

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

I. Description of Operations Financed: This Budget Activity Group provides for the delivery of medical and dental care plus pharmaceuticals received by Department of Defense eligible beneficiaries in Military Treatment Facilities and Dental Treatment Facilities in the Continental United States (CONUS) and Outside the Continental United States (OCONUS). This program includes the following:

Care in Department of Defense Medical Centers, Hospitals and Clinics - Resources medical care in CONUS and OCONUS facilities which are staffed and equipped to provide inpatient and outpatient care for both surgical and medical conditions for Military Health System beneficiaries.

Dental Care - Resources dental care and services in CONUS and OCONUS for authorized personnel through the operation of hospital departments of dentistry, installation dental clinics and regional dental activities.

Pharmaceuticals - Resources pharmaceuticals specifically identified and measurable to the provision of pharmacy services in CONUS and OCONUS facilities.

II. Force Structure Summary:

The In-House Care Budget Activity Group includes staffing to provide medical and dental care in military facilities which provide the full range inpatient and ambulatory medical and dental care services. In addition to medical and dental care, this Budget Activity Group also includes medical center laboratories, substance abuse programs, facility on-the-job training/education programs and federal health care sharing agreements. This Budget Activity Group excludes operation of management headquarters for TRICARE Regional Offices, deployable medical and dental units and health care resources devoted exclusively to teaching.

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

	FY 2016						
	FY 2015 <u>Actual</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2017 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>BA Subactivities</u>							
1. MEDCENS, Hospitals & Clinics (CONUS)	6,085,206	6,442,816	-217,736	-3.4	6,225,080	6,225,080	6,573,934
2. MEDCENS, Hospitals & Clinics (OCONUS)	419,653	503,688	-60,140	-11.9	443,548	443,548	462,347
3. Pharmaceuticals (CONUS)			0	0.0	1,480,323		
	1,462,857	1,480,323				1,480,323	1,533,892
4. Pharmaceuticals (OCONUS)	136,872	132,683	0	0.0	132,683	132,683	140,966
5. Dental Care (CONUS)	472,197	461,647	0	0.0	461,647	461,647	479,107
6. Dental Care (OCONUS)	45,572	61,141	0	0.0	61,141	61,141	49,914
Total	8,622,357	9,082,298	-277,876	-3.1	8,804,422	8,804,422	9,240,160

1. FY 2015 actual includes \$111.9M for Overseas Contingency Operations (OCO).
2. FY 2015 actual does not reflect Department of Defense (DoD) Medicare-Eligible Retiree Health Care Fund (MERHCF) of \$1,400.7M (O&M only).
3. FY 2016 current estimate excludes \$65.1M for OCO.
4. FY 2016 current estimate does not reflect DoD MERHCF of \$1,525.2M (O&M only).
5. FY 2017 estimate excludes \$95.4M for OCO.
6. FY 2017 estimate does not reflect DoD MERHCF of \$1,581.3M (O&M only).

Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care

III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2016/FY 2016</u>	<u>FY 2016/FY 2017</u>
Baseline Funding	9,082,298	8,804,422
Congressional Adjustments (Distributed)	-217,736	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-60,140	
Subtotal Appropriated Amount	8,804,422	
Fact-of-Life Changes (2016 to 2016 Only)		
Subtotal Baseline Funding	8,804,422	
Supplemental	65,149	
Reprogrammings		
Price Changes		213,740
Functional Transfers		-11,771
Program Changes		233,769
Current Estimate	8,869,571	9,240,160
Less: Wartime Supplemental	-65,149	
Normalized Current Estimate	8,804,422	

Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2016 President's Budget Request (Amended, if applicable)		9,082,298
1. Congressional Adjustments		-277,876
a. Distributed Adjustments		
1) Overestimation of Civilian Full-time Equivalent Targets.	-87,300	
2) Removal of One-Time Fiscal Year 2016 Increases.	-75,217	
3) Consolidated Health Plan Unauthorized.	-29,719	
4) Other Costs Unjustified Growth.	-22,500	
5) Excess Travel Growth.	-3,000	
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
1) Section 8077 -- Favorable Foreign Exchange Rates.	-60,140	
FY 2016 Appropriated Amount		8,804,422
2. OCO and Other Supplemental Enacted		65,149
a. OCO and Other Supplemental Requested		
1) OCO	65,149	
3. Fact-of-Life Changes		
FY 2016 Baseline Funding		8,869,571
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2016 Estimate		8,869,571
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-65,149
FY 2016 Normalized Current Estimate		8,804,422
6. Price Change		213,740
7. Functional Transfers		-11,771
a. Transfers In		
1) Army Service Treatment Record Transfer Shipping Costs from IMCOM to MEDCOM: Transfer funds from the Army Installation Command	393	

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
(IMCOM) to the Defense Health Program, Army Medical Command (MEDCOM) for the shipment of Service Treatment Records (STR) to the Department of Veteran Affairs. Beginning in 2006, MEDCOM assumed responsibility for the transfer of STR/HTR for the U.S. Army. However, IMCOM has continued to budget for the shipping costs associated with this mission and transferred funds to MEDCOM during the year of execution. Transfer of funds implements agreement for MEDCOM to begin funding the transfer of all Army STRs to the Department of Veteran Affairs.		
b. Transfers Out		
1) Project Families Overcoming Under Stress (FOCUS): Transfers contract support funding for Project FOCUS services from the Defense Health Program, Navy Bureau of Medicine and Surgery to the Office of the Secretary of Defense - Military Community and Family Policy. Project FOCUS is a pre-clinical, non-medical family psychological health program managed by commands outside of the Military Health System. Commands include the Special Operations Command (through the Preservation of the Force and Family initiative), the Marine and Family Programs Division of Marine Corps Community Services, and the Navy Fleet and Family Support Centers that fall under the cognizance of the Commander, Naval Installations Command.	-9,449	
2) Transfer of the United States Marine Corps (USMC) Service Treatment Record Cell to the USMC: Transfer funds from the Defense Health Program, Navy	-2,715	

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Bureau of Medicine and Surgery to the United States Marine Corps (USMC) located at Quantico, VA to fund the costs to process and ship Marine Corps Service Treatment Records (STR) to the Department of Veteran Affairs. Funds support contract labor and administrative costs required to execute the program.		
8. Program Increases		389,236
a. Annualization of New FY 2016 Program		
b. One-Time FY 2017 Increases		
c. Program Growth in FY 2017		
1) Increased Patient Care:	126,415	
Supports initiatives throughout the Military Health System to increase the number of patients treated in the Military Treatment Facilities (MTFs) by utilizing contractual services (e.g. providers, pharmacy and ancillary staff) to properly complement MTF healthcare capabilities. Actions to increase the number of patients treated includes initiatives to increase the number of beneficiaries enrolled, improving access to care and the recapture of patients receiving healthcare in the private sector. The actions are in consonance with the initiatives to improve access, quality of care and patient safety, transformation to a High Reliability Organization (HRO), provisions of Nurse Advice Line and Patient Centered Medical Home. The FY 2016 In-House Care baseline funding is \$8,804.4M. The In-House Care staffing baseline is 48,059 civilian FTEs and 12,172 contractor FTEs.		

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
2) Equipment: Adjusts equipment funding to meet the average life-cycle replacement rate of eight years. The FY 2016 In-House Care equipment baseline funding request is \$323.1M.	92,577	
3) Military Health System Transformation to a High Reliability Organization: Military Health System (MHS) Review directed by the Secretary of Defense in May 2014. In response to the MHS Review, the Department of Defense has been on a journey to transform the MHS - a global, comprehensive, integrated system that includes combat medical services, force health readiness, a health care delivery system, public health activities, medical education and training, and medical research and development - to a high reliability organization (HRO). An HRO promotes a single-minded focus by the entire workforce on identifying problems and high-risk situations before they lead to an adverse event. In the In-House Care, funding is provided for several MHS Review initiatives including the following: Program Integration Office (PIO): Contractual support to provide robust performance management of the action plans developed based on the result of the MHS Review and for the capability for continuous process improvement.	41,714	

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

Amount

Totals

Clinical Obstetric Emergency Simulators (COES) equipment placement at all 50 MTFs that provide obstetrical services: COES is a package of simulator technology, scenario-based training, performance measurement and debriefing tools masterfully combined to build medical staff competencies in obstetric emergencies.

National Surgical Quality Improvement Program (NSQIP): Membership for all inpatient Military Treatment Facilities (MTFs) with sufficient volume to participate in the Essential and Procedure Targeted Programs.

Ambulatory Surgical Center (ASC) Benchmarking Program: Contributes to the reduction of surgical morbidity and the enhancement of clinical quality and safety at Military Treatment Facilities with an ASC.

Global Trigger Tool (GTT) requirement: Will assist in pinpointing safety concerns that need a more intensive review at the Military Treatment Facility level.

The FY 2016 In-House Care baseline funding is \$8,704.4M. The FY 2016 In-House Care baseline staffing is 48,059 civilian FTEs and 12,172 contractor FTEs.

4) Increase in Military Treatment Facilities (MTF)	29,892	
--	--------	--

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Pharmacy Supplies Due to Changes in Retail Pharmacy Co-Pays: Provides additional pharmacy funds for projected increased demand within the Military Treatment Facility (MTF) pharmacies due to an expected shift in beneficiaries' preference for MTF pharmacies as a result of legislation increasing retail pharmacy co-pays. The FY 2016 In-House Care pharmacy baseline funding is \$1,613.0M.		
5) Nurse Advice Line: Realigns funds from the Consolidated Health Support to the In-House Care for the Nurse Advice Line (NAL). The NAL provides beneficiaries 24/7 telephonic access to a registered nurse for healthcare advice. The NAL assists callers in making informed decisions about self-care at home and when to see a health care provider. The FY 2016 CONUS Medical Care baseline funding is \$6,225.1M. The FY 2016 In-House Care baseline staffing is 48,059 civilian FTEs and 12,172 contractors.	26,500	
6) Clinical Pharmacists: Incremental increase to Clinical Pharmacist programs in support of Assistant Secretary of Defense for Health Affairs memo establishing safeguards and risk mitigation strategies for all beneficiaries. Funds expand the role of the clinical pharmacists and provides additional training in the management of high risk patients to include proper medication reconciliation and restriction of medication when appropriate. The FY 2016 CONUS and OCONUS MEDCENS,	24,426	

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

	<u>Amount</u>	<u>Totals</u>
Hospitals and Clinics baseline funding is \$6,668.6M.		
7) Patient Safety Manager Staffing Support:	15,367	
Realigns funds from the Consolidated Health Support to the In-House Care to add staff to the Patient Safety Manager Program. The Department of Defense Patient Safety Program is a complete program with the goal of creating a culture of patient safety and quality within the Military Health System (MHS). The program encourages a systems approach to creating a safer patient environment; engaging MHS leadership; promoting collaboration among all three Services; and fostering trust, transparency, teamwork and communication. The program's mission is to end preventable patient harm by engaging, educating and equipping patient-care teams to put evidence-based safe practices in place across the organization. The FY 2016 In-House Care baseline funding is \$8,804.4M. The FY 2016 In-House Care baseline staffing is 48,059 civilian FTEs and 12,172 contractors.		
8) Continuing Medical Education:	12,262	
Participation in conferences and similar events is critical to our ability to share information and break down barriers that block innovations. Excessive restrictions on conference participation and attendance by DoD Personnel have become counterproductive undermining the professional development for the medical community. Funds were realigned within In-House Care to increase travel which ensures Continuing Medical Education credentialing requirements are met for clinical		

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

	<u>Amount</u>	<u>Totals</u>
<p>staff. To achieve the Assistant Secretary of Defense (Health Affairs') goal of becoming a High Reliability Organization, continuous training and improved skills are required. Collaborative training events provide clinical staff the opportunity to learn the latest standards alongside their civilian peers and remain current on standards of care. Training also allows components to remain competitive in the areas of recruitment and retention of the best clinicians available. The FY 2016 In-House Care travel baseline funding is \$71.2M.</p>		
<p>9) Enhanced Healthcare Services: A decrease in the number of active duty service members has resulted in a 20 - 25 percent reduction in demand for services in the Wounded Warrior Program. This reduction makes funds available from the Consolidated Health Support to the In-House Care to enhance healthcare delivery platforms by expanding various avenues to care to include face-to-face appointments, direct access to physical therapy as well as supports the behavioral health optimization program. Resources facilitate the development of Common Cause Analysis of recent safety events, assess barriers to implementation of safety principles and provide focused safety education to facility leaders as we evolve to a High Reliability Organization. The FY 2016 In-House Care baseline funding is \$8,804.6M. The FY 2016 In-House Care staffing baseline is 48,059 civilian FTEs and 12,172 contractor FTEs.</p>	8,292	
<p>10) TRICARE Clinic (TC) Suffolk, Virginia:</p>	6,003	

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

Amount

Totals

The Tidewater Enhanced Multi-Service Market (eMSM) plans to increase enrollment space in the direct care system and decrease enrollment to the private sector care system in the Tidewater (Suffolk), Virginia area. Current military treatment facilities (MTF) in the area are filled to capacity and cannot accept further enrollment. These funds provide for the establishment of an additional MTF-ran TRICARE Clinic (TC) in leased commercial space off-base in the Suffolk, VA area allowing for the potential recapture of over 12,000 beneficiaries currently enrolled to private sector providers within the managed care contractor's private sector care network. Not only will this initiative potentially save money by having the patients treated in the less costly direct care system, it allows for these new enrollees to enroll to a Patient Centered Medical Home (PCMH) which provides comprehensive and integrated primary and specialty care, reduces emergency room/urgent care visits, improves patient and provider satisfaction and achieves better quality of care. Cost avoidance is achieved by treating the patient in the most appropriate setting (family practice clinic versus emergency room) and by providing comprehensive care which allows for earlier detection of medical conditions and better management of chronic conditions to reduce costly acute care episodes. Within the In-House Care, these funds provide for PCMH staffing which includes internal/family practice physicians, nursing staff, pharmacy, immunization

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

Amount

Totals

clinic and other health care professionals and capabilities comprised of 46 health care contractors (\$4.6M annually: 7 Internal Medicine, Family Practice, Pediatric and Behavioral Health Clinicians, 2 nurse practitioners/physician assistants, 4 registered nurses, 4 pharmacists, 23 support staff and 6 administrative staff). This funding also includes a \$1M equipment requirement to outfit the TC Suffolk. The FY 2016 CONUS Medical Care baseline funding is \$6,225.1M. The FY 2016 In-House Care baseline staffing is 48,059 civilian FTEs and 12,172 contractors.

- 11) Secure Messaging for Military Treatment Facility (MTF) Beneficiaries:

4,226

Realigns funds from the Consolidated Health Support to the In-House Care for Secure Messaging. Secure Messaging gives beneficiaries the ability to contact their health care team from any location at any time of the day by safely sending a message. Beneficiaries can contact their primary care clinic to request prescription renewals, receive test and laboratory results, request appointments and referrals, obtain guidance from their medical team by email, consult with their medical team regarding non-urgent health matters, avoid unnecessary office visits and telephone calls and access valuable health information online. The FY 2016 In-House Care baseline funding is \$8,804.4M. The FY 2016 In-House Care baseline staffing is 48,059 civilian FTEs and 12,172 contractor FTEs.

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
12) Clinical Laboratory Improvement Amendment Compliance: Realigns funds from Consolidated Health Support to In-House Care to consolidate execution of the Clinical Laboratory Improvement Amendment of 1988 (CLIA) oversight for Army Medical Command, Navy Bureau of Medicine and Surgery, and Air Force Medical Service under the Defense Health Agency. The objective of the CLIA program is to ensure quality laboratory testing performed at all laboratory entities. The FY 2016 In-House Care baseline funding is \$8,804.4M.	1,562	
9. Program Decreases		-155,467
a. Annualization of FY 2016 Program Decreases		
b. One-Time FY 2016 Increases		
c. Program Decreases in FY 2017		
1) Delay in Hiring Civilian Personnel: Reduces the In-House Care civilian program by 62 FTEs due to hiring lag time for medical personnel during the past two fiscal years. FY 2016 In-House Care civilian compensation baseline funding is \$4,176.5M. FY 2016 baseline civilian staffing is 48,059 FTEs.	-34,613	
2) Two Fewer Civilian Paid Days: In accordance with OMB Circular A-11, Section 85.5c, reduction in civilian pay to account for two fewer paid days in FY 2017 (260 paid days) than in FY 2016 (262 paid days). The FY 2016 In-House Care civilian pay baseline is \$4,176.5M. The FY 2016 In-House Care baseline civilian staffing is 48,059 civilian FTEs.	-32,272	
3) Army Civilian Human Resource Agency (CHRA) Bill	-27,344	

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Increase Based on Population Served:		
Realigns funds from the In-House Care to the Base Operating Support to cover the total requirement of Army MEDCOM's CHRA bill. The increased CHRA bill is based on the larger population cited by CHRA. The FY 2016 Army In-House Care civilian baseline funding is \$2,696.2M. The FY 2016 staffing is 48,059 civilian FTEs.		
4) Initial Outfitting and Transition (IO&T) Equipment Requirements: Initial Outfitting and Transition (IO&T) equipment investments in the FY 2017 program are reduced to accept risk in funding requirements due to proper alignment of funding with Restoration and Modernization and MILCON projects and lengthy duration of planned projects for facility modernization or construction time lines. FY 2016 In-House Care IO&T baseline funding is \$232.7M.	-23,711	
5) Defense Health Agency - National Capital Region Directorate Manpower Realignment: Realigns Defense Health Agency-National Capital Region (DHA-NCR) manpower and associated funding for proper execution including Information and Management (+\$4.1M), Consolidated Health Support(+\$3.6M), Base Operations(+\$7.4M) and Education and Training (-\$0.4M). The FY 2016 DHA-NCR In-House Care civilian baseline funding is \$384.7M. FY 2016 DHA-NCR staffing is 3,996 civilian FTEs.	-14,705	
6) Duplicate Identity Detection, Resolution and Prevention:	-8,000	

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<p>Realigns funds from the In-House Care to Defense Human Resource Activity to support Duplicate Identity Detection, Resolution and Prevention Program. FY 2016 In-House Care baseline funding is \$8,804.4M.</p>		
<p>7) Realign Army Defense Health Program (DHP) Civilian Indirect Hire to Direct Hire: Realigns Army DHP funding and civilian indirect hire fulltime equivalents (FTEs) from In-House Care to Consolidated Health Support civilian US direct hire, in support of Army's Health Care Acquisition activity. Realignment is necessary to alleviate a longstanding disparity between programmed FTEs, actual FTEs, and increased workload requirements resulting from Army's Grow the Acquisition Workforce Program. The Army's FY 2016 In-House Care civilian personnel baseline funding is \$2,696.2M and the baseline staffing is 31,347 civilian FTEs.</p>	-7,003	
<p>8) Initial Outfitting and Transition (IO&T) Realignments: Realigns IO&T funding from the In-House Care for proper execution of programs in the Consolidated Health Support (\$4.8M) and the Education and Training (\$1.5M). In the Consolidated Health Support, funds support transition and site preparation requirements for programmed MILCON projects and restoration and modernization projects. In the Education and Training funds support Uniform Service University of Health Sciences for initial preparation for moving into newly renovated educational facilities and purchase of equipment or furnishings within the</p>	-6,904	

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
educational facilities restoration and modernization program. Funds also transferred to Procurement (\$0.264M) for Initial Outfitting MILCON project equipment purchases; and to Research, Development, Test and Evaluation (\$0.234M) for Initial Outfitting for MILCON and restoration and modernization projects. The FY 2016 In-House Care IO&T baseline funding is \$232.7M.		
9) Secretary of Defense Efficiency: Secretary of Defense efficiency to reduce funding requirements for contracts. FY 2016 In-House Care baseline funding is 8,804.4M.	-807	
10) Defense Logistics Agency (DLA) - Supply Chain: Defense-wide directed realignment of reimbursable funding for the Defense Logistics Agency's Electronic Document Access and Wide Area Workflow from overhead rates to direct billing of responsible customer. This amount reflects the Defense Health Program, In-House Care's share of the \$28.7M Defense-wide realignment. The FY 2016 In-House Care, supplies and materials baseline is \$492.1M.	-108	
FY 2017 Budget Request		9,240,160

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

IV. Performance Criteria and Evaluation Summary:

Population by Service Obligation - Worldwide

Catchment Area	FY2015	FY2016	FY2017	Change	
				FY16-FY15	FY17-FY16
Catchment Area					
Army	1,788,905	1,758,802	1,730,688	-30,103	-28,115
Coast Guard	67,703	67,144	66,457	-559	-687
Air Force	878,368	884,083	888,141	5,715	4,057
Marine Corps	432,962	433,258	431,610	296	-1,647
Navy	852,177	852,736	851,820	559	-916
Navy Afloat	255,818	254,978	253,000	-840	-1,978
Other/Unknown	20,937	20,966	20,995	29	29
Subtotal	4,296,870	4,271,968	4,242,711	-24,902	-29,257
Non-Catchment Area					
Army	2,036,398	2,032,545	2,027,168	-3,853	-5,376
Coast Guard	146,083	145,185	144,149	-898	-1,036
Air Force	1,694,170	1,705,080	1,713,819	10,910	8,738
Marine Corps	299,842	300,514	300,564	672	50
Navy	884,517	887,476	889,794	2,959	2,319
Navy Afloat	48,398	48,233	47,854	-165	-379
Other/Unknown	31,845	31,896	31,944	51	48
Subtotal	5,141,253	5,150,930	5,155,293	9,677	4,363
Total Eligible Population					
Army	3,825,303	3,791,347	3,757,856	-33,956	-33,491
Coast Guard	213,786	212,329	210,606	-1,457	-1,723
Air Force	2,572,538	2,589,164	2,601,959	16,626	12,796
Marine Corps	732,804	733,772	732,175	968	-1,598
Navy	1,736,694	1,740,212	1,741,614	3,518	1,402
Navy Afloat	304,216	303,211	300,854	-1,005	-2,357
Other/Unknown	52,782	52,863	52,940	81	77
Total	9,438,123	9,422,898	9,398,004	-15,225	-24,894

1. FY 2015 is **actual** MHS eligible beneficiaries from DEERS.
2. FY 2016 and FY 2017 are **projected** MHS eligible beneficiaries.

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2015</u> <u>Actuals</u>	<u>FY 2016</u> <u>Estimate</u>	<u>FY 2017</u> <u>Estimate</u>	<u>FY 2015-2016</u> <u>Change</u>	<u>FY 2016-2017</u> <u>Change</u>
<u>Dental Workload (Dental Weighted Values (DWVs) (from</u>					
<u>Components)</u>					
CONUS	14,621,724	15,919,400	17,125,636	1,297,676	1,206,236
OCONUS	<u>2,331,096</u>	<u>2,439,304</u>	<u>2,515,468</u>	108,208	76,164
Total DWVs	16,952,820	18,358,704	19,641,104	1,405,884	1,282,400
 <u>CONUS</u>					
Active Duty	11,846,958	12,918,712	13,931,590	1,071,754	1,012,878
Non-Active Duty	<u>2,137,144</u>	<u>2,243,734</u>	<u>2,303,512</u>	106,590	59,778
Total CONUS	13,984,102	15,162,446	16,235,102	1,178,344	1,072,656
 <u>OCONUS</u>					
Active Duty	1,605,390	1,679,615	1,734,861	74,225	55,246
Non-Active Duty	<u>725,706</u>	<u>759,689</u>	<u>780,607</u>	33,983	20,918
Total OCONUS	2,331,096	2,439,304	2,515,468	108,208	76,164

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

V. <u>Personnel Summary</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Change FY 2015/ FY 2016</u>	<u>Change FY 2016/ FY 2017</u>
<u>Active Military End Strength (E/S) (Total)</u>	54,095	57,249	57,192	3,154	-57
Officer	19,828	20,048	19,971	220	-77
Enlisted	34,267	37,201	37,221	2,934	20
<u>Active Military Average Strength (A/S) (Total)</u>	56,187	55,672	57,221	-515	1,549
Officer	20,079	19,938	20,010	-141	72
Enlisted	36,108	35,734	37,211	-374	1,477
<u>Civilian FTEs (Total)</u>	44,733	48,059	46,511	3,326	-1,548
U.S. Direct Hire	43,146	46,396	44,974	3,250	-1,422
Foreign National Direct Hire	733	609	609	-124	0
Total Direct Hire	43,879	47,005	45,583	3,126	-1,422
Foreign National Indirect Hire	854	1,054	928	200	-126
Memo: Reimbursable Civilians Included	207	207	207	0	0
Average Annual Civilian Salary (\$ in thousands)	86.9	88.3	89.6	1.4	1.3
<u>Contractor FTEs (Total)</u>	13,470	12,172	10,785	-1,298	-1,387

Explanation of changes in Active Military End Strength: The increase from FY 2015 to FY 2016 is attributed to the Air Force's sizing initiative from FY 2015 to FY 2016.

Explanation of changes in Civilian FTEs: The increase projection from FY 2015 to FY 2016 is a result of accelerated hiring goals to correct workforce due to hiring lag over the past two fiscal years. The decrease from FY 2016 to FY 2017 reflect actions from a civilian workforce analysis based on Department of Defense guidance to shape a properly sized and highly capable workforce.

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

Explanation of changes in Contractor FTEs: The decrease from FY 2015 to FY 2016 and FY 2016 to FY 2017 reflect efforts to become more efficient in the reliance on contractor support via consolidation of requirements.

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

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

<u>OP 32 Line</u>	<u>FY 2015</u>	<u>Foreign</u>		<u>Change</u>		<u>FY 2016</u>	<u>Foreign</u>		<u>Change</u>		<u>FY 2017</u>
		<u>Currency</u>	<u>Rate Diff</u>	<u>FY 2015/FY 2016</u>	<u>Program</u>		<u>Currency</u>	<u>Rate Diff</u>	<u>FY 2016/FY 2017</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	3,711,528	0	45,466	281,687	4,038,681	0	61,348	-134,997	3,965,032		
103 Wage Board	93,924	0	1,151	13,496	108,571	0	1,649	-1,446	108,774		
104 FN Direct Hire (FNDH)	29,051	0	356	-3,987	25,420	0	386	-4	25,802		
105 Separation Liability (FNDH)	1,434	0	0	0	1,434	0	0	0	1,434		
106 Benefit to Fmr Employees	551	0	0	0	551	0	0	0	551		
107 Voluntary Sep Incentives	723	0	0	0	723	0	0	18	741		
121 PCS Benefits	1,098	0	0	0	1,098	0	0	0	1,098		
199 TOTAL CIV COMPENSATION	3,838,309	0	46,973	291,196	4,176,478	0	63,383	-136,429	4,103,432		
308 Travel of Persons	71,270	60	1,213	-1,323	71,220	0	1,282	12,262	84,764		
399 TOTAL TRAVEL	71,270	60	1,213	-1,323	71,220	0	1,282	12,262	84,764		
401 DLA Energy (Fuel Products)	270	0	-20	96	346	0	-28	35	353		
402 Service Fund Fuel	4	0	0	5	9	0	-1	1	9		
411 Army Supply	6	0	0	-6	0	0	0	0	0		
412 Navy Managed Supply, Matl	588	0	20	-8	600	0	30	-17	613		
416 GSA Supplies & Materials	6,855	188	120	1,014	8,177	0	147	-626	7,698		
417 Local Purch Supplies & Mat	48,823	0	830	175	49,828	0	897	108	50,833		
422 DLA Mat Supply Chain (Medical)	17,592	0	70	1,679	19,341	0	-77	-1,009	18,255		
499 TOTAL SUPPLIES & MATERIALS	74,138	188	1,020	2,955	78,301	0	968	-1,508	77,761		
502 Army Fund Equipment	560	0	0	10	570	0	-1	12	581		
503 Navy Fund Equipment	199	0	0	4	203	0	8	-5	206		

In-House Care
IHC-22

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

	FY 2015	Foreign Currency	Change		FY 2016	Foreign Currency	Change		FY 2017
			FY 2015/FY 2016				FY 2016/FY 2017		
	<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>
OP 32 Line									
505 Air Force Fund Equip	26,062	0	0	15,678	41,740	0	0	-41,740	0
506 DLA Mat Supply Chain (Const & Equip)	189	0	2	11	202	0	0	9	211
507 GSA Managed Equipment	8,790	0	149	20	8,959	0	161	15	9,135
599 TOTAL EQUIPMENT PURCHASES	35,800	0	151	15,723	51,674	0	168	-41,709	10,133
601 Army Industrial Operations	561	0	44	-605	0	0	0	0	0
611 Navy Surface Warfare Ctr	0	0	0	828	828	0	27	-12	843
633 DLA Document Services	19	0	0	1,773	1,792	0	26	10	1,828
671 DISA DISN Subscription Services (DSS)	4	0	0	-4	0	0	0	0	0
677 DISA Telecomm Svcs - Reimbursable	0	0	0	66	66	0	1	0	67
696 DFAS Financial Operation (Other Defense Agencies)	3,132	0	175	-3,307	0	0	0	0	0
699 TOTAL DWCF PURCHASES	3,716	0	219	-1,249	2,686	0	54	-2	2,738
706 AMC Channel Passenger	55	0	1	-56	0	0	0	0	0
719 SDDC Cargo Ops-Port hndlg	17	0	7	-4	20	0	0	1	21
771 Commercial Transport	7,095	0	121	-93	7,123	0	128	7	7,258
799 TOTAL TRANSPORTATION	7,167	0	129	-153	7,143	0	128	8	7,279
901 Foreign National Indirect Hire (FNIH)	32,551	0	399	18,268	51,218	0	778	-8,202	43,794

In-House Care
IHC-23

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

<u>OP 32 Line</u>	<u>FY 2015 Actual</u>	<u>Foreign Currency Rate Diff</u>	<u>Change FY 2015/FY 2016</u>		<u>FY 2016 Estimate</u>	<u>Foreign Currency Rate Diff</u>	<u>Change FY 2016/FY 2017</u>		<u>FY 2017 Estimate</u>
			<u>Price</u>	<u>Program</u>			<u>Price</u>	<u>Program</u>	
912 Rental Payments to GSA (SLUC)	630	0	11	-612	29	0	1	-1	29
913 Purchased Utilities (Non-Fund)	810	0	14	8,635	9,459	0	170	-7,360	2,269
914 Purchased Communications (Non-Fund)	4,769	0	81	1,283	6,133	0	110	-4,851	1,392
915 Rents (Non-GSA)	15,927	0	271	4,234	20,432	0	368	-1,159	19,641
917 Postal Services (U.S.P.S)	1,031	0	18	-258	791	0	14	262	1,067
920 Supplies & Materials (Non-Fund)	598,430	233	22,151	-128,731	492,083	0	18,699	-603	510,179
921 Printing & Reproduction	6,567	0	112	2,504	9,183	0	165	24	9,372
922 Equipment Maintenance By Contract	166,165	0	2,825	-32,457	136,533	0	2,458	-1,427	137,564
923 Facilities Sust, Rest, & Mod by Contract	162,765	0	2,767	-24,333	141,199	-1,192	2,520	10,860	153,387
924 Pharmaceutical Drugs	1,599,729	0	59,190	-45,913	1,613,006	0	61,294	558	1,674,858
925 Equipment Purchases (Non-Fund)	333,126	49	12,327	-22,360	323,142	-155	12,274	91,785	427,046
932 Mgt Prof Support Svcs	43,320	0	736	-34,777	9,279	0	167	4,138	13,584
933 Studies, Analysis & Eval	19,207	0	327	7,911	27,445	0	494	-438	27,501
937 Locally Purchased Fuel (Non-Fund)	4	0	0	387	391	0	-32	41	400
955 Other Costs (Medical Care)	441,010	1,568	16,375	-150,411	308,542	0	11,725	146,184	466,451

In-House Care
IHC-24

**Defense Health Program
Fiscal Year (FY) 2017 Budget Estimates
Operation and Maintenance
In-House Care**

<u>OP 32 Line</u>	<u>FY 2015</u>	<u>Foreign</u>	<u>Change</u>		<u>FY 2016</u>	<u>Foreign</u>	<u>Change</u>		<u>FY 2017</u>
	<u>Actual</u>	<u>Currency</u>	<u>FY 2015/FY 2016</u>		<u>Estimate</u>	<u>Currency</u>	<u>FY 2016/FY 2017</u>		<u>Estimate</u>
		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	
957 Other Costs (Land and Structures)	2,872	0	49	-2,921	0	0	0	0	0
960 Other Costs (Interest and Dividends)	811	0	14	-825	0	0	0	0	0
964 Other Costs (Subsistence and Support of Persons)	7,362	0	125	-5,228	2,259	0	41	0	2,300
986 Medical Care Contracts	992,827	2,135	36,814	-42,562	989,214	0	37,590	201,861	1,228,665
987 Other Intra- Govt Purch	8,402	0	143	66,327	74,872	0	1,348	-27,385	48,835
988 Grants	15,565	0	265	-15,829	1	0	0	4,142	4,143
989 Other Services	95,264	211	1,623	75,130	172,228	-4,628	3,017	-23,207	147,410
990 IT Contract Support Services	42,813	0	728	-14,060	29,481	0	531	4,154	34,166
999 TOTAL OTHER PURCHASES	4,591,957	4,196	157,365	-336,598	4,416,920	-5,975	153,732	389,376	4,954,053
Total	8,622,357	4,444	207,070	-29,449	8,804,422	-5,975	219,715	221,998	9,240,160