

**Defense Health Program
Fiscal Year (FY) 2013 Budget Estimates
Operation and Maintenance
Information Management**

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 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. Funding and responsibilities of the Business Management Modernization Program Domain Management and Systems Integration program were realigned from the Management Activities Budget Activity Group beginning in FY 2012.

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) 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) is the legacy computerized provider order entry (CPOE) system that provides an interface to the EHR for official medical coding information entered by health care providers. 3) Electronic Health Record (EHR) Way Ahead [integrated Electronic Health Record (iEHR)] is the proposed Major Automated Information System program designed to replace/sunset the current portfolio of systems providing initial EHR capability [(AHLTA) and the Composite Health Care System (CHCS)]. EHR Way Ahead will provide a comprehensive, longitudinal, electronic health record that is available anytime anywhere;

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Tri-Service IM/IT - Continued: 4) 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 contingency operations in the theater environment. TMIP-J adapts medical information systems to Theater specific requirements; 5) Defense Medical 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; 6) 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 7) 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 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 DoD's portion of the joint DoD/VA sharing initiative. Resources also support MHS communications and computing infrastructure under MHS Cyber Infrastructure Services (MCiS) Division which manages: (a) a wide area network (WAN) deployed to all TRICARE regions, to provide communication support for all medical information systems; (b) a local area network (LAN), to provide unified backbone networks within military treatment facilities; and (c) 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 2012							
	FY 2011	Budget	<u>Congressional Action</u>			Current	Current	FY 2013
			<u>Actuals</u>	<u>Request</u>	<u>Amount</u>			
A. Subactivities								
1. Service Medical IM/IT	614,989	536,870	0	0%	536,870	523,452	545,889	
2. DHP IM/IT Support Programs	106,148	112,960	0	0%	112,960	112,960	100,548	
3. Tri-Service IM/IT	<u>697,512</u>	<u>772,867</u>	<u>0</u>	<u>0%</u>	<u>772,867</u>	<u>786,285</u>	<u>818,891</u>	
Total	1,418,649	1,422,697	0	0%	1,422,697	1,422,697	1,465,328	

Notes:

1. FY 2011 actuals includes \$5.436M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriation Act, FY 2011, Public Law 112-10.
2. FY 2012 current estimate excludes \$5.548M for OCO under the Consolidated Appropriations Act, 2012 (Division A), Public Law 112-74.
3. FY 2013 estimate excludes \$4.773M for OCO.
4. Does not reflect Department of Defense Medicare-Eligible Retiree Health Care Fund (MERHCF) for FY 2011 of \$12.8M, FY 2012 of \$11.2M and FY 2013 of \$11.6M.

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B. <u>Reconciliation Summary:</u>	Change	Change
	<u>FY 2012/2012</u>	<u>FY 2012/2013</u>
Baseline Funding	1,422,697	1,422,697
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	1,422,697	n/a
OCO and Other Supplemental Appropriations	5,548	n/a
Fact-of-Life Changes	0	n/a
Subtotal Baseline Funding	1,428,245	n/a
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-5,548	n/a
Revised Current Estimate	1,422,697	1,422,697
Price Change	n/a	22,370
Functional Transfers	n/a	13,400
Program Changes	<u>n/a</u>	<u>6,861</u>
Current Estimate	1,422,697	1,465,328

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	(\$ in Thousands)	
	<u>Amount</u>	<u>Totals</u>
C. <u>Reconciliation of Increases and Decreases:</u>		
FY 2012 President's Budget Request		1,422,697
1. Congressional Adjustments		0
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustment to Meet Congressional Intent	0	
d. General Provisions	0	
FY 2012 Appropriated Amount		1,422,697
2. OCO and Other Supplemental Appropriations		5,548
3. Fact-of-Life Changes		0
a. Functional Transfers	0	
b. Technical Adjustments	0	
c. Emergent Requirements	0	
FY 2012 Baseline Funding		1,428,245
4. Reprogrammings (requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: OCO and Other Supplemental Appropriation		-5,548
Current Estimate for FY 2012		1,422,697
6. Price Change		22,370
7. Transfers		13,400
a. Transfers In	13,400	
1) DoD/VA Integrated Project Office (IPO): Transfers the IPO from Defense Human Resource Activity, Personnel and Readiness to the TRICARE Management Activity.	13,400	
b. Transfers Out	0	
8. Program Increases		69,574
a. Annualization of New FY 2012 Program	0	

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		(\$ in Thousands)	
C. <u>Reconciliation of Increases and Decreases:</u>		Amount	Totals
b. One-Time FY 2013 Costs		0	
c. Program Growth in FY 2013		69,574	
1) IM/IT Program Enhancements:		31,967	
IM/IT enhancements 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); DOEHRS - IH; DMLSS-Theater and Service Oriented Architecture implementation; enhanced capabilities for blood management; tracking of In-House and Private Sector Care workload; accounting, medical surveillance; Business Management Modernization Program functions; rate changes for purchased services from the Defense Information Services Network; and support for the Integrated Disability Evaluation System.			
2) Integrated Electronic Health Record (iEHR):		25,136	
Rebaselines the iEHR (initially programmed in the FY 2010 Budget Estimate) adjusted for the DoD portion of emerging requirements from Joint DoD/VA iEHR Analysis of Alternatives and stabilization of the legacy DoD Electronic Health Record. FY 2012 DHP iEHR Funding Baseline: \$150.016M.			
3) International Disease Classification Codes (ICD) Ten:		11,000	
Provides funding for IT migration of various military health systems currently using ICD-9 codes to ICD-10 codes in order to meet the compliance date of 01 October 2013 set by the National Center for Health Statistics.			
4) Military-to-Civilian Conversion Reversal:		820	
Adjusts resources to reverse FY 2013 increment of Military-to-Civilian conversions. In FY 2008, the Department of Defense (DoD) directed Military-to-Civilian conversions. The FY 2008 National Defense Authorization Act (NDAA) prohibited conversions through 30 Sep 2012. The FY 2010 President's Budget reversed unexecuted and future year conversions (to FY 2012); however, the FY 2013 increment was not reversed. Subsequently, the FY 2010 NDAA prohibits Mil-to-Civ conversions indefinitely.			
5) One Additional Civilian Paid Day in FY 2013:		651	
Adjusts for one additional civilian paid day in FY 2013. FY 2012 Civilian Pay Funding Baseline: \$169.3M.			
9. Program Decreases			-62,713
a. One-time FY 2012 Costs		0	
b. Annualization of FY 2012 Program Decreases		0	

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		<u>(\$ in Thousands)</u>	
C. <u>Reconciliation of Increases and Decreases:</u>		<u>Amount</u>	<u>Totals</u>
c. Program Decreases in FY 2013			-62,713
1) Secretary of Defense Efficiency - TMA Fourth Estate Baseline Review:	-28,153		
Streamlines operations by consolidating TRICARE Management Activity sub-activities beginning in FY 2012 to reduce redundancy, capitalize on shared services efficiencies, and to better align similar missions across the enterprise. FY 2012 IM/IT Contract Services Funding Baseline: \$1,116.8M.			
2) Service and TRI-Service Programs Realignments (non-iEHR):	-9,731		
Realigns funding from sustainment operations to Research, Development, Test and Evaluation and Procurement to support capability enhancements including reduced sustainment requirements for CHCS due to the transition to AHLTA; the completion of sustainment efforts supporting Enterprise Blood Management System development/implementation; a decrease of TMIP-J sustainment due to transition of medical logistics support in theater to DMLSS.			
3) Secretary of Defense Efficiency - Reducing Reliance on DoD Service Support Contractors:	-13,638		
Reduction reflects the incremental amount for DOD efficiency to reduce reliance on service support contractors. This efficiency will have no impact on direct health care delivery. FY 2012 IM/IT Contract Services Funding Baseline: \$1,116.8M.			
4) National Intrepid Center of Excellence (NICoE):	-9,036		
Realigns funding from Information Management to In-House Care and Base Operations/Communications to reflect proper execution.			
5) Federal Health Care Center (FHCC):	-2,155		
Realigns funding from Information Management to Consolidated Health Services to reflect proper execution for the North Chicago FHCC.			
FY 2013 Budget Request			1,465,328

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IV. Performance Criteria and Evaluation Summary:

An Electronic Health Record Usability Satisfaction Survey is under development. It will use questions from the American Academy of Family Physicians and customized Military Health Systems focus groups. After development, the survey will be deployed to establish a performance baseline to report future performance criteria.

V. Personnel Summary:

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Change FY 2011/2012</u>	<u>Change FY 2012/2013</u>
<u>Active Military End Strength (E/S)</u>					
Officer	153	152	149	-1	-3
Enlisted	<u>354</u>	<u>353</u>	<u>327</u>	<u>-1</u>	<u>-26</u>
Total Military	507	505	476	-2	-29
<u>Active Military Average Strength (A/S)</u>					
Officer	156	153	151	-3	-2
Enlisted	<u>349</u>	<u>354</u>	<u>340</u>	<u>5</u>	<u>-14</u>
Total Military	505	507	491	2	-16
<u>Civilian FTEs</u>					
US Direct Hire	1,787	1,764	1,812	-23	48
Foreign National Direct Hire	<u>6</u>	<u>11</u>	<u>11</u>	<u>5</u>	<u>0</u>
Total Direct Hire	1,793	1,775	1,823	-18	48
Foreign National Indirect Hire	<u>30</u>	<u>38</u>	<u>41</u>	<u>8</u>	<u>3</u>
Total Civilians	1,823	1,813	1,864	-10	51
(Reimbursable Included Above - memo)	<u>0</u>	<u>0</u>	<u>0</u>	0	0
Average Civilian Salary (\$000's)	95.516	93.370	93.786	-2.146	0.416
<u>Contractor FTEs (Total)</u>	2,323	1,890	1,761	-433	-129

VI. Outyear Summary: N/A

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