

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

I. Description of Operations Financed: This Budget Activity Group (BAG) provides for the delivery of patient care 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, Inpatient Facilities and Medical Clinics: Resources medical care in CONUS and OCONUS facilities which are staffed and equipped to provide inpatient and outpatient care for both surgical and non-surgical 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.

Note: This BAG excludes funding for the deployable medical and dental units and healthcare resources devoted exclusively to teaching.

II. Force Structure Summary: The In-House Care (BAG) includes staffing to provide medical and dental care in military facilities which provide the full range of inpatient and ambulatory medical and dental care services. In addition to medical and dental care this BAG also includes medical center laboratories, alcohol treatment facilities, clinical investigation activities, facility on-the-job training/education programs and federal sharing agreements.

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

	FY 2009						
	FY 2008 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2010 <u>Estimate</u>
<u>Amount</u>			<u>Percent</u>	<u>Appropriated</u>			
A. <u>Subactivities</u>							
1. MEDCENS, Hospitals & Clinics (CONUS)	4,346,872	4,028,745	575,180	14%	4,603,925	4,022,971	4,587,235
2. MEDCENS, Hospitals & Clinics (OCONUS)	384,876	284,765	(168,677)	-59%	116,088	289,765	378,705
3. Pharmaceuticals, In-House (CONUS)	1,066,204	1,650,578	23,607	1%	1,674,185	1,356,799	1,234,560
4. Pharmaceuticals, In-House (OCONUS)	106,314	145,613	45,736	31%	191,349	145,613	142,239
5. Dental Care Activities - (CONUS)	401,824	404,267	2,496	1%	406,763	404,267	508,146
6. Dental Care Activities - (OCONUS)	<u>55,964</u>	<u>60,592</u>	<u>380</u>	<u>1%</u>	<u>60,972</u>	<u>60,592</u>	<u>63,488</u>
Total	6,362,054	6,574,560	478,722	7%	7,053,282	6,280,007	6,914,373

Notes: (\$ in Thousands)

FY 2008 includes \$403.459 million from the Global War on Terrorism (GWOT) Bridge Supplemental, Consolidated Appropriations Act, 2008 (P.L. 110-161), Division L, Title 5, and includes \$102.750 million from the Defense Appropriations Supplemental for Fiscal Year 2008, Title IX (P.L. 110-252).

FY 2009 Current Estimate excludes supplemental funds.

From the DoD Medicare Eligible Retiree Health Care Fund, the In-House Care BAG received \$1,263.600 million in FY 2008. Projections for the In-House Care BAG in FY 2009 are approximately \$1,299.900 million, FY 2010 \$1,385.614 million. These amounts are not included in the tables above.

Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care

B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2009/FY 2009</u>	<u>Change</u> <u>FY 2009/FY 2010</u>
Baseline Funding	6,574,560	6,280,007
Congressional Adjustments (Distributed)	-261,330	0
Congressional Adjustments (Undistributed)	0	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments (General Provisions)	0	0
Subtotal Appropriated Amount	6,313,230	0
War-Related & Disaster Supplemental Appropriations	740,052	0
Fact-of-Life Changes (CY to CY Only)	-33,223	0
Subtotal Baseline Funding	7,020,059	0
Anticipated Supplemental	0	0
Reprogrammings	0	0
Less: War-Related and Disaster Supplemental Appropriations	-740,052	0
Revised Current Estimate	7,020,059	0
Price Changes	0	316,096
Functional Transfers	0	-334,673
Program Changes	0	652,943
Normalized Current Estimate	6,280,007	0
Current Estimate	6,280,007	6,914,373

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2009 President's Budget Request (Amended, if applicable)		6,574,560
1. Congressional Adjustments		-261,330
a. Distributed Adjustments	-261,330	
1. Realignment to Private Sector Care budget activity for proper execution of pharmacy workload	-78,000	
2. Realignment to other budget activities to reflect proper execution	-263,500	
3. Traumatic Brain Injury and Psychological Health	65,000	
4. Other Congressional Special Interest initiatives	15,170	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	0	
FY 2009 Appropriated Amount		6,313,230
2. War-Related and Disaster Supplemental Appropriations		740,052
3. Fact of Life Changes		-15,000
a. Functional Transfers	-15,000	
1. Transfers In		
2. Transfers Out		
a. Transfer to the Department of Veterans Affairs to support the Joint Initiative Fund	-15,000	
b. Technical Adjustments	0	
1) Increases	0	
2) Decreases	-223	
a. Realigns funding to Consolidated Health Support for Tri-Service Regional Business Office (TRBO)	-223	
c. Emergent Requirements		-18,000

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
1) Program Increases		
a. One-Time Costs	0	
b. Program Growth	0	
2) Program Reductions		-18,000
a. One-Time Costs		
b. Program Decreases		
1. Realignment of Efficiency Wedge Restoral funding to reflect proper execution	-18,000	
FY 2009 Baseline Funding		7,020,059
4. Reprogrammings (requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-740,052
Normalized FY 2009 Estimate		6,280,007
FY 2009 Current Estimate		6,280,007
6. Price Change		316,096
7. Functional Transfers		-334,673
a. Transfers In		0
b. Transfers Out		-334,673
1) Healthcare resources transferred to Defense-Wide MILCON to support recapitalization of medical treatment facilities.	-209,763	
2) Transfers money to Base Realignment and Closings to fund Initial Outfitting and Transition.	-125,000	

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
8. Program Increases		1,808,244
a. Annualization of New FY 2009 Program	0	
b. One-Time FY 2010 Increases	359,255	
1) Reverse realignment to other budget activities to reflect proper execution	276,770	
2) Reverse realignment to Private Sector Care budget activity for proper execution of pharmacy workload	82,485	
c. Program Growth in FY 2010		1,448,989
1) Reversal of Medical Treatment Facility efficiencies	673,102	
2) Increases funding to support enduring Traumatic Brain Injury and Psychological Health requirements for personnel and contract support	295,238	
3) Increases funding to support enduring Wounded, Ill and Injured requirements for increased personnel and contract support	141,350	
4) Increased funding for medical and dental care to support Ground Forces Augmentation	92,226	
5) Increases funding to support enduring Global War on Terror requirements.	87,971	
6) Funding for Civilian Recruitment, Retention and Relocation (3Rs)	88,001	
7) Prospective Payment System increase to support increased Army workload	37,973	
8) Initial outfitting - Guam and other small projects	27,991	
9) Increase in health care funding due to increased activation of Guard and Reserve	5,137	
9. Program Decreases		-1,155,301
a. Annualization of FY 2009 Program Decreases	0	
	-616,931	
b. One-Time FY 2010 Decreases		
1) Reversal of support supplied by the National Defense Stockpile Transaction Fund	-532,151	
2) Traumatic Brain Injury and Psychological Health	-68,738	

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
3) Other Congressional Special Interest initiatives	-16,042	
c. Program Decreases in FY 2010		-538,370
1) Realignment of pharmacy funds to Consolidated Health, Information Management, Management Activities, Education and Training and Base Operations and Communications to reflect proper execution	-403,662	
2) Reversal of Military to Civilian conversions	-100,967	
3) Realigns funds to Research, Development, Testing and Evaluation in support of Seapower 21 and Expeditionary Maneuver Warfare	-12,725	
4) Realigns funds to Procurement for increasing Information Management/Information Technology requirements due to security upgrades	-12,000	
5) Realigns funding to Education and Training for the Tri-Service Nursing Research Program (TSNRP)	-4,000	
6) Realigns funding to Management Activities Budget Activity Group to reflect proper program execution of the Joint Task Force, National Capital Region Medical.	-3,132	
7) Realigns funding from In-House Care to Education and Training to support the Air Force Nurse Enlisted Commissioning Program	-1,620	
8) Realigns funding to Consolidated Health Support for Tri-Service Regional Business Office (TRBO).	-264	
FY 2010 Budget Request		6,914,373

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

Population by Service Obligation - World Wide
Average Eligible Population

	FY 2008	FY 2009	FY 2010	Change FY2009/FY2010
Catchment Area				
Army	1,715,918	1,734,666	1,752,692	18,026
Coast Guard	62,709	62,930	63,347	418
Air Force	918,591	907,391	898,469	-8,922
Marine Corps	442,910	449,967	458,051	8,084
Navy	856,815	846,880	845,164	-1,716
Navy Afloat	267,238	265,358	265,326	-32
Other/Unknown	<u>10,257</u>	<u>10,288</u>	<u>10,348</u>	<u>60</u>
Subtotal	4,274,436	4,277,479	4,293,396	15,917

	FY 2008	FY 2009	FY 2010	Change FY2009/FY2010
Non-Catchment Area				
Army	1,895,417	1,923,012	1,935,113	12,101
Coast Guard	133,923	135,393	136,638	1,246
Air Force	1,644,599	1,635,737	1,628,527	-7,210
Marine Corps	271,688	275,292	278,257	2,965
Navy	916,385	923,713	926,055	2,343
Navy Afloat	63,928	62,708	61,881	-827
Other/Unknown	<u>19,232</u>	<u>19,388</u>	<u>19,555</u>	<u>167</u>
Subtotal	4,945,169	4,975,241	4,986,025	10,784

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

	FY 2008	FY 2009	FY 2010	Change FY2009/FY2010
Total Average Eligible Population				
Army	3,611,334	3,657,678	3,687,805	9,449
Coast Guard	196,632	198,322	199,985	1,992
Air Force	2,563,189	2,543,127	2,526,996	-20,109
Marine Corps	714,598	725,259	736,308	2,126
Navy	1,773,199	1,770,593	1,771,219	-293
Navy Afloat	331,165	328,065	327,207	-7,977
Other/Unknown	<u>29,488</u>	<u>29,676</u>	<u>29,902</u>	<u>191</u>
Subtotal	9,219,605	9,252,719	9,279,420	-14,623

Note: The data are derived from the Managed Care Forecasting and Analysis System (MCFAS) -- Data Version FY2007.0. Numbers may not sum to totals due to rounding

	FY 2008	FY 2009	FY 2010	Change FY2009/FY2010
DHP Requirements (\$000s)	23,951,089	24,604,369	26,967,919	2,363,550
Beneficiaries (000s)	9,219	9,253	9,279	26
Enrollees (000s)	3,336	3,429	3,440	11

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2010 Budget Estimates
In-House Care**

<u>V. Personnel Summary</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009/ FY 2010</u>
<u>Active Military End Strength (E/S) (Total)</u>	56,540	54,303	56,602	2,299
Officer	19,449	19,101	19,749	648
Enlisted	37,091	35,202	36,853	1,651
 <u>Active Military Average Strength (A/S) (Total)</u>	 56,691	 55,422	 55,453	 31
Officer	18,448	19,275	19,425	150
Enlisted	38,243	36,147	36,028	-119
 <u>Civilian FTEs (Total)</u>	 36,619	 36,207	 36,040	 -167
U.S. Direct Hire	35,015	34,539	34,380	-159
Foreign National Direct Hire	<u>479</u>	<u>464</u>	<u>469</u>	5
Total Direct Hire	35,494	35,003	34,849	-154
Foreign National Indirect Hire	<u>1,125</u>	<u>1,204</u>	<u>1,191</u>	-13
(Reimbursable Included Above - memo)	492	644	646	2
Average Annual Civilian Salary (\$000)	68.089	71.155	74.686	

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