	31.6%
Total Defense Health Program	21,219,575	20,776,121^{1/}	20,679,124	22,015,351	-443,454	-2.1%	-96,997	-0.5%	1,336,227	6.5%

^{1/} Reflects FY 2007 President's Budget Request. Current Continuing Resolution total funding is \$21,025,121 thousand.

^{2/} Current Continuing Resolution funding for RDT&E is \$379,603 thousand.

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<u>SPECIAL INTEREST ITEMS</u>										
Medicare Eligible Accrual Fund										
Total Medicare Eligible Accrual Fund	7,097,062	7,680,352	8,286,485	8,945,798	583,290	8.2%	606,134	7.9%	659,313	8.0%
Direct Care	1,315,948	1,344,096	1,435,430	1,534,539	28,148	2.1%	91,334	6.8%	99,109	6.9%
Private Sector Care	5,350,400	5,912,806	6,415,750	6,962,894	562,406	10.5%	502,944	8.5%	547,144	8.5%
Military Personnel Accounts	430,714	423,450	435,306	448,365	-7,264	-1.7%	11,856	2.8%	13,059	3.0%
Research, Development, Test & Evaluation	566,286	130,603 ^{3/}	134,482	176,972	-435,683	-76.9%	3,879	3.0%	42,490	31.6%
Congressionally Directed Programs	388,775	0	0	0	-388,775	-100.0%	0		0	
TMA Central Information Technology Development	114,811	76,835	77,429	118,732	-37,976	-33.1%	594	0.8%	41,303	53.3%
Service Information Technology Development	9,444	9,861	10,232	10,456	417	4.4%	371	3.8%	224	2.2%
Small Business Innovative Research	14,234	0	0	0	-14,234	-100.0%	0		0	
Medical Development	30,018	34,448	37,333	38,077	4,430	14.8%	2,885	8.4%	744	2.0%
Biomedical Technology	2,896	3,000	3,152	3,231	104	3.6%	152	5.1%	79	2.5%
Armed Forces Radiobiology Research Institute (AFRRI)	3,812	4,035	4,123	4,217	223	5.8%	88	2.2%	94	2.3%
In-House Laboratory Independent Research (ILIR)	2,296	2,424	2,213	2,259	128	5.6%	-211	-8.7%	46	2.1%

3/ Reflects FY 2007 President's Budget Request. Current Continuing Resolution funding for RDT&E is \$379,603 thousand.