Defense Health Program
Fiscal Year (FY) 2010 Budget Estimates
Overseas Contingency Operations (OCO)
Budget Activity 1, Operation and Maintenance

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 seen during peacetime operations. Other DHP operational requirements in support of the OIF/OEF include pre/post deployment processing for personnel, aeromedical transportation of casualties from Germany to the US and contracted/civilian medical personnel to backfill deployed staffing at MTF's. 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 also provides additional blood units and products for casualties and post deployment health assessments (between 3-6 months after deployment), evaluations and treatment for all deployed forces.

- **In House Care:**
  - Incremental costs of health care for casualties of war above baseline
  - Incremental costs for deployment related pharmaceuticals
  - Increased dental care for mobilized RC personnel
  - Backfill of deployed medical personnel to home station MTF
- **Private Sector Care**
  - Healthcare 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 US
  - 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
- **Information Management**
  - Incremental information management support for medical coding and tracking of patients supporting OCO
  - 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
  - Increased square footage in support of Post Deployment Health Re-Assessments to include utilities and housekeeping

II. Financial Summary:

($ in Thousands)

Financial Summary ($ in Thousands):	FY 2008 Actual	FY 2009 Approved	FY 2010 Request	FY 2010 Bridge Allocation	FY 2010 Remaining
	1,461,420*	2,009,297	1,155,235	-	1,155,235

* FY 2008 Actual amount does not include execution of funding for Operation and Maintenance ($293.023M) for facilities sustainment, restoration & modernization; Procurement ($62M) for Army and Navy equipment; and MILCON ($18.512M).

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III. Subactivity Detail:

($ in Thousands)

A. Subactivity Group – In-House Care[1]	FY 2008 Actual	FY 2009 Approved	FY 2010 Request	FY 2010 Bridge Allocation	FY 2010 Remaining
		~~919,880~~	~~416,208~~		~~416,208~~
	608,750	1,024,657	503,500	-	503,500

Narrative Justification: Reduced requirements in FY 2010 are largely due to enduring requirements previously funded via a supplemental appropriation being baselined in FY 2010. This includes costs associated with Traumatic Brain Injury/Psychological Health (TBI/PH) treatment requirements; partial shift to the base budget for Post-Deployment Health Reassessments (PDHRA); and Casualty Care. Medical Backfill requirements are consistent with FY 2009 requirements to account for a reduction in the numbers of Reserve Components mobilized to support DHP medical activities, while all medical activities have continued to operate at or above current levels. In FY 2010, the DHP will continue to contract for more medical backfill personnel to sustain operations. The DHP will continue to incur costs associated with supplying pharmaceuticals, and pre-deployment individual equipment items (e.g. eyewear and gas mask eyewear inserts) and prophylactic vaccinations as a direct result of our military personnel's deployments to the OIF/OEF area of responsibility (AOR). The DHP will continue to fund casualty care activities at MTFs. Nearly 60% of the costs for Army amputee centers at Brooke Army Medical Center, San Antonio, TX; Walter Reed Army Medical Center, Washington, DC; and the Navy amputee center at Naval Medical Center, San Diego, CA,

[1] ERRATA – June 19, 2009

as well as for burn centers have been included in our baseline funding request. Some funding for PDHRAs, a program to identify members who may have mental or physical health conditions because of their deployment, is needed although roughly 60% of the required funding is included in our baselinefunding request.

Impact if not funded: Providing health care for military members (active as well as mobilized Reserve Component (RC) 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 is for the funding necessary to provide for the additional medical and dental care of the mobilized RC forces when not in the war zone. Without the OCO funding, the DHP baseline funding appropriated for the care of retirees and all family members (active, mobilized RC, and retirees) would be funneled to care for active and mobilized military members; thereby limiting the funds available for the care of the non-active, non-mobilized beneficiaries that would be shifted to the private sector. In addition, if funding is not provided for the backfill of active duty medical personnel deployed in support of OIF/OEF, fewer beneficiaries can be seen in the Military Treatment Facilities (MTFs) thereby shifting even more care to the private sector. Health care of all DoD beneficiaries is a mandated requirement either through the use of MTFs or the private sector care contracts, making it a must pay bill.

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B. Subactivity Group -- Private Sector Care[1]	FY 2008 Actual	FY 2009 Approved	FY 2010 Request	FY 2010 Bridge Allocation	FY 2010 Remaining
		~~579,243~~	~~581,949~~		~~581,949~~
	511,786	473,466	494,657	-	494,657

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 OCO. Mobilized 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 Support Networks. The network also provides access to civilian providers for those beneficiaries living in remote locations outside the established network areas. (The TRICARE Reserve Select programs which is offered to RC members who enroll and share premiums with the government are 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 (funded here and in In-House Care). The average annual cost per mobilized RC (includes family members) in FY 2009 is $6,019 and will increase to $6,395 in FY 2010. The average annual cost for FY 2010 was established using actual FY 2007 claims data. The increase in the FY 2010 request over the FY 2009 request is due to inflation.

Impact if not funded: Providing health care to mobilized RC personnel and their families is congressionally mandated. This is a must pay bill and the cost will incur even without funding. If this occurs, other beneficiary health care would be compromised and funding would have to be shifted from other priorities including curtailment of treatment in military

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treatment facilities for non-active duty personnel shifting the increased cost to the private sector care contracts.

($ in Thousands)

C. Subactivity Group -- Consolidated Health Support	FY 2008 Actual	FY 2009 Approved	FY 2010 Request	FY 2010 Bridge Allocation	FY 2010 Remaining
	211,594	288,343	134,392	-	134,392

Narrative Justification: Decrease in FY 2010 is due to Traumatic Brain Injury and Psychological Health requirements moving to the base budget. The projected Armed Services Blood program support for FY 2010 includes 45,000 Red Blood Cell shipments, 27,000 Fresh Frozen Plasma shipments, and 4,000 CRYO (Frozen Blood) shipments.

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 and storage of critical medical surveillance data sets would be problematic causing medical data integrity issues similar to the Vietnam Conflict agent orange exposure tracking and follow-up medical care issues.

($ in Thousands)

D. Subactivity Group -- Information Management	FY 2008 Actual	FY 2009 Approved	FY 2010 Request	FY 2010 Bridge Allocation	FY 2010 Remaining
	19,914	83,919	3,032	-	3,032

Narrative Justification: Significant decreases in FY 2010 are a reflection of the types of funds needed for the Theater Medical Information Program (TMIP). There has been more emphasis on the collection, storage, and transmission of theater electronic health records. Efforts continue to electronically track patients departing the areas of responsibility (AORs). Patient tracking allows the MHS to know where casualties are as they travel from the AOR thru or to Germany and CONUS Military Treatment Facilities (MTFs). This is vital to ensure patients are provided the specialized medical care required and to ensure the MTF's readiness to receive casualties. The MHS also collects, analyzes, and stores all AOR public health, bioenvironmental hazard, and health surveillance data by using information management contracts to support this capability. Telemedicine and teleconferencing initiatives enable AOR medical personnel to leverage global military healthcare expertise in their treatment of combat casualties before patients depart to CONUS for advanced care.

Impact if not funded: If funding is not available for patient tracking, patients may arrive at a destination hospital that is not properly equipped to care for the patient. Vital health surveillance data collected within the theaters of operation would not be stored. This data is crucial for investigating possible healthcare conditions resulting from service in OIF/OEF AOR in future years. If funding is not available for the incremental costs

associated with information management activities, the electronic collection and storage of all casualty health care records would be greatly reduced.

($ in Thousands)

E. Subactivity Group -- Management Activities	FY 2008 Actual	FY 2009 Approved	FY 2010 Request	FY 2010 Bridge Allocation	FY 2010 Remaining
	1,928	1,159	1,246	-	1,246

Narrative Justification: The DHP will continue providing management activities in support of OIF/OEF. The Army Medical Command operations center provides the Department of the Army with vital information for command and control of medical assets. The center is operational 24 hours a day. The center coordinates the sourcing of operations and rotations, manages medical policy and operational issues, and performs reporting functions. The center also functions as the medical coordinator between the theaters (OIF/OEF) and the US. The center integrates all the medical operating systems including hospitalization, evacuation, medical logistics, personnel, dental, and veterinary functions. The operations center will continue to operate 24 hours a day, in FY 2010. The FY 2010 increase is due to inflation plus a modest increase in contracted personnel support for some management functions.

Impact if not funded: Army Medical Command operations center hours would be curtailed and staffing would be decreased to support only a normal duty hour function. The backload of information would cause a tremendous burden with decreased staff support. The DHP would not be able to effectively manage the logistical support for medical units assigned to OIF/OEF. If funding is not provided there would be a coordination gap in the movement of supplies, equipment, and medical personnel in support of OIF/OEF. In addition, the coordination of

patient movement between overseas locations to stateside MTFs would be delayed or interrupted.

($ in Thousands)

F. Subactivity Group -- Education and Training	FY 2008 Actual	FY 2009 Approved	FY 2010 Request	FY 2010 Bridge Allocation	FY 2010 Remaining
	17,041	60,276	16,599	-	16,599

Narrative Justification: Decrease in FY 2010 is due to Traumatic Brain Injury and Psychological Health requirements moving to the base budget. In FY 2010, pre-deployment skills training will continue at FY 2009 levels.

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.

($ in Thousands)

G. Subactivity Group -- Base Operations/ Communications	FY 2008 Actual	FY 2009 Approved	FY 2010 Request	FY 2010 Bridge Allocation	FY 2010 Remaining
	90,407	13,688	1,809	-	1,809

Narrative Justification: The significant decrease between FY 2008 and FY 2010 reflects moving funding requirements for the Wounded, Ill, & Injured and Post Deployment Health Reassessment (PDHRA) programs to the base budget. Funding requested will provide for continued operations and maintenance of the medical facilities at deployment platforms and is vital to the overall mission of OIF/OEF. Also, costs associated with this budget activity include 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.

Impact if not funded: Without adequate funding, essential OIF/OEF infrastructure costs will have to be funded from existing resources which places an additional burden on peacetime healthcare resources. As an entitlement program, it is not possible to deny eligible beneficiaries health care. Thus, care that cannot be provided within the military medical treatment facilities will be referred to the Private Sector, sometimes at a much higher cost to the Department and taxpayer.