

**DEFENSE HEALTH PROGRAM
FY 2007 Emergency Supplemental Request**

(This page intentionally left blank.)

DEFENSE HEALTH PROGRAM (DHP)

Global War on Terror (GWOT) / Regional War on Terror (RWOT)

Operation and Maintenance, Defense Health Program (DHP) Budget Activity 01, Operating Forces

I. Description of Operations Supported:

Funding will provide medical and dental services to active forces (above baseline) and mobilized Reserve Components (RC), and their family members, as they support Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). The DHP supplemental request does not provide medical and dental support within the OIF/OEF Area of Responsibility (AOR). Supplemental funding provides for the incremental costs associated with the treatment of casualties at Military Treatment Facilities (MTF). Caring for combat injuries (e.g., amputees, burns, and rehabilitative care) requires a level of effort greater than that of peacetime operations. Other DHP operational requirements in support of the Global War on Terror (GWOT) include, pre/post deployment processing for personnel, aeromedical transportation of casualties from Germany to the U.S., medical holdover processing, and contracted/civilian medical personnel at MTFs to backfill deployed staff. Additional support requirements include command, control and communications (C3) costs, telemedicine, public health support, material management control, veterinary support, and bioenvironmental health support that are above the normal day-to-day operations. The DHP provides additional blood units and products for casualties, deployment health outreach, medical surveillance analytical support, chemical and biological warfare health threat support activities, and post deployment health assessments (3 to 6 months after deployment), evaluations and treatment for all deployed forces. Furthermore, nearly half of the DHP supplemental funding request supports the healthcare needs of mobilized RC personnel and their family members and these costs are primarily incurred in the private sector.

- **In House Care:**

- Incremental costs of health care for casualties of war above baseline
- Incremental costs for pharmaceuticals

- Increased dental care for mobilized Reserve Component (RC) personnel
- Backfill of deployed medical personnel to home station MTF

- **Private Sector Care**
 - Health care for mobilized RC and their family members
 - Supplemental care for post deployment health reassessments

- **Consolidated Health Support**
 - Incremental costs for the Armed Services Blood Program to provide blood products for OIF/OEF
 - Aeromedical transportation of casualties from Germany to the U.S.
 - Deployment health outreach, medical surveillance analytical support, and chemical and biological warfare health threat support activities
 - Military Public Health manpower, supplies, support equipment, and the associated requirements specifically identified for management, direction, and operation of disease prevention and control for OIF/OEF
 - Incremental support for epidemiology, medical entomology, drinking water safety, monitoring hazardous waste disposal, food and facility sanitation, health promotion and education, health surveillance, medical intelligence, disease and climate illness, disease prevention and control, and injury surveillance in support of OIF/OEF
 - Resources required for the incremental costs for the management, direction and operation of DoD's veterinary missions in support of OIF/OEF
 - Medical laboratories processing of blood samples collected in the pre/post deployment process
 - DHP portion of the Armed Forces Institute of Pathology support to mortuary operations at Dover Air Force Base

- **Information Management**
 - Incremental information management support for medical coding and tracking of patients supporting GWOT.
 - Incremental contract support to electronically collect and store healthcare, public health, bioenvironmental, and health surveillance data

- Incremental funding of telemedicine and teleconferencing initiatives to better leverage technology in the delivery of combat health care.

- **Management Activities**

- Medical command, control and communications in support of OIF/OEF
- Medical headquarters planning, analysis, reporting, data collection, and after action reviews in support of OIF/OEF

- **Education and Training**

- Additional trauma training to ensure medical providers receive/retain the necessary skill sets to treat combat trauma injuries
- Training for medical providers to properly diagnose pre and post-deployment mental health conditions

- **Base Operations/Communications**

- Sustainment costs for medical facilities at five RC installations utilized for deployment processing

FY 2006	*-----FY 2007-----*		
<u>Actuals</u>	<u>Title IX</u>	<u>Supplemental</u>	<u>Total</u>
1,089,830	0	1,073,147	1,073,147

II. Financial Summary (\$ in Thousands):

A. Subactivity Group – In-House Care

1. <u>2.3 Medical Support/Health Services</u>	370,899	0	378,352	378,352
--	----------------	----------	----------------	----------------

Narrative Justification: The increase from FY 2006 to FY 2007 is attributed to inflation, increased dental care for mobilized personnel, increased cost of pharmaceuticals, decrease of mobilized Reserve Component (RC) members (113 thousand in FY 2006, 108 thousand in FY 2007), and reduced pre-deployment individual equipment items (e.g. eyewear and gas mask eyewear inserts) and prophylactic vaccinations as a direct result of the military personnel’s multiple deployments to the U.S. Central Command Area of Responsibility (AOR). Funding supports the continued level of contracted personnel to backfill military medical personnel deployed in support of OIF/OEF. The DHP will continue to fund casualty care activities at MTF’s consistent with FY 2006 levels. Lanstuhl Regional Medical Center (LRMC) continues to operate its bed expansion program to meet the increased patient load since the start of OIF/OEF. Patients treated at LRMC have complex injuries or wounds that average a 25 percent higher treatment requirement than patients seen prior to OIF/OEF. Funding also supports the Army amputee centers at Brooke Army Medical Center, San Antonio, TX and Walter Reed Army Medical Center, Washington, DC and the Navy center at Naval Medical Center, San Diego, CA. Casualty care is also provided at the Defense and Veterans Traumatic Brain Injury and Burn centers in San Antonio. In FY 2007, Brooke Army Medical Center burn unit will continue to operate a bed expansion program to care for OIF/OEF patients. In FY 2005, the DHP instituted the Post-Deployment Health Reassessment (PDHRA) program to identify members who may have mental or physical health conditions as a result of their deployment. The PDHRA program is providing crucial pre/post-deployment mental health data and comparisons never before seen in the Military Health Care system. The DHP continues to contract for mental health providers to provide care in military treatment facilities to ensure redeployed personnel have access to mental health services.

Impact if not funded: Providing health care for military members (active as well as deployed Reserve/Guard members) is the mission of the Military Health System. Baseline funding is available for health care of active duty members but not at the intensity and complexity of casualty care. This request funds the additional health and dental care of the mobilized forces when not in the war zone. Also requested is funding for mental health providers needed to treat post deployment issues. Without this supplemental funding, baseline funds for the care of retirees, and all family members (active, mobilized RC, and retirees) would have to be used to care for active and mobilized military members. Care of the non-active, non-mobilized beneficiaries would not be available in the MTFs and health care would be shifted to the private sector, increasing the cost of a must pay bill. In addition, if funding is not provided for the backfilling of active duty medical personnel deployed in support of OIF/OEF, fewer beneficiaries can be seen in the MTF, shifting even more health care to the private. Health care of all DoD beneficiaries, through the use of MTFs or the private sector care contracts, is a mandated requirement, making it a must pay bill.

B. Subactivity Group -- Private Sector Care

1. <u>2.3 Medical Support/Health Services</u>	496,739	0	564,164	564,164
--	----------------	----------	----------------	----------------

Narrative Justification: Provides mobilized Reserve Components (RC) and their family members with healthcare, pharmacy and dental benefits during the time they are on active duty, in support of GWOT. RC personnel and their family members are entitled to the same TRICARE benefits as their active duty counterparts, including access to private sector providers through the TRICARE Managed Care Network. It also provides access to civilian providers for those beneficiaries living in remote locations outside the established network areas (TRICARE Reserve Select program, which is offered upon return from mobilization to RC Component members who enroll and share premiums with the government, is not included in this requirement). Health care coverage includes costs for medical care and pharmaceuticals for RC and their family members, managed care contract administration fees and RC dental care. The average annual cost per mobilized RC (includes family members) in FY 2006 was \$4,247 and increases to \$4,826 in FY 2007. The average annual cost for FY 2007 was established using actual FY 2005 claims data. The daily average number of mobilized RC personnel in FY 2006 was 113 thousand. The estimated daily average number of mobilized RC personnel for FY 2007 is estimated at 108 thousand. Funding also provides for supplemental care costs associated with the Post-Deployment Health

Reassessment (PDHRA) program. The PDHRA program was instituted in FY 2005 to identify members who may have mental or physical health conditions as a result of their deployment. The private sector care budget activity request is over half of the total supplemental funds requested by the DHP.

Impact if not funded: Providing health care to mobilized RC personnel and their families is congressionally mandated. This is a must pay bill and cost will incur even without funding. Other beneficiary health care could be compromised and funding would have to be shifted from other priorities including curtailment of treatment in military treatment facilities for non-active duty personnel, shifting the increased cost to the private sector care contracts.

C. Subactivity Group -- Consolidated Health Support

1. <u>2.3 Medical Support/Health Services</u>	150,454	0	122,830	122,830
--	----------------	----------	----------------	----------------

Narrative Justification: The projected Armed Services Blood program support for FY 2007 includes 53,315 Red Blood Cell shipments, 27,074 Fresh Frozen Plasma shipments, and 3,204 CRYO (Frozen Blood) shipments. The number of blood products manufactured has gone up since FY 2005 by 14 percent, and the actual cost to manufacture the products has gone up about 13 percent. In addition, shipping costs have increased, both quantity of product shipped and the cost per box, by 22 percent overall. Aeromedical transportation requirements in FY 2007 are projected to remain at the same level with the seat charge increasing from \$672 to an estimated \$806. Other health activities, including public health and bioenvironmental engineering, will experience a slight reduction in costs as the initial influx of support continues to decrease to a minimal baseline support effort. The costs associated with processing blood samples will decrease in FY 2007 due to a reduction in the number of Reserve Components mobilized for OIF/OEF. Blood samples are collected during the pre and post deployment process. Community outreach and medical surveillance analytical support provided by the Deployment Health Support Directorate (DHSD) will maintain current levels during FY 2007. DHSD continues to collect, analyze, and store health surveillance information for OIF/OEF. The apparent overall reduction in this budget activity group is attributable to a realignment of funds for Post Deployment Health Reassessment from Consolidated Health Support to Private Sector Care and In House Care budget activity groups to ensure proper execution.

Impact if not funded: Without funding, the blood program and aeromedical transport missions would require further internal offsets. This would lead to reduced efficiencies as infrastructure improvements, hiring of civilian personnel, and non-emergency logistics procurements would be delayed or cancelled. In addition, patient medical information collection

evolve, military mental health providers are afforded the opportunity to continue to refine pre/post-deployment counseling and assessment techniques to ensure the readiness and mental health of deploying forces. The funding request for FY 2007 has decreased significantly due to decreased requirement for additional initial Army medical personnel training.

Impact if not funded: Without funding, the proficiency of medical personnel in treating the types of combat injuries that regular day-to-day peacetime health care typically does not afford would be diminished. Without pre-deployment training, valuable time in the AOR would be devoted to elevating medical skills to proper readiness levels. In addition, specialized training to identify and treat pre/post deployment mental illnesses would not be available, causing the possible deployment of non-ready forces.

G. Subactivity Group – Base Operations/Communications

1. <u>2.3 Medical Support/Health Services</u>	44,980	0	1,660	1,660
--	---------------	----------	--------------	--------------

a. Narrative Justification: Funds the sustainment costs of medical facilities at five RC installations utilized for deployment processing. Sustainment costs include; utilities, communications, housekeeping, and minor repairs. These sites were opened to provide healthcare support to deploying RC forces. These facilities have been operating since the beginning of GWOT and will continue to support medical pre and post deployment activities in FY 2007 at current levels. Continued operations and maintenance of the medical facilities is vital to the overall mission of Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF). Additionally, costs associated with this budget activity includes \$160,000 for communications support provided at Landstuhl Regional Medical Center, Germany for the Deployed Warrior Medical Management Center (DWMMC) which supports all personnel evacuated out of Theater.

In FY 2006, the DHP received Supplemental appropriation funding (\$42.8 million) for Army modularity, and was executed within the base operations/communications budget activity group. Army Modularity is not included in this supplemental request.

Impact if not funded: The additional medical facilities at the five RC installations will be closed and medical processing will need to be accomplished at other installations, causing disruption to the processing of personnel for deployment. Centralized RC processing centers ensures all resources required for mobilized RC are available at one

location. If funding is not provided, the medical portion of the RC processing would be geographically separated from administrative, logistics, and equipment processing. This would burden the RC with additional costs for transportation and logging. In addition the communications support for DWMMC would be curtailed.