

**Defense Health Program
Fiscal Year (FY) 2018 Budget Estimates
Operation and Maintenance
Consolidated Health Support**

I. Description of Operations Financed: This Budget Activity Group encompasses nine functions supporting military medical readiness and delivery of patient care worldwide. The nine medical support functions include:

Examining Activities - Resources administering physical examinations and performing evaluations of medical suitability for military service. Includes resources required for Armed Forces Examination and Entrance Stations and the Department of Defense (DoD) Medical Examination Review Board.

Other Health Activities - Resources organizations and functions that support the provision of health care for DoD beneficiaries. Examples include: central medical laboratories, medical services squadrons, Army and Navy Medicine regional commands, public affairs, the Women, Infants and Children Program, humanitarian actions, family advocacy, patient affairs, and contribution of resources for the DoD beneficiaries health care at the CAPT James A. Lovell Federal Health Care Center North Chicago, IL.

Military Public/Occupational Health - Resources military public health manpower, supplies, permits, certification and licensure fees, support equipment, and the associated requirements specifically identified for management, direction, and operation of disease prevention and control. Examples include: epidemiology, medical entomology, drinking water safety, monitoring hazardous waste disposal, food and facility sanitation, wellness/health promotion and education, community health nursing, medical intelligence, disease and climate illness, disease prevention and control, hearing conservation, and health and injury surveillance.

Veterinary Services - Resources the management, direction and operation of DoD's worldwide veterinary missions, as well as veterinary support requirements for other specified federal agencies. Includes veterinary care of government-owned animals,

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I. Description of Operations Financed (cont.)

procedures involving animals in clinical investigation departments, and control of zoonotic and veterinary public health diseases.

Military Unique - Other Medical Activities - Resources unique military medical functions and activities that have a relationship to the size of the military population supported. Examples of programs include: physiological training units, drug abuse detection laboratories, optical repair and fabrication laboratories, medical logistics offices, medical materiel activities, deployment planning, plans, operation and training offices in military treatment facilities, and Department of Defense Armed Forces Blood Program.

Aeromedical Evacuation System - Resources the operation and administration of the Aeromedical Evacuation System, costs associated with intra- and inter-theater patient transportation, and operations to sustain the Aeromedical Evacuation Epidemiology Laboratory.

Service Support to Other Health Activities - Resources to support USTRANSCOM's Global Patient Movement Requirements Center.

Joint Pathology Center (JPC) - Resources manpower, equipment, and the associated operation and maintenance of the JPC including pathology education, consultation, and diagnostic testing provided to the Department of Defense and other Federal Agencies.

Federal Advisory Committee Act (FACA) Advisory Board Activities - Resources the FACA Advisory Board and subcommittee functions, meetings, support, studies and other activities. FACA is composed of those committees, boards, commissions, councils, task forces and similar groups which have been established to advise officers and agencies in the executive branch of the Federal Government and must follow the regulatory and

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I. Description of Operations Financed (cont.)

statutory requirements related to FACA in Title 5 Appendix, United States Code (U.S.C.).

II. Force Structure Summary:

Consolidated Health Support includes staffing and contracts to support the Defense Health Agency, the Army Medical Command, Navy Bureau of Medicine and Surgery, and the Air Force Medical Services by providing the active duty and beneficiary population with complementary health care such as laboratory testing, immunizations, physical exams, humanitarian actions, epidemiology and entomology testing, disease prevention and control, veterinary services, physiological training, optical repair and fabrication, intra- and inter-theater patient transportation, and pathology education and consultation. In addition, this Budget Activity Group funds operations at the Army and Navy Regional Commands, the Armed Forces Blood Program, the medical logistics offices, deployment planning, and provides resources for USTRANSCOM's Global Patient movement Requirements Center.

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III. Financial Summary (\$ in thousands)

	FY 2016	Budget	FY 2017			Current	FY 2018
			Congressional Action				
A. <u>BA Subactivities</u>	<u>Actuals</u>	<u>Request</u>	<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>	<u>Estimate</u>	<u>Estimate</u>
1. Examining Activities	85,994	85,914	0	0.0	85,914	85,914	85,402
2. Other Health Activities	683,852	835,978	0	0.0	835,978	835,978	690,141
3. Military Public / Occupational Health	503,596	527,666	0	0.0	527,666	527,666	534,757
4. Veterinary Services	26,272	32,491	0	0.0	32,491	32,491	30,896
5. Military Unique-Other Medical Activities	627,256	801,371	0	0.0	801,371	801,371	767,460
6. Aeromedical Evacuation System	56,355	55,251	0	0.0	55,251	55,251	57,090
7. Service Support to Other Health Activities- TRANSCOM	1,676	2,396	0	0.0	2,396	2,396	2,419
8. Joint Pathology Center (JPC)	19,365	24,721	0	0.0	24,721	24,721	22,935
9. Support to FACA Advisory Board Activities	1,581	1,971	0	0.0	1,971	1,971	1,945
Total	2,005,947	2,367,759	0	0.0	2,367,759	2,367,759	2,193,045

1. FY 2016 actuals include \$9,745K for Overseas Contingency Operations (OCO).

2. FY 2017 estimate excludes \$3,325K for OCO.

3. FY 2018 estimate excludes \$1,980K for OCO.

4. The Department of Defense transferred O&M funding of \$120,400K in FY 2016 and will transfer \$122,400K in FY 2017 to the Joint Department of Defense - Department of Veterans Affairs Medical Facility Demonstration Fund established by section 1704 of Public Law 111-84 (National Defense Authorization Act for FY 2010). Additionally, the Department of Defense transferred \$15,000K of O&M funding in FY 2016 and will transfer the same amount in FY 2017 and FY 2018 to the DoD-VA Health Care Joint Incentive Fund (JIF) as required by Section 8111 of Title 38 of the United States Code (USC) and Section 722 of Public Law 111-92 (National Defense Authorization Act for FY 2016).

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B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2017/FY 2017</u>	<u>FY 2017/FY 2018</u>
Baseline Funding	2,367,759	2,367,759
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	2,367,759	
Fact-of-Life Changes (2017 to 2017 Only)		
Subtotal Baseline Funding	2,367,759	
Supplemental	3,325	
Reprogrammings		
Price Changes		59,947
Functional Transfers		-146,547
Program Changes		-88,114
Current Estimate	2,371,084	2,193,045
Less: Wartime Supplemental	-3,325	
Normalized Current Estimate	2,367,759	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2017 President's Budget Request (Amended, if applicable)		2,367,759
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2017 Appropriated Amount		2,367,759
2. OCO and Other Supplemental Enacted		3,325
a. OCO and Other Supplemental Requested		
1) OCO	3,325	
3. Fact-of-Life Changes		
FY 2017 Baseline Funding		2,371,084
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2017 Estimate		2,371,084
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-3,325
FY 2017 Normalized Current Estimate		2,367,759
6. Price Change		59,947
7. Functional Transfers		-146,547
a. Transfers In		
b. Transfers Out		
1) Transfers Army Wounded Warrior Program from Defense Health Program to Army Operation and Maintenance: Transfers Consolidated Health Support funding, manpower, and responsibility for the Army Medical Command's Wounded Warrior Program from the Defense Health Program to Army Operation and Maintenance. Action aligns funding, authority, and responsibilities with the Army's mission to maintain	-135,193	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
the readiness of its force. The Wounded Warrior Program is a United States Army program that assists and advocates for severely wounded, ill, and injured soldiers and their families throughout their recovery or transition to the Veterans Administration for rehabilitation. By program element, transfers affect Other Health Activities (-\$133,193K) and Military Unique-Other Medical (-\$2,000K). By commodity, transfer impacts CIVPERS (-\$83,400K), travel (-\$11,711K), supplies (-\$3,445K), equipment (-\$1,259K), and contracts (-\$35,378K).		
2) Transfers Funding for the Post-Transition Support for Operation Live Well and the Healthy Base Initiative: Transfers Consolidated Health Support, Other Health Activities funding for the Operation Live Well (OLW) and Healthy Base Initiative (HBI) programs from the Defense Health Agency (DHA) to the Office of the Secretary of Defense for the Under Secretary of Defense (Personnel and Readiness). On 9 March 2016, the Principal Deputy Under Secretary of Defense for Personnel and Readiness approved the realignment of the OLW and the HBI programs to the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)) as part of the Under Secretary of Defense (P&R)'s enterprise reorganization.	-6,354	
3) Transfers Funding for the Warrior Games: Transfers Consolidated Health Support, Other Health Activities funding for the Warrior Games from the Defense Health Agency (DHA) to the Deputy Assistant	-5,000	

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Secretary of Defense (Military Community and Family Programs). The Warrior Games are an adaptive sports competition for Wounded, Ill, and Injured service members and veterans. This realignment executes the decision by the Under Secretary of Defense (Personnel and Readiness) to divest the Military Health System of financial involvement in the non-medical missions and to align the Warrior Games to the Deputy Assistant Secretary of Defense (Military Community and Family Programs).		
8. Program Increases		11,193
a. Annualization of New FY 2017 Program		
b. One-Time FY 2018 Increases		
c. Program Growth in FY 2018		
1) Equipment Purchases:	3,996	
Funds equipment replacement purchases for the Defense Health Agency's Armed Forces Health Surveillance Centers (\$2,425K), for the Air Force Medical Service's Aeromedical Evacuation System (\$1,315K) and physiological training units (\$122K), and for the Army Medical Command's Veterinary Services (\$134K). The FY 2017 Consolidated Health Support equipment baseline funding request is \$46,197K.		
2) Allergen and Epidemiologic Testing:	3,000	
Provides funds for contract services to perform additional Allergen and Epidemiologic (EPI) testing for Breast Cancer Antigen and HIV screening at the Allergen Testing Lab, Joint Base San Antonio-Lackland, Texas and the Air Force EPI Lab at Wright		

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C. Reconciliation of Increases and Decreases

	<u>Amount</u>	<u>Totals</u>
Patterson Air Force Base, Ohio. Funds are accounted for in Other Health Activities program element, OP32 Line 986, Medical Care Contracts (\$3,000K). The FY 2017 Consolidated Health Support medical care contracts baseline funding request is \$533,141K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.		
3) Army Medical Command Wellness Center Mission Requirements: Provides Consolidated Health Support, Military Unique-Other Medical funds for contract services to fully implement the Army Medical Command's Wellness Center mission of developing and evaluating a standardized wellness education model to address unhealthy lifestyles such as obesity and usage of tobacco or alcohol. Funds are accounted for in OP32 Line 955, Other Costs (Medical Care) (\$1,700K). The FY 2017 Consolidated Health Support Other Costs (Medical care) baseline funding request is \$111,272K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.	1,700	
4) Mild Traumatic Brain Injury (mTBI): Realigns Army Medical Command's supplies and contract funds to Consolidated Health Support, Military Unique-Other Medical program element from In-House	1,600	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Care to standardize accounting for the mild Traumatic Brain Injury (mTBI) Program and the Automated Neuropsychological Assessment Metrics contract. Realignment increases OP32 Lines 920, Supplies & Materials (+\$1,000K) and 989, Other Services, (+\$600K). The FY 2017 Consolidated Health Support baseline funding request is \$2,367,759K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.		
5) Public Health Testing and Screening: Provides Consolidated Health Support, Military Public/Occupational Health funds for active duty public health testing and screening for Hepatitis B, Hepatitis C and HIV. Funds are accounted for in OP32 Line 986, Medical Care Contracts (+\$897K). The FY 2017 Consolidated Health Support Medical Care Contracts baseline funding request is \$533,141K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.	897	
9. Program Decreases		-99,307
a. Annualization of FY 2017 Program Decreases		
b. One-Time FY 2017 Increases		
c. Program Decreases in FY 2018		
1) Initial Outfitting and Equipment Realignment: Realigns Initial Outfitting and Equipment funds from	-39,072	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Consolidated Health Support, Other Health Activities to In-House Care, to Procurement, and to Research, Development, Test and Evaluation (RDT&E) for outfitting facilities with medical equipment. From OP32 Line 923, Facility Sustainment, Restoration, and Modernization Consolidated Health Support (-\$39,072K) to OP32 Line 925, Equipment Purchases In House Care (+17,918K), Procurement (+\$4,594K), and RDT&E (+\$16,560K). Action consolidates all O&M IO&T equipment outfitting requirements to In-House Care. The FY 2017 Consolidated Health Support IO&T baseline funding request is \$48,995K.		
2) Reduced Military Unique-Other Medical Funding Requirements: Reduced 305 civilian fulltime equivalents (FTEs) and funding in the Military Unique-Other Medical program element as a result of the reconfiguration of Army Medical Command's capabilities to better serve the beneficiaries and warfighters, and maintain provider wartime skills at lower costs. The FY 2017 Consolidated Health Support civilian pay baseline funding request is \$945,487K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.	-26,414	
3) Reduced Requirements for Contract Services: Reduced Other Services (-\$14,071K), Management and Professional Support Services (-\$3,519K), and	-17,793	

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	<u>Amount</u>	<u>Totals</u>
Studies, Analysis and Evaluations (-\$203K) contract requirements based on best practices utilized by Army Medical Command, the Defense Health Agency, Air Force Medical Services, and Navy Bureau of Medicine and Surgery. By program element, Consolidated Health Support contract funding are reduced in Military Unique-Other Medical (-\$15,749K), Other Health Activities (-\$1,088K), and Aeromedical Evacuation System (-\$956K). The FY 2017 Consolidated Health Support other services baseline funding request is \$194,306K. The FY 2017 Consolidated Health Support management and professional support services baseline funding request is \$123,532K. The FY 2017 Consolidated Health Support studies, analysis and evaluations baseline funding request is \$11,206K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.		
4) Travel Reduction: Reduced travel requirements for Army Medical Command's Military Public/Occupational Health operations (-\$2,244K), mild Traumatic Brain Injury (mTBI) Program (-\$1,939K), and Veterinary Services (-\$197K); and reduced travel requirements for Air Force Medical Service's support to TRANSCOM (-\$191K). The FY 2017 Consolidated Health Support travel baseline funding request is \$46,816K.	-4,571	
5) Desktop to Datacenter (D2D) Infrastructure	-4,237	

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Amount

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Realignment:

Realigns Consolidated Health Support funds from Air Force Medical Service, Examining Activities (-\$3,165K) and Army Medical Command, Veterinary Services (-\$705K) and Military Unique-Other Medical (-\$367K) to the Defense Health Agency Information Management for the Health Information Technology Directorate (HIT) Military Health System (MHS) enterprise-wide, Desktop to Datacenter (D2D) infrastructure requirements. The FY 2017 Consolidated Health Support baseline funding request is \$2,367,759K.

6) Facility Managers Realigned to Base Operations: -2,071

Realigns Army Medical Command (-\$1,718K) and Air Force Medical Services' (-\$353K) funding for 20 civilian FTEs from Consolidated Health Support to Base Operations to standardize the accounting for budgeting and execution of facility managers. Consolidated Health Support funds are realigned from: Other Health activities (-\$1,552K), Military Unique-Other Medical (-\$298K), and Military Public/Occupational Health (-\$221K) to the Facilities Operations program element. The FY 2017 Consolidated Health Support baseline funding request is \$2,367,759K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.

7) Facilities Enterprise Support Activities Staff -1,792

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Totals

Realigned to Base Operations:

Realigns Defense Health Agency's funding for 10 civilian FTEs from Consolidated Health Support to Base Operations to standardize accounting for budgeting and execution of Facilities Enterprise Support Activities operations. The Military Health System realigned Consolidated Health Support funds from Military Public/Occupational Health (-\$1,597K) and Military Unique-Other Medical (-\$195K) to the Facilities Operations program element (+\$1,792K). The FY 2017 Consolidated Health Support civilian pay baseline funding request is \$945,487K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.

8) Command Suite Realigned to In-House Care:

-1,452

Realigns Army Medical Command's funding for 18 civilian FTEs from Consolidated Health Support to In-House Care to standardize accounting for budgeting and execution of Command Suite Staff in the Medical Centers, Hospitals, and Clinics program element. Consolidated Health Support funds are realigned from Other Health Activities (-\$918K), Military Public/Occupational Health (-\$319K), and Military Unique-Other Medical (-\$215K) to the Medical Centers, Hospitals, and Clinics program element (\$1,452K). The FY 2017 Consolidated Health Support civilian pay baseline funding request is \$945,487K. The FY 2017

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.		
9) Utility Services Realigned to Base Operations: Realigns funds for utilities services from Consolidated Health Support to Base Operations to standardize the accounting for budgeting and execution of all utilities in the Base Operations, Facilities Operations program element. Consolidated Health Support funds are realigned from Military Unique-Other Medical (-\$558K), Other Health Activities (-\$184K), Joint Pathology Center (-\$150K) Military Public/Occupational Health (-\$57K), and Aeromedical Evacuation System (-\$51K) to the Facilities Operations program element (+\$1,000K). The FY 2017 Consolidated Health Support Purchased Utilities baseline funding request is \$1,173K.	-1,000	
10) Public Health Enterprise Support Activities Staff Realigned to Management Activities: Realigns Defense Health Agency's funding for 7 civilian FTEs from Consolidated Health Support to Management Activities to standardize accounting for budgeting and execution of Public Health Enterprise Support Activities Operations. Consolidated Health Support funds are realigned from Military Unique-Other Medical (-\$550K) and Veterinary Services (-\$125K) to the Management Activities, Defense Health Agency program element (+\$675K). The FY 2017	-675	

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Consolidated Health Support civilian pay baseline funding request is \$945,487K. The FY 2017 Consolidated Health Support baseline civilian staffing request is 9,439 FTEs and the Consolidated Health Support baseline contractor staffing request is 3,696 CMEs.		
11) Purchased Communications Realigned to Base Operations: Realigns funds for Purchased Communications from Consolidated Health Support to Base Operations to standardize the accounting for budgeting and execution of communications contracts in the Base Operations, Base Communications program element. Consolidated Health Support funds are realigned from Military Unique-Other Medical (-\$104K), Other Health Activities (-\$57K), and Veterinary Services (-\$7K) to Base Operations, Base Communications program element (+\$168K). The FY 2017 Consolidated Health Support purchased communications baseline funding request is \$4,438K.	-168	
12) Mission Travel: Realigns travel funding from the Defense Health Agency's Consolidated Health Support, Military Public/Occupational Health (-\$62K) to Management Activities, Management Headquarters (+\$62K) to account for Major Headquarters funding. Funds support Management Headquarters Public Health Enterprise Support Activities operations. The FY 2017 Consolidated Health Support travel baseline	-62	

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funding request is \$46,816K.

FY 2018 Budget Request

Amount

Totals

2,193,045

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IV. Performance Criteria and Evaluation Summary:

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate	Change FY 2016/2017	Change FY 2017/2018
1) Active Duty Force Structure	1,535,855	1,537,493	1,549,128	1,638	11,635
2) Military Entrance Processing Stations Workload (000's)	289	293	304	4	11
3) Spectacles/Inserts Fabricated (000's)	1,379	1,383	1,391	4	8
4) Veterinary Lab Procedures (000's)	188	191	201	3	10

1) Active Duty Force Structure: The FY 2016 to FY 2017 and FY 2017 to FY 2018 changes in Active Duty Force Structure support Department of Defense restructuring plans based on changing strategies for the Military Services.

2) Military Entrance Processing Stations Workload: The Military Entrance Processing Stations applicant workload tends to remain constant or increases in order to produce qualified accessions. The Military Entrance Processing Stations projects an increase in applicant workload for FY 2016 to FY 2017 and FY 2017 to FY 2018 to produce the qualified accessions to achieve the Department of Defense Armed Forces required escalating manning levels.

3) Spectacles/Inserts Fabricated: The FY 2016 to FY 2017 increase is due to the

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IV. Performance Criteria and Evaluation Summary:

introduction of additional Frame of Choice (FOC) options resulting in an increased production of spectacles. Nine (9) new FOC styles are being offered in FY 2017 as the new FOC selection replacing outdated frame styles. The FY 2017 to FY 2018 increase is due to anticipated workload associated with the increase in Active Duty Force End Strength in FY 2018.

4) Veterinary Lab Procedures: FY 2016 to FY 2017 increase is due to new diagnostic tests for Military Working Dogs and increased microbiological food safety testing. The increase from FY 2017 to FY 2018 is due to the DoD Food Analysis and Diagnostics Labs (FADL) expanding their testing capabilities with new equipment and instruments for chemistry and diagnostic testing that will be online in FY 2018.

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V. <u>Personnel Summary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Change FY 2016/ FY 2017</u>	<u>Change FY 2017/ FY 2018</u>
<u>Active Military End Strength (E/S) (Total)</u>	8,477	8,745	7,757	268	-988
Officer	2,690	2,839	2,550	149	-289
Enlisted	5,787	5,906	5,207	119	-699
<u>Civilian End Strength (Total)</u>	9,582	9,439	8,245	-143	-1,194
U.S. Direct Hire	8,973	8,939	7,758	-34	-1,181
Foreign National Direct Hire	230	132	119	-98	-13
Total Direct Hire	9,203	9,071	7,877	-132	-1,194
Foreign National Indirect Hire	351	340	340	-11	0
Reimbursable Civilians	28	28	28	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	8,660	8,612	8,252	-48	-360
Officer	2,747	2,765	2,695	18	-70
Enlisted	5,913	5,847	5,557	-66	-290
<u>Civilian FTEs (Total)</u>	9,582	9,439	8,245	-143	-1,194
U.S. Direct Hire	8,973	8,939	7,758	-34	-1,181
Foreign National Direct Hire	230	132	119	-98	-13
Total Direct Hire	9,203	9,071	7,877	-132	-1,194
Foreign National Indirect Hire	351	340	340	-11	0
Reimbursable Civilians	28	28	28	0	0
Average Annual Civilian Salary (\$ in thousands)	98.9	100.5	103.5	1.6	3.0
<u>Contractor FTEs (Total)</u>	3,292	3,696	3,436	404	-260

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Explanation of changes in Active Military End Strength: The increase from FY 2016 to FY 2017 (+268) accounts for an under-execution of FY 2016 Military Personnel End Strength (+271) plus realignment to other Budget Activity Groups (-3). The decrease from FY 2017 to FY 2018 (-988) includes transfer of responsibility to the Army Line for the Wounded Transition Mission (-968), realignments to the Defense Health Agency for Enterprise Support Activities (-18), and internal DHP realignments (-2).

Explanation of changes in Civilian FTEs: The decrease from FY 2016 to FY 2017 (-143) reflects manpower adjustments based on the Secretary of Defense Modernization Study, Headquarters reductions, and internal Military Health System (MHS) realignments to: Army Medical Command (+8), Navy Bureau of Medicine and Surgery (-51), Air Force Medical Service (-77), and the Defense Health Agency (-23). The decrease from FY 2017 to FY 2018 (-1,194) accounts for the continuation of the manpower adjustments based on the Secretary of Defense Modernization Study, Headquarters reductions, and internal Military Health System (MHS) realignments to: Air Force Medical Service (26), Army Medical Command (-392), Navy Bureau of Medicine and Surgery (-1), the Defense Health Agency (-3), as well as the transfer of the Army Medical Command's Wounded Warrior Program from the Defense Health Agency to the Department of the Army (-824).

Explanation of changes in Contractor FTEs: The increase from FY 2016 to FY 2017 (+404) accounts for the transfer of the Armed Forces Medical Examiner System (+50), the National Museum of Health and Medicine (+23), the Armed Forces DNA Identification Laboratory (+64), and the Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury (+228) from Army Medical Command; and the transfer of the Defense Medical Examiner Review Board (+39) from Air Force Medical Services. The decrease from FY 2017 to FY 2018 (-260) accounts for the Defense Health Program's Service Requirements Review Board reductions and the Army Medical Command's Medical Action Plan transfer to the Department of the Army.

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

<u>OP 32 Line</u>	<u>FY 2016</u> <u>Actuals</u>	<u>Foreign</u> <u>Currency</u> <u>Rate Diff</u>	<u>Change</u> <u>FY 2016/FY 2017</u>		<u>FY 2017</u> <u>Estimate</u>	<u>Foreign</u> <u>Currency</u> <u>Rate Diff</u>	<u>Change</u> <u>FY 2017/FY 2018</u>		<u>FY 2018</u> <u>Estimate</u>
			<u>Price</u>	<u>Program</u>			<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	903,659	0	17,034	-14,308	906,385	0	17,711	-116,046	808,050
103 Wage Board	7,595	0	143	781	8,519	0	166	955	9,640
104 FN Direct Hire (FNDH)	9,714	0	183	-2,700	7,197	0	141	-276	7,062
105 Separation Liability (FNDH)	173	0	0	268	441	0	0	-268	173
106 Benefit to Fmr Employees	0	0	0	601	601	0	0	-601	0
107 Voluntary Sep Incentives	842	0	0	-742	100	0	0	742	842
121 PCS Benefits	252	0	0	39	291	0	0	-291	0
199 TOTAL CIV COMPENSATION	922,235	0	17,360	-16,061	923,534	0	18,018	-115,785	825,767
308 Travel of Persons	45,230	-8	859	735	46,816	0	936	-16,282	31,470
399 TOTAL TRAVEL	45,230	-8	859	735	46,816	0	936	-16,282	31,470
401 DLA Energy (Fuel Products)	65	0	4	-11	58	0	0	1	59
402 Service Fund Fuel	0	0	0	3	3	0	0	0	3
411 Army Supply	1	0	0	-1	0	0	0	0	0
412 Navy Managed Supply, Matl	104	0	5	14	123	0	-1	3	125
414 Air Force Consol Sust AG (Supply)	44	0	0	1	45	0	-4	4	45
416 GSA Supplies & Materials	1,221	0	23	206	1,450	0	29	2	1,481
417 Local Purch Supplies & Mat	2,891	0	55	101	3,047	0	61	0	3,108
422 DLA Mat Supply Chain (Medical)	1,425	0	-6	631	2,050	0	-8	49	2,091
499 TOTAL SUPPLIES & MATERIALS	5,751	0	81	944	6,776	0	77	59	6,912

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	FY 2016	Foreign	Change		FY 2017	Foreign	Change		FY 2018
		Currency	FY 2016/FY 2017			Currency	FY 2017/FY 2018		
<u>OP 32 Line</u>	<u>Actuals</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>
503 Navy Fund Equipment	26	0	1	0	27	0	0	0	27
506 DLA Mat Supply Chain (Const & Equip)	119	0	0	3	122	0	0	2	124
507 GSA Managed Equipment	385	0	7	49	441	0	9	-1	449
599 TOTAL EQUIPMENT PURCHASES	530	0	8	52	590	0	9	1	600
614 Space & Naval Warfare Center	154	0	2	-156	0	0	0	0	0
633 DLA Document Services	1,646	0	24	-1,608	62	0	1	0	63
634 NAVFEC (Utilities and Sanitation)	0	0	0	16	16	0	0	-16	0
635 Navy Base Support (NAVFEC Other Support Services)	11	0	0	0	11	0	0	0	11
647 DISA Enterprise Computing Centers	313	0	-31	-282	0	0	0	0	0
671 DISA DISN Subscription Services (DSS)	1	0	0	15	16	0	0	0	16
675 DLA Disposition Services	2	0	0	1	3	0	0	0	3
677 DISA Telecomm Svcs - Reimbursable	6	0	0	-6	0	0	0	0	0
679 Cost Reimbursable Purchase	3	0	0	1	4	0	0	1	5
680 Building Maint Fund Purch	5,285	0	-218	-4,732	335	0	-14	22	343
699 TOTAL DWCF	7,421	0	-223	-6,751	447	0	-13	7	441

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**Defense Health Program
Fiscal Year (FY) 2018 Budget Estimates
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<u>OP 32 Line</u>	<u>FY 2016</u>	<u>Foreign</u>	<u>Change</u>		<u>FY 2017</u>	<u>Foreign</u>	<u>Change</u>		<u>FY 2018</u>
			<u>Currency</u>	<u>FY 2016/FY 2017</u>			<u>Currency</u>	<u>FY 2017/FY 2018</u>	
	<u>Actuals</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>
PURCHASES									
706 AMC Channel Passenger	34,648	0	659	-34,899	408	0	8	34,529	34,945
719 SDDC Cargo Ops-Port hndlg	0	0	0	113	113	0	1	1	115
771 Commercial Transport	4,798	0	91	32,920	37,809	0	756	-34,541	4,024
799 TOTAL	39,446	0	750	-1,866	38,330	0	765	-11	39,084
TRANSPORTATION									
901 Foreign National Indirect Hire (FNIH)	23,090	0	435	-1,572	21,953	0	429	2,238	24,620
902 Separation Liab (FNIH)	8	0	0	-8	0	0	0	8	8
912 Rental Payments to GSA (SLUC)	1,060	0	20	-1,070	10	0	0	1	11
913 Purchased Utilities (Non-Fund)	559	0	11	603	1,173	0	23	-1,196	0
914 Purchased Communications (Non-Fund)	1,913	0	36	2,489	4,438	0	89	-2,457	2,070
915 Rents (Non-GSA)	3,123	0	59	117	3,299	0	66	16	3,381
917 Postal Services (U.S.P.S)	43	0	1	3	47	0	1	0	48
920 Supplies & Materials (Non-Fund)	101,493	-15	1,928	-9,525	93,881	0	1,878	-11,363	84,396
921 Printing & Reproduction	1,986	0	38	-334	1,690	0	34	26	1,750
922 Equipment Maintenance By Contract	9,982	-30	189	-4,692	5,449	0	109	-170	5,388
923 Facilities Sust, Rest, & Mod by Contract	5,399	0	103	51,760	57,262	0	1,145	-50,151	8,256

**Defense Health Program
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<u>OP 32 Line</u>	<u>FY 2016 Actuals</u>	<u>Foreign Currency Rate Diff</u>	<u>Change FY 2016/FY 2017</u>		<u>FY 2017 Estimate</u>	<u>Foreign Currency Rate Diff</u>	<u>Change FY 2017/FY 2018</u>		<u>FY 2018 Estimate</u>
			<u>Price</u>	<u>Program</u>			<u>Price</u>	<u>Program</u>	
924 Pharmaceutical Drugs	50,613	0	2,025	-5,285	47,353	0	1,847	633	49,833
925 Equipment Purchases (Non- Fund)	47,928	-20	910	-2,621	46,197	0	924	3,996	51,117
926 Other Overseas Purchases	225	0	4	-189	40	0	1	0	41
930 Other Depot Maintenance (Non- Fund)	0	0	0	410	410	0	8	-9	409
932 Mgt Prof Support Svcs	161,645	0	3,071	-41,184	123,532	0	2,471	-11,840	114,163
933 Studies, Analysis & Eval	45,034	0	856	-34,684	11,206	0	224	-255	11,175
934 Engineering & Tech Svcs	1,514	0	29	-1,218	325	0	7	-1	331
937 Locally Purchased Fuel (Non-Fund)	7	0	0	171	178	0	-1	5	182
955 Other Costs (Medical Care)	175,603	0	7,025	-71,356	111,272	0	4,340	1,723	117,335
957 Other Costs (Land and Structures)	601	0	11	-612	0	0	0	0	0
960 Other Costs (Interest and Dividends)	400	0	8	848	1,256	0	25	1	1,282
964 Other Costs (Subsistence and Support of Persons)	380	0	7	26	413	0	8	-1	420
986 Medical Care Contracts	107,850	-78	4,311	421,058	533,141	0	20,792	-18,515	535,418
987 Other Intra- Govt Purch	45,117	0	857	31,579	77,553	0	1,551	-3,705	75,399
988 Grants	13,949	0	265	-14,172	42	0	1	0	43
989 Other	158,734	-4,461	2,932	37,101	194,306	0	3,886	-12,947	185,245

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<u>OP 32 Line</u>	<u>FY 2016</u> <u>Actuals</u>	<u>Foreign</u> <u>Currency</u> <u>Rate Diff</u>	<u>Change</u> <u>FY 2016/FY 2017</u>		<u>FY 2017</u> <u>Estimate</u>	<u>Foreign</u> <u>Currency</u> <u>Rate Diff</u>	<u>Change</u> <u>FY 2017/FY 2018</u>		<u>FY 2018</u> <u>Estimate</u>
			<u>Price</u>	<u>Program</u>			<u>Price</u>	<u>Program</u>	
Services									
990 IT Contract	27,078	0	515	-12,753	14,840	0	297	1,313	16,450
Support Services									
999 TOTAL OTHER	985,334	-4,604	25,646	344,890	1,351,266	0	40,155	-102,650	1,288,771
PURCHASES									
Total	2,005,947	-4,612	44,481	321,943	2,367,759	0	59,947	-234,661	2,193,045

The following Consolidated Health Support internal OP-32 Realignment was driven by the continuation of the Military Health system's Common Cost Accounting Structure initiative:
Zero sum realignment from OP32 771, Commercial Transportation (-\$34,530K) to OP32 706, Air Mobility Command (AMC) Channel Passenger (+\$34,530K) to account for the working capital fund charges for patient movement requirements.