

**Defense Health Program  
Operation and Maintenance  
Fiscal Year (FY) 2011 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 headquarter staff that coordinate and oversee the provision of health care within the Military Health System.

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

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

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

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III. Financial Summary (\$ in Thousands):

	FY 2010							FY 2011 <u>Estimate</u>
	<u>FY 2009 Actuals</u>	<u>Budget Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	<u>Current Estimate</u>		
			<u>Amount</u>	<u>Percent</u>				
<b>A. Subactivities</b>								
1. Management Headquarters	111,199	102,161	0	0%	102,161	101,269	106,897	
2. TRICARE Management Activity	191,504	173,236	3,750	2%	176,986	185,974	184,382	
3. BMMP Domain Management & Systems Integration	<u>2,281</u>	<u>2,413</u>	<u>0</u>	<u>0%</u>	<u>2,413</u>	<u>2,413</u>	<u>2,419</u>	
<b>Total</b>	304,984	277,810	3,750	1%	281,560	289,656	293,698	

Notes:

1. FY 2009 actuals includes \$17.274M from the FY 2009 Overseas Contingency Operations (OCO) Bridge Supplemental, Public Law 110-252 and \$4.062M from the Supplemental Appropriations Act of 2009, Public Law 111-32.

2. FY 2010 current estimate excludes \$1,246M appropriated for OCO under the Department of Defense Appropriations Act, FY 2010, Public Law 111-118.

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<b>B. <u>Reconciliation Summary</u></b>	<u>Change FY 2010/FY 2010</u>	<u>Change FY 2010/FY 2011</u>
<b>Baseline Funding</b>	<b>277,810</b>	<b>289,656</b>
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	3,750	n/a
<b>Subtotal Appropriated Amount</b>	<b>281,560</b>	<b>n/a</b>
OCO and Other Supplemental Appropriations	1,246	n/a
Fact-of-Life Changes	8,096	n/a
<b>Subtotal Baseline Funding</b>	<b>290,902</b>	<b>n/a</b>
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-1,246	n/a
<b>Revised Current Estimate</b>	<b>289,656</b>	<b>289,656</b>
Price Change	n/a	4,553
Functional Transfers	n/a	0
Program Changes	<u>n/a</u>	<u>-511</u>
<b>Current Estimate</b>	<b>289,656</b>	<b>293,698</b>

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<b><u>C. Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
<b>FY 2010 President's Budget Request</b>		<b>277,810</b>
1. Congressional Adjustments		3,750
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	3,750	
1) Fisher House Foundation Grant	3,750	
<b>FY 2010 Appropriated Amount</b>		<b>281,560</b>
2. OCO and Other Supplemental Appropriations		1,246
3. Fact of Life Changes		8,096
a. Functional Transfers	0	
b. Technical Adjustments	8,096	
1) Increases		
a) Program adjustment for proper program execution: Realigns funding to reflect proper execution of contracts and civilian personnel pay.	8,096	
2) Decreases	0	
c. Emergent Requirements	0	
<b>FY 2010 Baseline Funding</b>		<b>290,502</b>
4. Reprogrammings (requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: OCO and Other Supplemental Appropriations		-1,246
<b>Revised FY 2010 Estimate</b>		<b>289,656</b>
<b>Current Estimate for FY 2010</b>		<b>289,656</b>
6. Price Change		4,553
7. Transfers		0
a. Transfers In	0	
b. Transfers Out	0	

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<b><u>C. Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
8. Program Increases		3,298
a. Annualization of New FY 2010 Program	0	
b. One-Time FY 2011 Costs	0	
c. Program Growth in FY 2011	3,298	
1) Program adjustment based on historical execution: Programmatic realignment to accurately align funding with requirements.	3,298	
9. Program Decreases		-3,809
a. One-Time FY 2010 Costs	-3,809	
1) One-time Congressional adjustment funding for Fisher House Foundation Grant.	-3,809	
b. Annualization of FY 2010 Program Decreases	0	
c. Program Decreases in FY 2011	0	
<b>FY 2011 Budget Request</b>		<b>293,698</b>

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

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**V. Personnel Summary:**

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Change FY 2010/ FY 2010</u>	<u>Change FY 2010/ FY 2011</u>
<u>Active Military End Strength (E/S))</u>					
Officer	540	525	545	-15	20
Enlisted	<u>213</u>	<u>214</u>	<u>213</u>	1	-1
Total Military	753	739	758	-14	19
 <u>Active Military Average Strength(A/S)</u>					
Officer	544	533	535	-11	2
Enlisted	<u>213</u>	<u>214</u>	<u>214</u>	1	0
Total Military	757	747	749	-10	2
 <u>Civilian FTEs</u>					
U.S. Direct Hire	1,134	1,012	1,143	-122	131
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	0	0
Total Direct Hire	1,134	1,012	1,143	-122	131
Foreign National Indirect Hire	<u>5</u>	<u>5</u>	<u>5</u>	0	0
Total Civilian	1,139	1,017	1,148	-122	131
 Average Civilian Salary (\$000's)	 109.169	 112.908	 114.691		

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

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