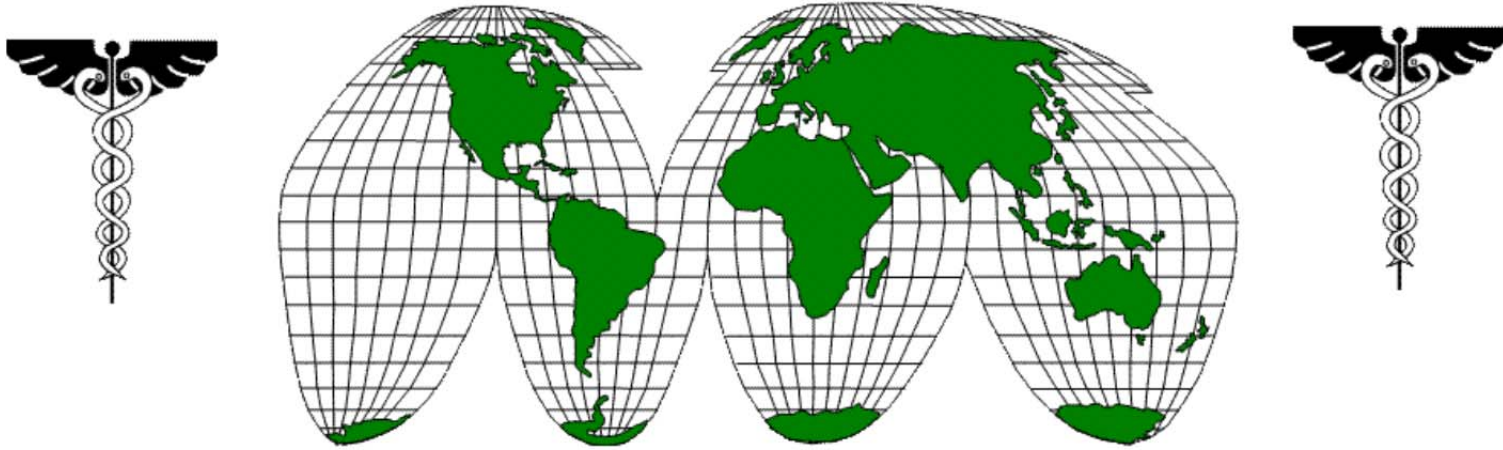


DEFENSE HEALTH PROGRAM



FISCAL YEAR (FY) 2014 BUDGET ESTIMATES

OPERATION AND MAINTENANCE
PROCUREMENT
RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Volume 1: Justification Estimates
Volume 2: Data Book

April 2013

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Office of Security Review
Department of Defense

The Defense Health Program spans the globe in support of the Department of Defense's most important resource--active and retired military members and their families.

13-C-0234

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**Defense Health Program
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Appropriation Highlights**

(\$ in Millions)

<u>Appropriation Summary</u>	<u>FY 2012 Actual¹</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2013 Estimate²</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2014 Estimate³</u>
Operation & Maintenance	30,437.8	925.4	-13.9	31,349.3	982.8	-678.4	31,653.7
RDT&E	1,272.4	24.2	-623.6	673.0	13.5	43.1	729.6
Procurement	632.5	15.6	-141.6	506.5	14.2	150.5	671.2
Continuing Resolution	<u>0.0</u>	<u>0.0</u>	<u>1,134.4</u>	<u>1,134.4</u>	<u>0.0</u>	<u>-1,134.4</u>	<u>0.0</u>
Total DHP	32,342.7	965.2	355.4	33,663.2	1,010.5	-1,619.1	33,054.5
MERHCF Receipts	<u>8,194.9</u>			<u>8,807.0</u>			<u>9,014.9</u>
Total Health Care Costs	40,537.6			42,470.2			42,069.4

1/ FY 2012 actuals include \$1,217.2 million for Overseas Contingency Operations (OCO) under the Consolidated Appropriation Act, FY 2012, Public Law 112-74.

2/ FY 2013 estimate excludes \$993.9 million for OCO.

3/ FY 2014 request excludes OCO.

4/ FY 2013 DHP annualized Continuing Resolution funding includes \$993.9 million for OCO.

5/ The Department of Defense projects O&M funding of \$135.6 million in FY 2012, \$139.2 million in FY 2013, and \$143.1 million in FY 2014 should transfer 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).

6/ Reflects DoD Medicare-Eligible Retiree Health Care Fund (MERHCF) O&M Receipts for FY 2012, FY 2013, and FY 2014.

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Description of Operations Financed:

The medical mission of the Department of Defense (DoD) is to enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care. The Defense Health Program (DHP) Operation and Maintenance (O&M) appropriation funding provides for worldwide medical and dental services to active forces and other eligible beneficiaries, veterinary services, occupational and industrial health care, specialized services for the training of medical personnel, and medical command headquarters. Included are costs associated with the delivery of the TRICARE benefit which provides for the health care of eligible active duty family members, retired members and their family members, and the eligible surviving family members of deceased active duty and retired members. The FY 2014 budget request of \$33,054.5 million includes realistic cost growth for pharmacy, managed care support contracts, and other health care services either provided in the Military Treatment Facility (MTF) or purchased from the private sector. This budget includes funding for continued support of Traumatic Brain Injury and Psychological Health (TBI/PH) and Wounded, Ill and Injured (WII) requirements. It complies with the Congressional mandate related to support of Centers of Excellence (COE) and Department of Defense's initiative for operations efficiencies, including assumed savings for proposed military healthcare reform initiatives. Operation and Maintenance (O&M) funding is divided into seven major areas: In-House Care, Private Sector Care, Information Management, Education and Training, Management Activities, Consolidated Health Support, and Base Operations. The DoD Medicare Eligible Retiree Health Care Fund (MERHCF) is an accrual fund to pay for DoD's share of applicable Direct Care and Private Sector Care operation and maintenance health care costs for Medicare-eligible retirees, retiree family members and survivors.

The DHP appropriation also funds the Research, Development, Test and Evaluation (RDT&E) program for medical Information Management/Information Technology (IM/IT), medical research to reduce capability gaps, support to continental United States and (CONUS) and

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outside of contiguous United States (OCONUS) medical laboratory facilities, and the Armed Forces Radiobiological Research Institute (AFRRI).

The DHP appropriation Procurement program funds acquisition of capital equipment in Military Treatment Facilities (MTFs) and other selected health care activities which include equipment for initial outfitting of newly constructed, expanded, or modernized health care facilities; equipment for modernization and replacement of worn-out, obsolete, or uneconomically repairable items; equipment supporting programs such as pollution control, clinical investigation, and occupational/environmental health; and Military Health System (MHS) information technology (IT) requirements.

Narrative Explanation of FY 2013 and FY 2014 Operation and Maintenance (O&M) Changes:

The DHP O&M funding reflects an overall increase of \$304.5 million between FY 2013 and FY 2014, consisting of \$982.8 million in price growth and net program decrease of \$678.4 million. Program increases include:

- \$452.0 million for FY 2013 proposed benefit reform proposals denied by Congress
- \$131.3 million for net change in healthcare provided in military treatment facilities, including Occupational Health/Industrial Hygiene, Population Health, National Intrepid Center of Excellence (NiCoE) satellites and other centers
- \$100.8 million for increased Facilities Sustainment, Restoration and Modernization (FSRM) as a result of rebaselining medical military construction MILCON
- \$88.9 million for initial outfitting and transition requirements for programmed MILCON projects
- \$67.8 million for integrated Disability Evaluation System (iDES) staffing
- \$46.9 million for support of information systems such as Clinical Enterprise Intelligence, Theatre Medical information Program-Joint and Essentris
- \$27.4 million for Wounded Warrior Care Policy Office (WWCPO) and other functional transfers

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- \$21.1 million for Embedded Behavioral Health Centers
- \$4.8 million for sustaining Future's Group and Institute of Medicine oversight of health matters for ensuring best methods of organizing, training and equipping
- \$4.3 million for net change in education and training focused on industry standards, staff development and simulation
- \$3.5 million for various revolving fund adjustments
- \$1.0 million for Defense Acquisition Workforce

Program decreases include:

- \$847.4 million for re-pricing adjustment to purchased care programs
- \$324.0 million for FY 2014 proposed benefit reform proposals
- \$142.0 million for FY 2013 National Defense Authorization Act (NDAA) directed changes to retail pharmacy co-pays
- \$136.7 million for reversal of one-time enhancement for Temporary End Strength Army Medical (TEAM)
- \$89.6 million for efficient spending through reduced travel and printing costs
- \$87.6 million for rebaselined integrated Electronic Health Record (iEHR)
- \$0.9 million for civilian manpower realignment for mission priorities

Continuing in FY 2014, the Department projects \$143.1 million should transfer to the Joint Department of Defense (DoD) - Department of Veterans Affairs (VA) Medical Facility Demonstration Fund established by section 1704 of Public Law 111-84, (National Defense Authorization Act for FY 2010). This fund combines the resources of DoD and VA to operate the first totally integrated Federal Health Care Facility in the country by the total integration of the North Chicago VA Medical Center and the Navy Health Clinic Great Lakes.

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Narrative Explanation of FY 2013 and FY 2014 Research Development Test & Evaluation (RDT&E) Changes:

The DHP RDT&E Program reflects a net increase of \$56.7 million between FY 2013 and FY 2014. This includes price growth of \$13.5 million and a net program increase of \$43.2 million. Program increases include:

- \$25.5 million for medical/health Research to reduce capability gaps to include diagnosis and treatment of brain injury, psychological health (PH), polytrauma and blast injury, injury prevention and reduction, radiation health, and rehabilitation
- \$20.1 million associated for initial outfitting and transition (IO&T) for the US Army Medical Research Institute of Infectious Disease (USAMRIID), the US Army Medical Research Institute of Chemical Defense (USAMRICD), and the US Army Research Institute of Environmental Medicine (USARIEM) Maher Memorial Altitude Laboratory located at Pikes Peak MILCON projects
- \$16.0 million associated with the transfer of the Military HIV Research Program (MHRP) from the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(ALT)) to the DHP
- \$3.9 million for an integration effort to replace two major Commercial-Off-The-Shelf (COTS) components within the existing Health Artifact and Image Management Solution (HAIMS) application
- \$3.8 million to support enhancements to Neurocognitive Assessment Tool (NCAT) for the following user requirements: making the Proctor Console (PC) occupy the full end user's screen, provide a link to the Master Web Server (MWS) on the PC Graphical User Interface (GUI) to avoid multiple User ID input requests, and add a 'Select All' option to the Audit Log review from the MWS capability from PC to cancel log off after message of assessment ready for transmission
- \$3.5 million increase to Executive Information/Decision Support (EI/DS) associated with a one-time funding add to modify the TRICARE Encounter Data (TED) provider file for the

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National Provider Identifier (NPI) in FY 2014, as well as development of priority 1 requirements for ESSENCE to include an integrated dashboard, fused detection algorithm and enhanced system administration, and begin development of priority 2 requirements to include processing and analyzing laboratory results, update to calculate population at risk rates rather than counts, and provide ability to allow users to perform custom queries

- \$2.6 million increase development efforts for the Federated Registries Framework which will be used to support organizational and departmental level alignment of the Centers of Excellence mission through the application of standard processes, standardized language, and a common framework
- \$2.4 million for continued development of the e-Commerce system
- \$1.3 million to enhance Navy Medicine laboratory management support
- \$1.2 million for development of the Clinical Enterprise Intelligence (CEI) system by Air Force
- \$0.5 million associated with the transfer of the Wounded Warrior Care Program Office (WWCPO) from the Defense Human Resource Activity (DHRA) to DHP for the development of the Disability Mediation Service (DMS) system which will facilitate the improvement of non-medical case management tracking and integrated Disability Evaluation System (IDES) data management
- \$1.2 million in miscellaneous enhancements/realignments (net of increases and decreases)

Program decreases include:

- \$10.7 million decrease related to clinical trial infrastructure support at MTFs
- \$7.0 million to Defense Occupational and Environmental Health Readiness System - Industrial Hygiene (DOEHRS-IH) associated with planned completion of the HazMat Product Hazard Data - Material Safety Data Sheets (MSDS), the fundamental and authoritative

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resource for accessing standardized information related to materials and products used in the workplace

- \$5.0 million in Theater Medical information Program - Joint (TMIP-J) due to planned completion of integration efforts supporting Public Key Infrastructure/Common Access Card (PKI/CAC) and interfaces for the Theater Medical Data Store associated with ICD-10 requirements in FY 2013
- \$4.3 million in Defense Medical Logistics Standard Support (DMLSS) associated with the planned completion of efforts to improve the ordering and cataloging functionality of the Medical Master Catalog, including Real-Time Information services to increase the frequency of connections from the DMLSS servers located at each MTF to the central DMLSS database
- \$3.8 million in Theater Enterprise Wide Logistics System (TEWLS) associated with the planned completion of applying Item Unique Data (IUD) to applicable end items and components with FY 2013 funding
- \$3.1 million due to planned decreases/enhancement schedule for a clinical case management tool
- \$3.0 million in Hyperbaric Oxygen Therapy (HBO₂) for Traumatic Brain Injury (TBI) clinical trial support
- \$1.9 million in miscellaneous enhancements/realignments (net of increases and decreases)

Narrative Explanation of FY 2013 and FY 2014 Procurement Changes:

The DHP Procurement Program has a net increase of \$164.7 million between FY 2013 and FY 2014. This consists of \$14.1 million in price growth and increased program growth of \$150.6 million. Program increases include:

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- \$97.8 million increase within iEHR due to a rebase-lining in Procurement as a result of revised requirements derived from the establishment of a new joint DoD/VA effort in January 2012.
- \$50.3 million for initial outfitting of medical MILCON and restoration and modernization (R&M) projects
- \$3.6 million for the refresh of Healthcare Artifact and Image Management Solution (HAIMS) hardware, as well as, continued deployment and training of the HAIMS product to the user community
- \$2.4 million increase for Local Area Network (LAN) upgrade project planning 6 more site surveys in FY 2014 compared to FY 2013 and the cyclical End User Device (EUD) replacement schedule based on Service requirements and site surveys
- \$2.0 million in Joint Electronic Health Record Interoperability (JEHRI) funding for hardware refresh for Clinical Health Data Repository, Bi-directional Health Information Exchange and Federal Health Information Exchange
- \$0.5 million for the realignment from CIO O&M for the proper execution of the Veterinary Services Systems Management (VSSM), Veterinary Service Information Management System (VSIMS), Spectacle Request and Transmission System (SRTS) and Defense Medical Surveillance System (DMSS) systems
- \$.5 million in miscellaneous enhancements/realignments (net of increases and decreases)

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Program decreases include:

- \$2.9 million decrease associated with deployment of Secure Messaging to all Clinical Information System (CIS) site
- \$3.6 million in miscellaneous decreases/realignments (net of increases and decreases)

President's Management Plan - Performance Metrics Requirements:

The DHP continues to refine existing performance measures and develop specific criterion to determine and measure outputs/outcomes as compared with initial goals. Over the past year the DHP has transitioned to the Quadruple Aim that is focused on a balanced approach to overall performance to include not only production but outcome measures related to medical readiness, a healthy population, positive patient experiences and responsible management of health care costs.

- **Individual Medical Readiness** - This measure provides operational commanders, Military Department leaders and primary care managers the ability to monitor the medical readiness status of their personnel, ensuring a healthy and fit fighting force medically ready to deploy. This represents the best-available indicator of the medical readiness of the Total Force, Active Components and Reserve Components prior to deployment.
- **TRICARE Prime Enrollee Preventive Health Quality Index** - The National Committee for Quality Assurance (NCQA) established the Healthcare Effectiveness Data and Information Set (HEDIS) to provide the health care system with regular statistical measurements to track the quality of care delivered by the nation's health plans with a goal of improving the overall health of the population. This composite index scores Prime enrollee population for compliance with HEDIS like measures on selected measures to support an evidence-based approach to population health and quality assessment. It also provides a direct comparison with civilian health plans and a

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means of tracking improvements in disease screening and treatment. Improved scores in this measure should translate directly to a healthier beneficiary population, reduced acute care needs, and reduced use of integrated health system resources.

- **Beneficiary Satisfaction with Health Plan** - An increase in the satisfaction with the Health Plan indicates that actions being taken are improving the overall functioning of the plan from the beneficiary perspective. Improvements represent positive patient experiences with the health care benefit and services they receive through the system. The goal is to improve overall satisfaction level to that of civilian plans using a standard survey instrument.

- **Medical Cost Per Member Per Year** - Annual Cost Growth - The medical cost per member per year looks at the overall cost of the Prime enrollees for the DHP. This tracks all costs related to care delivered to enrollees. The objective is to keep the rate of cost growth for the treatment of TRICARE enrollees to a level at or below the civilian health care plans rate increases at the national level. Currently the measure provides insight to issues regarding unit cost, utilization management, and purchased care management. The metric has been enhanced to properly account for differences in population demographics and health care requirements of the enrolled population. Since enrollment demographics can vary significantly by Service, and across time, it is important to adjust the measure. For example, as increasing numbers of older individuals enroll, the overall average medical expense per enrollee would likely increase. Conversely, as younger, healthy active duty enroll, the overall average would likely decrease. Through the use of adjustment factors, a comparison across Services and across time is made more meaningful.

Output related measures that influence Medical Cost Per Member Per Year:

- **Inpatient Production Target** (Medicare Severity Adjusted Relative Weighted Products, referred to as MS-RWPs) - Achieving the production targets ensures

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that the initial plan for allocation of personnel and resources are used appropriately in the production of inpatient workload.

- **Outpatient Production Target** (Relative Value Units, referred to as RVUs) - Achieving the production targets ensures that the initial plans for allocation of personnel and resources are used appropriately in the production of outpatient workload.

Below is reporting for FY 2012 related to the prior performance measure goals. The next reporting period will focus on the measures related to the Quadruple Aim, and two output measures related to production plan targets. The overall success of each area measured is discussed below along with information related to continuation of reporting in future documents:

- **Individual Medical Readiness** - The Military Health System achieved the goal for the Total Force Medical Readiness for FY 2012 with a score of 84% compared to the goal of 82%. This is the first time the MHS has reported this high of an overall performance level for the measure, and will have to take significant step to ensure that performance can be sustained at this level. Overall one of the major reasons for the improvement is related to the focused care related to Guard and Reserve individuals where performance increased by 11% from the prior year. This measure will continue to be reported in support of the Quadruple Aim.
- **TRICARE Prime Enrollee Preventive Health Quality Index** - The Prevention index is made up of three specific areas for Direct Care related to nationally recognized evidenced based screening measures compared to the national norms. Where scores are indexed to a value from 1-5 depending on whether or not the Direct Care system has managed to surpass the 90th percentile for a score of 5, to achieving a level better than the 50th percentile for a score of 3. For FY 2012, the Direct Care system achieved a score of 10 points compared to the goal of 12 points, and failed to

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achieve the goal. While not achieving the goal, the score did improve by 2 points from the prior year reporting. Cervical cancer screening is above the 90th percentile for the nation, and progress was made on improving Well Child Visits for the TRICARE Prime enrollees. Overall progress is slower with this metric, but improvements continue and must be maintained to be comparable to the constant improvement within the private sector. This measure will continue to be reported in support of the Quadruple Aim.

- **Beneficiary Satisfaction with Health Plan** - Satisfaction with Health Care Plan performance for FY 2012 exceeded the goal of 56 percent during each quarter for the year, with an aggregate score of 65 percent for the year. Continuous increases in enrollment and improvement in the score demonstrates real progress for the program with respect to satisfying our beneficiaries. While progress on this metric demonstrates success with the program, changes to the number individuals covered by the TRICARE Prime benefit over the next couple of years may result in a decreased overall satisfaction with the Health Plan. This measure will continue to be reported in support of the Quadruple Aim.

- **Inpatient Production Target** (MS-RWPs) - For the most recent reported monthly data for FY 2012, the MHS produced 208 thousand MS-RWPs against a target of 217 thousand MS-RWPs slightly below the target. These numbers are based on the records reported to date, and will increase slightly as all records are completed. With the continued focus on early ambulatory care to prevent inpatient admissions, there was a drop in the overall inpatient utilization from prior years. Additionally, with the consolidation of inpatient services in the San Antonio and National Capital Region, there is a temporary decrease in inpatient workload for the year. The long term impact of the potential furloughs may have some impact on future operations which cannot be predicted at this time. This measure will continue to be reported as an output measure for the DHP.

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- **Outpatient Production Target** (RVUs) - With an increased emphasis on paying for performance, the system has seen a renewed focus on production of outpatient care. For FY 2012, the system produced 80 million relative value units versus a goal of 72 million relative value units. The MHS achieved the goal for the year; however, the long term impact of the potential furloughs may have some impact on future operations which cannot be predicted at this time. This measure will continue to be reported as an output measure for the DHP.

Medical Cost Per Member Per Year - Annual Cost Growth - The Year to Date performance estimate for FY 2012 is 2.6% versus goal of 9.5%. While final claims data is still lagging, the system was able to achieve the goal during the fiscal year. A significant reason for achieving the growth rate is related to the extremely high growth experienced in the private sector in advance of the implementation of the Accountable Care Act. While the high goal was a significant reason for achievement, we continue to see improvements related to changes made with respect to the outpatient prospective payments in Purchased Care and Patient Centered Medical Home. Performance improved with each quarter, and should continue into FY 2013 where the measure will continue to be reported.

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Total Obligation Authority**

<u>Defense Health Program</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
BUDGET ACTIVITY 01: OPERATION & MAINTENANCE			
In-House Care	8,873,031	8,625,507	8,880,738
Private Sector Care	14,962,666	16,148,263	15,842,732
Consolidated Health Support	2,102,511	2,309,185	2,505,640
Information Management	1,485,352	1,465,328	1,450,619
Management Activities	298,630	332,121	368,248
Education and Training	696,598	722,081	733,097
Base Operations/Communications	2,019,061	1,746,794	1,872,660
TOTAL, BA 01: OPERATION & MAINTENANCE	30,437,849	31,349,279	31,653,734
 BUDGET ACTIVITY 02: RDT&E			
DEFENSE HEALTH PROGRAM	1,272,437	672,977	729,613
TOTAL, BA 02: RDT&E	1,272,437	672,977	729,613
 BUDGET ACTIVITY 03: PROCUREMENT			
DEFENSE HEALTH PROGRAM	632,518	506,462	671,181
TOTAL, BA 03: PROCUREMENT	632,518	506,462	671,181
 Continuing Resolution	0	1,134,439	0
TOTAL DEFENSE HEALTH PROGRAM	32,342,804	33,663,157	33,054,528

1/ FY 2012 Actuals include Operation and Maintenance funding for \$1,217.1M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriations Act for FY 2012 Public Law 112-74.
2/ FY 2013 Estimate excludes 993.9M for OCO.
3/ FY 2013 reflects DHP annualized Continuing Resolution funding.

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Summary of Price and Program Change**

	<u>FY 2012 Program</u>	<u>Foreign Currency Rate Diff</u>	<u>Price Growth Percent</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2013 Program</u>	<u>Foreign Currency Rate Diff</u>	<u>Price Growth Percent</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2014 Program</u>	
<u>Travel</u>												
308	Travel of Persons	281,079	1,919	2.00%	5,661	1,941	290,600	1,791	1.90%	5,555	-65,385	232,561
399	TOTAL TRAVEL	281,079	1,919		5,661	1,941	290,600	1,791		5,555	-65,385	232,561
<u>Supplies & Materials</u>												
401	DLA Energy (Fuel Products)	4,565	0	8.39%	383	2,104	7,052	0	0.00%	-208	-1,284	5,560
402	Service Fund Fuel	371	0	8.36%	31	-234	168	0	0.00%	-4	217	381
411	Army Supply	536	0	0.00%	-6	4,526	5,056	0	0.00%	-139	252	5,169
412	Navy Managed Supply, Matl	852	0	2.46%	21	306	1,179	0	0.00%	-1	472	1,650
414	Air Force Consol Sust AG (Supply)	0	0	0.00%	0	44	44	0	4.55%	2	-1	45
416	GSA Supplies & Materials	10,391	0	1.99%	207	1,646	12,244	0	1.91%	234	198	12,676
417	Local Purch Supplies & Mat	53,710	0	2.00%	1,075	-1,923	52,862	0	1.90%	1,004	-13	53,853
422	DLA Mat Supply Chain (Medical)	16,497	0	1.90%	313	3,823	20,633	0	0.22%	45	548	21,226
423	DLA Mat Supply Chain (Subsistence)	35	0	2.86%	1	-36	0	0	0.00%	0	0	0
499	TOTAL SUPPLIES & MATERIALS	86,957	0		2,025	10,256	99,238	0		933	389	100,560
<u>Equipment Purchases</u>												
502	Army Fund Equipment	59,110	0	0.00%	-650	-57,890	570	0	0.00%	-16	30	584
503	Navy Fund Equipment	2,209	0	2.44%	54	-1,172	1,091	0	0.00%	-1	21	1,111
505	Air Force Fund Equip	78,529	0	4.01%	3,149	-42,481	39,197	0	3.80%	1,489	-504	40,182
506	DLA Mat Supply Chain (Const & Equip)	3,849	0	7.01%	270	8,329	12,448	0	0.00%	-25	785	13,208
507	GSA Managed Equipment	9,570	0	2.01%	192	2,269	12,031	0	1.90%	229	49	12,309
599	TOTAL EQUIPMENT PURCHASES	153,267	0		3,015	-90,945	65,337	0		1,676	381	67,394
<u>DWCF Purchases</u>												
601	Army Industrial Operations	23,320	0	4.98%	1,161	-24,481	0	0	0.00%	0	0	0
603	DLA Distribution	3,628	0	13.29%	482	-4,110	0	0	0.00%	0	0	0
610	Navy Air Warfare Center	638	0	2.51%	16	-654	0	0	0.00%	0	0	0
611	Navy Surface Warfare Ctr	45	0	2.22%	1	732	778	0	0.26%	2	17	797
614	Space & Naval Warfare Center	11,931	0	1.57%	187	-9,660	2,458	0	1.91%	47	-6	2,499

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Summary of Price and Program Change**

	<u>FY 2012</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY 2013</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY 2014</u>
	<u>Program</u>	<u>Rate Diff</u>	<u>Percent</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>	<u>Rate Diff</u>	<u>Percent</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>
631 Navy Base Support (NFESC)	2,656	0	1.24%	33	8,407	11,096	0	0.00%	-9	1,562	12,649
633 DLA Document Services	5,762	0	6.25%	360	-1,652	4,470	0	0.00%	-3	99	4,566
634 Navy Base Support (NAVFEC)	16,947	0	12.10%	2,051	15,443	34,441	0	8.30%	2,858	-1,938	35,361
635 Navy Base Support (NAVFEC Other Support Services)	8,546	0	1.80%	154	44,395	53,095	0	0.00%	-3,080	3,340	53,355
647 DISA Enterprise Computing Centers	86,306	0	1.70%	1,468	-87,774	0	0	0.00%	0	76,373	76,373
671 DISA DISN Subscription Services (DSS)	2,916	0	1.68%	49	872	3,837	0	4.09%	157	6,867	10,861
675 DLA Disposition Services	2,338	0	0.00%	0	980	3,318	0	0.00%	0	-3,314	4
677 DISA Telecomm Svcs - Reimbursable	400	0	0.00%	-14	3,235	3,621	0	8.53%	309	-97	3,833
679 Cost Reimbursable Purchase	3,789	0	2.01%	76	-2,936	929	0	1.94%	18	21	968
691 DFAS Financial Operations (Army)	0	0	0.00%	0	15,743	15,743	0	0.00%	-189	1,421	16,975
692 DFAS Financial Operations (Navy)	4,695	0	16.57%	778	-443	5,030	0	0.00%	-364	780	5,446
696 DFAS Financial Operation (Other Defense Agencies)	1,309	0	16.58%	217	407	1,933	0	12.98%	251	-105	2,079
699 TOTAL DWCF PURCHASES	175,226	0		7,019	-41,496	140,749	0		-3	85,020	225,766
<u>Transportation</u>											
708 MSC Chartered Cargo	0	0	0.00%	0	836	836	0	11.12%	93	-929	0
714 MSC Pol Tankership	123	0	0.00%	-1	-122	0	0	0.00%	0	0	0
719 SDDC Cargo Ops-Port hndlg	0	0	0.00%	0	1,133	1,133	0	39.01%	442	-403	1,172
771 Commercial Transport	42,989	76	2.00%	860	-1,413	42,512	33	1.89%	806	1,637	44,988
799 TOTAL TRANSPORTATION	43,112	76		859	434	44,481	33		1,341	305	46,160
<u>Other Purchases</u>											
9xx Civ Pay Reimburs Host	5,366,519	0	0.24%	12,932	203,466	5,582,917	0	0.88%	48,851	-934	5,630,834
901 Foreign National Indirect Hire (FNIH)	85,303	0	0.24%	204	-4,817	80,690	0	0.87%	706	30	81,426
902 Separation Liab (FNIH)	5,693	0	0.26%	15	-1,364	4,344	0	0.90%	39	-39	4,344
912 Rental Payments to GSA (SLUC)	51,292	0	2.00%	1,026	6,666	58,984	0	1.90%	1,121	712	60,817
913 Purchased Utilities (Non- Fund)	178,421	0	2.00%	3,569	-25,785	156,205	0	1.90%	2,968	17,278	176,451

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Summary of Price and Program Change**

	<u>FY 2012 Program</u>	<u>Foreign Currency Rate Diff</u>	<u>Price Growth Percent</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2013 Program</u>	<u>Foreign Currency Rate Diff</u>	<u>Price Growth Percent</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2014 Program</u>
914 Purchased Communications (Non-Fund)	71,071	0	2.00%	1,421	-16,663	55,829	1,508	1.90%	1,089	93	58,519
915 Rents (Non-GSA)	40,891	160	2.00%	821	-5,650	36,222	0	1.90%	689	366	37,277
917 Postal Services (U.S.P.S)	8,270	0	2.01%	166	-4,928	3,508	0	1.91%	67	14	3,589
920 Supplies & Materials (Non-Fund)	871,102	866	3.57%	31,088	30,804	933,860	1,479	3.06%	28,619	-77,492	886,466
921 Printing & Reproduction	17,955	0	2.00%	359	1,024	19,338	175	1.90%	371	3,090	22,974
922 Equipment Maintenance By Contract	164,888	231	2.00%	3,303	-23,908	144,514	1,496	1.90%	2,775	-1,449	147,336
923 Facilities Sust, Rest, & Mod by Contract	544,055	672	2.00%	10,895	-44,112	511,510	6,917	1.90%	9,850	20,070	548,347
924 Pharmaceutical Drugs	3,683,738	0	4.00%	147,349	3,643	3,834,730	0	3.90%	149,555	-24,883	3,959,402
925 Equipment Purchases (Non-Fund)	446,305	276	3.19%	14,243	107,315	568,139	183	3.55%	20,191	28,777	617,290
926 Other Overseas Purchases	3,187	0	2.01%	64	-3,214	37	0	2.70%	1	2	40
927 Air Def Contracts & Space Support (AF)	41	0	2.44%	1	-42	0	0	0.00%	0	0	0
928 Ship Maintenance By Contract	11	0	0.00%	0	-11	0	0	0.00%	0	0	0
930 Other Depot Maintenance (Non-Fund)	162	29	1.57%	3	2,068	2,262	0	1.86%	42	-7	2,297
932 Mgt Prof Support Svcs	275,615	0	2.00%	5,513	-95,220	185,908	0	1.90%	3,532	12,729	202,169
933 Studies, Analysis & Eval	46,361	0	2.00%	927	12,176	59,464	0	1.90%	1,130	3,591	64,185
934 Engineering & Tech Svcs	17,386	0	2.00%	348	-17,279	455	0	1.98%	9	20	484
937 Locally Purchased Fuel (Non-Fund)	2,567	0	8.34%	214	-758	2,023	0	0.00%	-60	309	2,272
955 Other Costs (Medical Care)	468,872	3,045	5.01%	23,654	272,981	768,552	147	4.67%	35,932	68,029	872,660
957 Other Costs (Land and Structures)	579,857	0	2.00%	11,597	-101,619	489,835	608	1.90%	9,318	43,418	543,179
960 Other Costs (Interest and Dividends)	958	0	1.98%	19	-333	644	0	2.02%	13	1,189	1,846
964 Other Costs (Subsistence and Support of Persons)	4,407	0	2.02%	89	5,019	9,515	395	1.91%	189	-21	10,078
984 Equipment Contracts	1,139	0	1.93%	22	-1,161	0	0	0.00%	0	0	0
986 Medical Care Contracts	14,522,635	40	4.00%	580,908	150,322	15,253,905	2,355	3.90%	594,995	-912,677	14,938,578
987 Other Intra-Govt Purch	603,920	0	2.00%	12,078	-259,257	356,741	1,856	1.90%	6,813	36,449	401,859

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Summary of Price and Program Change**

	<u>FY 2012</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY 2013</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY 2014</u>
	<u>Program</u>	<u>Rate Diff</u>	<u>Percent</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>	<u>Rate Diff</u>	<u>Percent</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>
988 Grants	37,083	0	2.00%	742	-13,738	24,087	0	1.90%	457	3,175	27,719
989 Other Services	711,133	3,841	2.00%	14,300	-182,137	547,137	4,844	1.90%	10,488	167,653	730,122
990 IT Contract Support Services	887,371	0	2.00%	17,747	112,401	1,017,519	414	1.90%	19,339	-88,539	948,733
TOTAL OTHER PURCHASES	29,698,208	9,160		895,617	105,889	30,708,874	22,377		949,089	-699,047	30,981,293
Total	30,437,849	11,155		914,196	-13,921	31,349,279	24,201		958,591	-678,337	31,653,734

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Personnel Summary**

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	Change FY 2013/2014
<u>Active Military End Strength (E/S) (Total)</u>	85,442	86,051	86,039	-12
Officer	31,583	31,804	31,852	48
Enlisted	53,859	54,247	54,187	-60
<u>Civilian End Strength (Total)</u>	68,179	67,827	67,724	-103
U.S. Direct Hire	65,583	65,184	65,081	-103
Foreign National Direct Hire	842	895	895	0
Total Direct Hire	66,425	66,079	65,976	-103
Foreign National Indirect Hire	1,754	1,748	1,748	0
Memo: Reimbursable Civilians Included	205	209	209	0
<u>Active Military Average Strength (A/S) (Total)</u>	85,915	85,749	86,045	296
Officer	32,353	31,694	31,828	134
Enlisted	53,562	54,055	54,217	162
<u>Civilian FTEs (Total)</u>	65,425	67,550	67,577	27
U.S. Direct Hire	62,679	64,976	65,003	27
Foreign National Direct Hire	855	868	868	0
Total Direct Hire	63,534	65,844	65,871	27
Foreign National Indirect Hire	1,891	1,706	1,706	0
Memo: Reimbursable Civilians Included	290	262	262	0
Average Annual Civilian Salary Cost (\$ in thousands)	84.1	84.5	85.2	0.7
Contractor FTEs (Total)	18,564	18,102	19,163	1,061

Personnel Summary Explanations

Note: Some numbers do not add due to rounding

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**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Department of Defense Physicians' Comparability Allowance (PCA) Worksheet**

		PY 2012 (Actual)	CY 2013 (Estimates)	BY 2014 (Estimates)
1) Number of Physicians Receiving PCAs		11	10	10
2) Number of Physicians with One-Year PCA Agreements		10	10	10
3) Number of Physicians with Multi-Year PCA Agreements		0	0	0
4) Average Annual PCA Physician Pay (without PCA payment)		\$145,792	\$144,170	\$148,495
5) Average Annual PCA Payment		\$18,797	\$19,277	\$19,855
6) Number of Physicians Receiving PCAs by Category (non-add)	Category I Clinical Position	1	0	0
	Category II Research Position	10	10	10
	Category III Occupational Health	0	0	0
	Category IV-A Disability Evaluation	0	0	0
	Category IV-B Health and Medical Admin.	0	0	0

7) If applicable, list and explain the necessity of any additional physician categories designated by your agency (for categories other than I through IV-B). Provide the number of PCA agreements per additional category for the PY, CY and BY.

N/A

8) Provide the maximum annual PCA amount paid to each category of physician in your agency and explain the reasoning for these amounts by category.

Army – Maximum PCA was \$30,000 to a physician with 21 years of Federal service.
Air Force – Maximum PCA was \$14,000; -necessary for retention.

9) Explain the recruitment and retention problem(s) for each category of physician in your agency (this should demonstrate that a current need continues to persist).

Army – The Physicians and Dentists Pay Plan (PDPP) is the pay plan of 96 percent of our providers (physicians and dentists). The only current use of PCA is for Category II research physicians who did not convert to PDPP because they are in a Lab Demo Project and cannot transition within current law. PCA is essential for those physicians to compete with market rates.
Air Force – Current salary scale did not match with other civilian rates so continuing PCA was essential.

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Department of Defense Physicians' Comparability Allowance (PCA) Worksheet

10) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

Army – The PCA of the 549 physicians and dentists that converted to PDPP was incorporated into market pay when they converted on 8 May 2011. This allowed the command to close the compensation gap between former GS physicians and dentists and former NSPS providers.

11) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

Army – None. PCA has been minimally used since the conversion to PDPP.
Air Force – Discontinued use of PCA in April 2012.
Navy – Discontinued use of PCA in May 2011.

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Summary of Increases and Decreases
(\$ in Thousands)**

	Budget Activity			DHP Total
	O&M (01)	RDT&E (02)	Procurement (03)	
FY 2013 President's Budget Request	31,349,279	672,977	506,462	32,528,718
In-House Care	8,625,507			8,625,507
Private Sector Care	16,148,263			16,148,263
Consolidated Health Support	2,309,185			2,309,185
Information Management	1,465,328			1,465,328
Management Activities	332,121			332,121
Education and Training	722,081			722,081
Base Operations/Communications	1,746,794			1,746,794
RDT&E		672,977		672,977
Procurement			506,462	506,462
1. Congressional Adjustments	0	0	0	0
a) Distributed Adjustments	0	0	0	0
b) Undistributed Adjustments	0	0	0	0
c) Adjustments to Meet Congressional Intent	0	0	0	0
d) General Provisions	0	0	0	0
FY 2013 Appropriated Amount	31,349,279	672,977	506,462	32,528,718
In-House Care	8,625,507			8,625,507
Private Sector Care	16,148,263			16,148,263
Consolidated Health Support	2,309,185			2,309,185
Information Management	1,465,328			1,465,328
Management Activities	332,121			332,121
Education and Training	722,081			722,081
Base Operations/Communications	1,746,794			1,746,794
RDT&E		672,977		672,977
Procurement			506,462	506,462

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Summary of Increases and Decreases
(\$ in Thousands)**

	Budget Activity			DHP Total
	O&M (01)	RDT&E (02)	Procurement (03)	
FY 2013 Annual CR Total	32,483,718	672,977	506,462	33,663,157
2. OCO and Other Supplemental Enacted	993,898	0	0	993,898
3. Fact-of-Life Changes	0	0	0	0
a) Functional Transfers	0	0	0	0
b) Technical Adjustments	0	0	0	0
c) Emergent Requirements	0	0	0	0
FY 2013 Baseline Funding	32,343,177	672,977	506,462	33,522,616
In-House Care	9,108,833			9,108,833
Private Sector Care	16,525,244			16,525,244
Consolidated Health Support	2,420,861			2,420,861
Information Management	1,470,101			1,470,101
Management Activities	332,781			332,781
Education and Training	737,451			737,451
Base Operations/Communications	1,747,906			1,747,906
RDT&E		672,977		672,977
Procurement			506,462	506,462
4. Reprogrammings (requiring 1415 Actions)	0	0	0	0
a) Increases	0	0	0	0
b) Decreases	0	0	0	0
5. Less: OCO and Other Supplemental Appropriations	-993,898	0	0	-993,898

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Summary of Increases and Decreases
(\$ in Thousands)**

	Budget Activity			DHP Total
	O&M (01)	RDT&E (02)	Procurement (03)	
Current Estimate for FY 2013	31,349,279	672,977	506,462	32,528,718
In-House Care	8,625,507			8,625,507
Private Sector Care	16,148,263			16,148,263
Consolidated Health Support	2,309,185			2,309,185
Information Management	1,465,328			1,465,328
Management Activities	332,121			332,121
Education and Training	722,081			722,081
Base Operations/Communications	1,746,794			1,746,794
RDT&E		672,977		672,977
Procurement			506,462	506,462
6. Price Change	982,790	13,460	14,149	1,010,399
7. Transfers	27,721	0	0	27,721
a) Transfers In	28,446	0	0	28,446
b) Transfers Out	-725	0	0	-725
8. Program Increases	1,178,445	82,101	163,754	1,424,300
a) Annualization of New FY 2013 Program	0	0	0	0
b) One-Time FY 2014 Costs	0	0	0	0
c) Program Growth in FY 2014	1,178,445	82,101	163,754	1,424,300
9. Program Decreases	-2,226,828	-38,925	-13,184	-2,278,937
a) One-Time FY 2013 Costs	-136,690	0	0	-136,690
b) Annualization of FY 2013 Program Decreases	0	0	0	0
c) Program Decreases in FY 2014	-2,090,138	-38,925	-13,184	-2,142,247

Budget Activity

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Summary of Increases and Decreases
(\$ in Thousands)**

	O&M (01)	RDT&E (02)	Procurement (03)	DHP Total
FY 2014 Budget Request	31,653,734	729,613	671,181	33,054,528
In-House Care	8,880,738			8,880,738
Private Sector Care	15,842,732			15,842,732
Consolidated Health Support	2,505,640			2,505,640
Information Management	1,450,619			1,450,619
Management Activities	368,248			368,248
Education and Training	733,097			733,097
Base Operations/Communications	1,872,660			1,872,660
RDT&E		729,613		729,613
Procurement			671,181	671,181

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
In-House Care**

I. Description of Operations Financed: This Budget Activity Group (BAG) provides 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, 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 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.

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 BAG also includes medical center laboratories, substance abuse programs, clinical investigation activities, facility on-the-job training/education programs and federal health care sharing agreements. This BAG 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) 2014 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

	FY 2013							FY 2014 Estimate
	FY 2012 Actual	Budget Request	Congressional Action			Current Estimate		
			Amount	Percent	Appropriated			
A. BA Subactivities								
1. MEDCENS, Hospitals & Clinics (CONUS)	6,141,102	5,947,980	0	0.0	5,947,980	5,947,980		6,194,653
2. MEDCENS, Hospitals & Clinics (OCONUS)	495,558	471,075	0	0.0	471,075	471,075		468,592
3. Pharmaceuticals (CONUS)	1,551,053	1,518,459	0	0.0	1,518,459	1,518,459		1,534,677
4. Pharmaceuticals (OCONUS)	127,340	147,937	0	0.0	147,937	147,937		139,708
5. Dental Care (CONUS)	504,362	479,715	0	0.0	479,715	479,715		481,021
6. Dental Care (OCONUS)	53,616	60,341	0	0.0	60,341	60,341		62,087
Total	8,873,031	8,625,507	0	0.0	8,625,507	8,625,507		8,880,738

1. FY 2012 actuals includes \$652.1M for Overseas Contingency Operations (OCO) under the Consolidated Appropriations Act, FY 2012, Public Law 112-74.

2. FY 2013 current estimate excludes \$483.3M OCO.

3. FY 2014 request excludes OCO.

4. Does not reflect Department of Defense Medicare-Eligible Retiree Health Care Fund (MERHCF) for FY 2012 of \$1,324.9M, FY 2013 of \$1,349.7M and FY 2014 of \$1,399.6M O&M only.

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
In-House Care

III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	8,625,507	8,625,507
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	8,625,507	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	8,625,507	
Supplemental	483,326	
Reprogrammings		
Price Changes		209,116
Functional Transfers		
Program Changes		46,115
Current Estimate	9,108,833	8,880,738
Less: Wartime Supplemental	-483,326	
Normalized Current Estimate	8,625,507	

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
In-House Care

III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		8,625,507
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		8,625,507
2. OCO and Other Supplemental Enacted		483,326
a. OCO and Other Supplemental Requested		
1) OCO	483,326	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		9,108,833
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		9,108,833
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-483,326
FY 2013 Normalized Current Estimate		8,625,507
6. Price Change		209,116
7. Functional Transfers		
8. Program Increases		260,646
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Healthcare Provided in Military Treatment Facilities (MTFs):	72,651	
Incremental increases over the FY 2013 program to support the delivery of inpatient and outpatient care at MTFs. Program enhancements include; additional resources for the Comprehensive Pain Management Program (\$25.9M, 145 civilian FTEs and 42 contractor		

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
In-House Care**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
FTEs), increased behavioral health staff for the Patient Center Medical Home initiative (\$13.6M, 215 civilian FTEs and 244 contractor FTEs), realignment of Traumatic Brain Injury (TBI)/Psychological Health (PH) program funds for proper execution (\$23.1M, 51 contractor FTEs), and staffing increases for the integrated Disability Evaluation System (iDES) (Physical Evaluation Board Liaison Officers (PEBLOs) and Clinical Case Managers) (\$10.0M, 83 contractor FTEs). The FY 2013 MTF healthcare baseline is \$6,419.1M, 49,226 civilian FTEs and 11,311 contractor FTEs.		
2) Initial Outfitting and Transition (IO&T): Incremental adjustments to properly align IO&T requirements with programmed MILCON projects such as at Katterbach, GE; Fort Stewart, GA; Fort Bliss, TX; Andrews AFB, MD; Annapolis NAS, MD; Twenty-Nine Palms MCS, CA; Camp Lejeune, NC; the Walter Reed National Military Medical Center, MD to support the comprehensive master plan; Fort Knox, KY; RAF Croughton, UK; and the Public Health Command Laboratory, MD. This adjustment also includes realignments to the Consolidated Health Support Budget Activity Group (\$33.6M), RDT&E (\$49.0M) and Procurement (\$120.5M). The FY 2013 baseline for all equipment is \$531.0M.	55,368	
3) Prospective Payment System (PPS): Provides funding to Army military treatment facilities for ancillary support services (e.g. laboratory, radiology, etc.) required to sustain the	48,507	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
increased Direct Care patient workload under the Prospective Payment System program.		
4) FY 2013 National Defense Authorization Act - Pharmacy Co-Pay Changes: Provides additional funding for Military Treatment Facilities pharmacies as a result of the FY 2013 National Defense Authorization Act (NDAA) directed changes to retail pharmacy co-pays. The approved program is expected to shift beneficiaries from the retail pharmacy network to the lower cost Military Treatment Facility and mail order pharmacy options. The FY 2013 In House Care pharmacy baseline is \$1,518.5M.	45,833	
5) Embedded Behavioral Health: Funds enhancement to Army's Embedded Behavioral Health (EBH) team initiative. Funds expansion of EBH to 19 Army installations world-wide. EBH teams are composed of 13 civilian behavioral health personnel. EBH provides multidisciplinary community behavioral health care to Soldiers in close proximity to their unit area (Brigade Combat Teams) and in close coordination with unit leaders. The intent is to optimize care and maximize behavioral health resources through early identification of Soldiers with behavioral health problems. 181 Contractor FTEs. FY 2013 Army healthcare baseline is \$3,379.3M and Army contractor FTEs are 3,272.	21,057	
6) Manpower - Civilian Realignment: Technical adjustment to realign 76 current civilian workforce FTEs to meet execution projections based on	6,548	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
<p>Army manpower requirements for mission and priorities. The Army FY 2013 civilian In-House Care pay baseline is \$2,565.0M and 31,274 civilian FTEs.</p> <p>7) Substance Use Disorder (SUD) Residential Treatment Center (RTC):</p> <p>Realignment from TRICARE Management Activity's Consolidated Healthcare BAG to the In-House Care BAG. Resources the establishment of a SUD RTC facility at Fort Belvoir Community Hospital. The RTC will provide identification, counseling, and rehabilitation services for active duty and family members in outpatient and partial hospital settings. Staff will consist of 31 civilian FTEs and 37 healthcare contractor CMES. The FY 2013 healthcare baseline is \$6,419.1M, 49,226 civilian FTEs and 11,311 contractor FTEs.</p> <p>8) FY 2014 Healthcare Benefit Reform - Pharmacy Co-Pays: Provides additional funding for the Military Treatment Facilities pharmacies as a result of the FY 2014 Healthcare Benefit Reform proposal to increase pharmacy co-pays and implement mandatory use of mail order for maintenance medications. The approved program is expected to shift beneficiaries from the retail pharmacy network to the lower cost Military Treatment Facility pharmacy and Mail Order pharmacy options. The FY 2013 In House Care pharmacy baseline is \$1,518.5M</p> <p>9) National Intrepid Center of Excellence (NICoE) Satellites:</p> <p>Funds operational requirements (contract staffing 14</p>	<p>4,595</p> <p>3,895</p> <p>1,742</p>	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
FTEs), supplies and equipment for nine NICOE satellite treatment facilities. NICOE satellites will be located at Fort Campbell, KY; Fort Belvoir, VA; Camp Lejeune, NC; Camp Pendelton, CA; Joint Base Lewis-McChord, WA; Fort Bragg, NC; Fort Hood, TX; Fort Carson, CO; and, Fort Bliss, TX. Facilities will provide a 12-16 week program of evaluation, diagnosis and care to active duty service members dealing with a possible or probable diagnosis of TBI/PH conditions. The FY 2013 healthcare baseline is \$6,419.1M and 49,226 civilian FTEs and 11,311 contractor FTEs.		
10) Medical Provider Protocols: A series of guidelines that provide medical practitioners with protocols for the determination of "return to work" or "medical disability".	450	
9. Program Decreases		-214,531
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
1) Temporary End-Strength Army Medical (TEAM): Reverses additional resources for military treatment facility (MTF) healthcare for the temporary increase in Army end-strength of 12,383 FTEs to mitigate the impact of non-deployable military population. The FY 2013 Army healthcare baseline is \$3,379.3M.	-88,849	
c. Program Decreases in FY 2014		
1) Pharmacy Realignment: Realignment of pharmacy resources from In-House Care to Consolidated Health Support BAG (\$22.0M), Information Management and Information Technology BAG	-58,000	

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C. Reconciliation of Increases and Decreases	Amount	Totals
(\$28.0M) and the Education and Training BAG (\$8.0M). The FY 2013 In-House Care pharmacy baseline is \$1,518.5M.		
2) Travel and Printing Reduction: Reduction in non-patient travel (\$41.6M) and printing (\$1.3M) in accordance with OMB Memo M12-12 (dated 11 May 2012) and Executive Order #13589 "Promoting Efficient Spending" (dated 9 November 2011). The FY 2013 travel baseline is \$110.4M and for printing is \$10.0M.	-42,903	
3) Restoral of FY 2013 Healthcare Benefit Reform - Pharmacy Co-Pays: Reverses additional funding provided by the proposed FY 2013 pharmacy benefit reform denied by Congress. The FY 2013 In-House pharmacy baseline is \$1,518.5M	-23,599	
4) National Intrepid Center of Excellence (NICoE): Realigns funds to the Information Management/Information Technology BAG to properly align NICoE information systems sustainment for IT initiatives supporting the Wounded Warrior program. The FY 2013 NICoE information management baseline is \$12.7M and 2 civilian FTEs.	-1,180	
FY 2014 Budget Request		8,880,738

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IV. Performance Criteria and Evaluation Summary:

Population by Service - World Wide*	FY 2012 <u>Actual</u>	FY 2013 <u>Estimate</u>	FY 2014 <u>Estimate</u>	Change <u>FY 2012/2013</u>	Change <u>FY 2013/2014</u>
Average Eligible Population - Catchment Area					
Army	1,901,180	1,887,197	1,853,483	-13,983	-33,714
Coast Guard	66,729	66,175	65,633	-554	-542
Air Force	901,878	894,601	892,660	-7,277	-1,941
Marine Corps	459,384	451,621	445,364	-7,763	-6,257
Navy	878,436	877,386	875,804	-1,050	-1,582
Navy Afloat	219,211	222,401	222,751	3,190	350
Other/Unknown	19,955	21,296	20,256	1,341	-1,040
Subtotal	4,446,773	4,420,677	4,375,952	-26,096	-44,726

*Note: The data are derived from DEERS (November 2012).

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IV. Performance Criteria and Evaluation Summary:

Population by Service - World Wide*	FY 2012	FY 2013	FY 2014	Change	Change
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>FY 2012/2013</u>	<u>FY 2013/2014</u>
Average Eligible Population - Non-Catchment Area					
Army	2,048,677	2,059,669	2,057,189	10,992	-2,480
Coast Guard	145,151	144,214	143,173	-937	-1,041
Air Force	1,711,253	1,706,028	1,707,981	-5,225	1,953
Marine Corps	301,553	298,701	296,529	-2,852	-2,172
Navy	909,542	908,927	909,575	-615	648
Navy Afloat	67,715	68,807	68,825	1,092	18
Other/Unknown	30,898	32,432	31,196	1,534	-1,236
Subtotal	5,214,789	5,218,778	5,214,469	3,989	-4,310

*Note: The data are derived from DEERS (November 2012).

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IV. Performance Criteria and Evaluation Summary:

Population by Service - World Wide*	FY 2012	FY 2013	FY 2014	Change	Change
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>FY 2012/2013</u>	<u>FY 2013/2014</u>
Total Average Eligible Population					
Army	3,949,857	3,946,866	3,910,672	-2,991	-36,194
Coast Guard	211,880	210,389	208,807	-1,491	-1,582
Air Force	2,613,131	2,600,629	2,600,641	-12,502	12
Marine Corps	760,937	750,322	741,893	-10,615	-8,429
Navy	1,787,978	1,786,313	1,785,379	-1,665	-934
Navy Afloat	286,926	291,207	291,576	4,281	369
Other/Unknown	<u>50,853</u>	<u>53,728</u>	<u>51,452</u>	<u>2,875</u>	<u>-2,276</u>
Total	9,661,562	9,639,455	9,590,421	-22,108	-49,034

*Note: The data are derived from DEERS (November 2012).

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IV. Performance Criteria and Evaluation Summary:

	FY 2012	FY 2013	FY 2014	Change	Change
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>FY 2012/2013</u>	<u>FY 2013/2014</u>
DHP Requirements (in millions)	32,342.7	33,663.2	33,054.5	911,430	402,235
Beneficiaries (000's)	9,662	9,639	9,590	-23	-49
Enrollees (000's)	3,201	3,201	3,224	0	23
Direct Care System Workload*	FY 2012	FY 2013	FY 2014	Change	Change
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>FY 2012/2013</u>	<u>FY 2013/2014</u>
Inpatient Admissions, Non-Weighted (SIDR Dispositions-All)	262,764	271,266	273,659	8,501	2,393
Inpatient Admissions, Weighted (MS- DRG RWPs, Non Mental Health)	192,606	200,419	201,498	7,813	1,079
Inpatient Admissions, Occupied Bed Days (Mental Health Only)	104,749	108,097	114,152	3,348	6,055
Average length of Stay (All Bed Days/ All Dispositions-All Diagnosis)	3.10	2.92	2.90	-.18	-0.02
Ambulatory Visits, Non-Weighted (Encounters, CAPER)	38,041,219	38,563,479	39,157,893	522,260	594,414
Ambulatory Visits, Weighted (Adj Provider Aggregate RVUs, CAPER)	46,124,175	46,089,641	46,686,135	-34,534	596,494
Ambulatory Procedures, Weighted (Aggregate Weight APCs, CAPER)	23,483,577	23,735,150	23,755,269	251,573	20,119
Pharmacy (Number of Prescriptions Filled)	47,983,517	48,230,093	48,497,475	246,576	267,382

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IV. Performance Criteria and Evaluation Summary:

Dental Workload (Dental Weighted Values (DWVs)*)

	<u>FY 2012</u> <u>Actual</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u>	<u>Change</u> <u>FY 2012/2013</u>	<u>Change</u> <u>FY 2013/2014</u>
CONUS	14,596,671	14,625,536	14,654,690	28,865	29,154
OCONUS	<u>2,770,789</u>	<u>2,779,931</u>	<u>2,789,165</u>	<u>9,142</u>	<u>9,234</u>
Total DWVs	17,367,460	17,405,467	17,443,855	38,007	38,388
CONUS					
Active Duty	12,960,169	12,982,941	13,005,941	22,772	23,000
Non-Active Duty	<u>1,636,502</u>	<u>1,642,595</u>	<u>1,648,749</u>	<u>6,093</u>	<u>6,154</u>
Total CONUS	14,596,671	14,625,536	14,654,690	28,865	29,154
OCONUS					
Active Duty	1,845,442	1,851,479	1,857,576	6,037	6,097
Non-Active Duty	<u>925,347</u>	<u>928,452</u>	<u>931,589</u>	<u>3,105</u>	<u>3,137</u>
Total OCONUS	2,770,789	2,779,931	2,789,165	9,142	9,234

*Note: (1) FY 2012 Direct Care Workload data are from M2 and FY 2013-2014 data are from Service Business Plans; (2) Dental Workload data provided by Service Dental Treatment Commands.

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<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	Change FY 2012/ FY 2013	Change FY 2013/ FY 2014
<u>Active Military End Strength (E/S) (Total)</u>	58,359	58,248	58,251	-111	3
Officer	20,002	20,231	20,268	229	37
Enlisted	38,357	38,017	37,983	-340	-34
<u>Active Military Average Strength (A/S) (Total)</u>	58,642	58,305	58,250	-337	-55
Officer	20,767	20,117	20,250	-650	133
Enlisted	37,875	38,188	38,000	313	-188
<u>Civilian FTEs (Total)</u>	48,089	49,226	48,855	1,137	-371
U.S. Direct Hire	46,391	47,573	47,206	1,182	-367
Foreign National Direct Hire	546	542	542	-4	0
Total Direct Hire	46,937	48,115	47,748	1,178	-367
Foreign National Indirect Hire	1,152	1,111	1,107	-41	-4
Memo: Reimbursable Civilians Included	229	229	229	0	0
Average Annual Civilian Salary (\$ in thousands)	80.7	81.0	81.4	.3	.4
<u>Contractor FTEs (Total)</u>	11,370	11,311	11,736	-59	425

Data includes Air Force combat support personnel assigned to the DHP (Squadron Medical Elements-SME).

Narrative Explanation of Changes in Civilian Personnel (FY 2013-2014): Adjusts FY 2013 Civilian FTEs to compensate for overexecution of budgeted civilian workforce.

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Net decrease in contractors for FY 12/13 due to reductions in service support contracts and BRAC transfers to Fort Detrick; FY 13/14 increase is due to a realignment of contractors from a non-reportable category Op-32 Line 955 to a reportable category (Op-32 Line 986).

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

<u>OP 32 Line</u>	<u>FY 2012</u>	<u>Foreign</u>		<u>Change</u>		<u>FY 2013</u>	<u>Foreign</u>		<u>Change</u>		<u>FY 2014</u>
		<u>Currency</u>	<u>Rate Diff</u>	<u>FY 2012/FY 2013</u>	<u>Program</u>		<u>Currency</u>	<u>Rate Diff</u>	<u>FY 2013/FY 2014</u>	<u>Program</u>	
308 Travel of Persons	96,258	1,919		1,964	10,303	110,444	1,791		2,132	-34,221	80,146
399 TOTAL TRAVEL	96,258	1,919		1,964	10,303	110,444	1,791		2,132	-34,221	80,146
401 DLA Energy (Fuel Products)	246	0		21	171	438	0		-13	-115	310
402 Service Fund Fuel	26	0		2	-13	15	0		0	21	36
411 Army Supply	350	0		-4	4,502	4,848	0		-133	242	4,957
412 Navy Managed Supply, Matl	502	0		12	29	543	0		-1	32	574
416 GSA Supplies & Materials	5,945	0		119	1,445	7,509	0		143	151	7,803
417 Local Purch Supplies & Mat	48,764	0		975	-2,758	46,981	0		893	-36	47,838
422 DLA Mat Supply Chain (Medical)	15,747	0		299	1,986	18,032	0		40	549	18,621
499 TOTAL SUPPLIES & MATERIALS	71,580	0		1,424	5,362	78,366	0		929	844	80,139
502 Army Fund Equipment	59,110	0		-650	-57,924	536	0		-15	28	549
503 Navy Fund Equipment	1,427	0		35	-1,272	190	0		0	5	195
505 Air Force Fund Equip	78,078	0		3,131	-42,012	39,197	0		1,489	-504	40,182
506 DLA Mat Supply Chain (Const & Equip)	3,402	0		238	8,010	11,650	0		-23	754	12,381
507 GSA Managed Equipment	7,745	0		155	1,934	9,834	0		187	46	10,067
599 TOTAL EQUIPMENT PURCHASES	149,762	0		2,909	-91,264	61,407	0		1,638	329	63,374
603 DLA Distribution	3,627	0		482	-4,109	0	0		0	0	0
611 Navy Surface Warfare Ctr	0	0		0	778	778	0		2	17	797
614 Space & Naval Warfare Center	107	0		2	-109	0	0		0	0	0
633 DLA Document Services	1,406	0		88	880	2,374	0		-2	56	2,428
647 DISA Enterprise Computing Centers	40	0		1	-41	0	0		0	0	0
671 DISA DISN Subscription Services (DSS)	0	0		0	98	98	0		4	-102	0
675 DLA Disposition Services	2,338	0		0	980	3,318	0		0	-3,318	0
677 DISA Telecomm Svcs - Reimbursable	0	0		0	61	61	0		5	-2	64
699 TOTAL DWCF PURCHASES	7,518	0		573	-1,462	6,629	0		9	-3,349	3,289
719 SDDC Cargo Ops-Port hndlg	0	0		0	0	0	0		0	14	14

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<u>OP 32 Line</u>	FY 2012	Foreign	Change		FY 2013	Foreign	Change		FY 2014
	<u>Actual</u>	Currency	<u>FY 2012/FY 2013</u>		<u>Estimate</u>	Currency	<u>FY 2013/FY 2014</u>		<u>Estimate</u>
		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	
771 Commercial Transport	5,121	0	102	1,483	6,706	0	127	29	6,862
799 TOTAL TRANSPORTATION	5,121	0	102	1,483	6,706	0	127	43	6,876
9xx Civ Pay Reimburs Host	3,809,655	0	9,181	96,682	3,915,518	0	34,261	-43,250	3,906,529
901 Foreign National Indirect Hire (FNIH)	51,989	0	125	-2,535	49,579	0	434	-254	49,759
902 Separation Liab (FNIH)	2,730	0	7	-892	1,845	0	16	-16	1,845
912 Rental Payments to GSA (SLUC)	154	0	3	-130	27	0	1	-1	27
913 Purchased Utilities (Non-Fund)	457	0	9	7,614	8,080	0	154	839	9,073
914 Purchased Communications (Non-Fund)	5,305	0	106	660	6,071	0	115	-276	5,910
915 Rents (Non-GSA)	15,585	160	315	1,131	17,191	0	327	80	17,598
917 Postal Services (U.S.P.S)	1,081	0	22	-359	744	0	14	5	763
920 Supplies & Materials (Non-Fund)	681,617	813	27,297	-168,778	540,949	1,401	21,152	-74,174	489,328
921 Printing & Reproduction	7,732	0	155	2,101	9,988	175	193	-1,234	9,122
922 Equipment Maintenance By Contract	136,180	197	2,728	-22,337	116,768	0	2,219	741	119,728
923 Facilities Sust, Rest, & Mod by Contract	142,487	672	2,863	2,689	148,711	53	2,827	-15,577	136,014
924 Pharmaceutical Drugs	1,678,393	0	67,136	-79,133	1,666,396	0	64,989	-57,000	1,674,385
925 Equipment Purchases (Non-Fund)	265,371	210	10,623	193,363	469,567	85	18,316	9,522	497,490
930 Other Depot Maintenance (Non-Fund)	9	0	0	6	15	0	0	-15	0
932 Mgt Prof Support Svcs	12,447	0	249	-2,275	10,421	0	198	64	10,683
933 Studies, Analysis & Eval	16,611	0	332	2,487	19,430	0	369	232	20,031
934 Engineering & Tech Svcs	552	0	11	-561	2	0	0	-2	0
937 Locally Purchased Fuel (Non-Fund)	29	0	2	285	316	0	-9	43	350
955 Other Costs (Medical Care)	143,816	3,045	5,874	172,477	325,212	147	12,689	28,529	366,577
957 Other Costs (Land and Structures)	259	0	5	-264	0	0	0	0	0
960 Other Costs (Interest and Dividends)	131	0	3	149	283	0	5	2	290

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<u>OP 32 Line</u>	FY 2012	Foreign	Change		FY 2013	Foreign	Change		FY 2014
	<u>Actual</u>	Currency	<u>FY 2012/FY 2013</u>		<u>Estimate</u>	Currency	<u>FY 2013/FY 2014</u>		<u>Estimate</u>
		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	
964 Other Costs (Subsistence and Support of Persons)	3,425	0	69	-1,364	2,130	160	44	-157	2,177
986 Medical Care Contracts	1,244,654	0	49,786	-423,610	870,830	2,355	34,054	123,828	1,031,067
987 Other Intra-Govt Purch	113,510	0	2,270	-46,491	69,289	0	1,316	1,884	72,489
988 Grants	6,254	0	125	-6,379	0	0	0	0	0
989 Other Services	156,689	2,285	3,179	-72,362	89,791	1,871	1,742	108,974	202,378
990 IT Contract Support Services	45,670	0	913	-23,781	22,802	377	440	-318	23,301
999 TOTAL OTHER PURCHASES	8,542,792	7,382	183,388	-371,607	8,361,955	6,624	195,866	82,469	8,646,914
Total	8,873,031	9,301	190,360	-447,185	8,625,507	8,415	200,701	46,115	8,880,738

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**Defense Health Program
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Private Sector Care**

I. Description of Operations Financed: This Budget Activity Group provides for all medical and dental care plus pharmaceuticals received by DoD-eligible beneficiaries in the private sector. This includes the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Program, the TRICARE Managed Care Support Contracts (MCSC), the Uniformed Services Family Health Program (USFHP), the TRICARE Overseas Program, the Supplemental Care Program, TRICARE Mail Order Pharmacy, the National Retail Pharmacy, TRICARE Reserve Select (TRS) which is a premium based program for Reserves and their family members, and various support activities:

Pharmaceuticals - Purchased Health Care: Includes pharmaceutical costs associated with contractual pharmacy services providing authorized benefits to eligible beneficiaries via the TRICARE Mail Order Pharmacy Program (TMOP).

TRICARE Managed Care Support Contracts (MCSC) - The TRICARE Managed Care Support Contracts provide a managed care program which integrates a standardized health benefits package with military medical treatment facilities and civilian network providers on a regional basis. With the full deployment of TRICARE, all but a small portion of the standard Civilian Health and Medical Program of the Uniformed Services benefits have been absorbed into the MCSC. Includes health care costs provided in civilian facilities and by private practitioners to retired military personnel and authorized family members of Active Duty, retired, or deceased military service members.

Military Treatment Facility (MTF) Enrollees Purchased Care - Includes underwritten costs for providing health care benefits to the Military Treatment Facility Prime enrollees in the private sector as authorized under the Civilian Health and Medical Program of the Uniformed Services.

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Private Sector Care**

I. Description of Operations Financed (cont.)

Dental Purchased Care - Includes the government paid portion of insurance premiums which provides dental benefits in civilian facilities and by private practitioners for the beneficiaries who are enrolled in the Dental Program. Beneficiaries eligible for enrollment are: (a) Active Duty family members and (b) select reservists or individual ready reservist (IRR) and family members.

Uniformed Services Family Health Program (USFHP) - Provides TRICARE-like benefits authorized through contracts with designated civilian hospitals in selected geographic markets to beneficiaries that reside in one of these markets and who are enrolled in the program.

Supplemental Care - Health Care - This program provides the TRICARE Prime benefit to Active Duty Service Members and other designated eligible patients who receive health care services in the civilian sector and non-DoD facilities either referred or non-referred from the MTF including emergency care. This program also covers health care sought in the civilian sector or non-DoD facilities due to Active Duty assignments in remote locations under TRICARE Prime Remote. Care to Active Duty members stationed overseas who receive health care in the private sector paid under this program will appear in the Overseas program element.

Supplemental Care - Dental - Provides for uniform dental care and administrative cost for Active Duty members receiving dental care services in the civilian sector to include Veteran Administration facilities. All dental claims are managed, paid and reported by the Military Medical Support Office (MMSO) or through contractual services.

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I. Description of Operations Financed (cont.)

Continuing Health Education/Capitalization of Assets (CHE/CAP) - Provides for support of graduate medical education and capital investment within civilian facilities that provides services to the Military Health Care System and Medicare.

Overseas Purchased Health Care - Includes coverage for delivery of TRICARE Prime benefits in civilian facilities by private practitioners to eligible Active Duty and Active Duty Family Members through the TRICARE Overseas and Global Remote Overseas Programs. The program also includes health care provided to retiree and retiree family members residing overseas who are eligible under the TRICARE Standard option and Medicare programs. The Supplemental Care program which funds health care provided in the private sector to Active Duty members and other designated eligible patients records costs for the overseas beneficiaries in this program element.

Miscellaneous Purchased Health Care - Provides for payments of health care services in civilian facilities by private practitioners not captured in other specifically defined elements. Includes administrative, management, and health care costs for Alaska claims, Custodial Care, Continuing Health Care Benefits Program, Dual-Eligible Beneficiaries Program, TMA managed demonstrations and congressionally directed health care programs, and the TRICARE Reserve Select program which is a premium based option available to Selected Reservists and their family members. The qualifying Dual-Eligible Beneficiaries claims are paid by the Medicare Eligible Retiree Health Care Fund (MERHCF).

Miscellaneous Support Activities - Provides for payments of costs for functions or services in support of health care delivery not actual health care. Contracts for marketing and education functions, claims auditing, e-Commerce and the National Quality Monitoring Service are reflected in this program element.

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II. Force Structure Summary:

Approximately 9.6 million DoD beneficiaries are eligible to receive care under private sector care programs, including approximately 2.2 million Medicare eligible beneficiaries. Excluded from the budget figures presented are health care costs for Military Retirees, Retiree Family Members and Survivors who qualify and receive benefits through the Medicare program. These costs are paid from the Medicare Eligible Retiree Health Care Fund (MERHCF). The MCSCs provide a uniform, triple-option health care plan to eligible beneficiaries, allowing them to enroll in the health maintenance organization (HMO) type plan known as TRICARE Prime, or utilize a civilian preferred provider network (TRICARE Extra), or remain with the Standard Civilian Health and Medical Program of the Uniformed Services benefit (TRICARE standard).

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III. Financial Summary (\$ in thousands)

	FY 2013							FY 2014 Estimate
	FY 2012 Actual	Budget Request	Congressional Action			Current Estimate		
			Amount	Percent	Appropriated			
A. BA Subactivities								
1. Pharmaceuticals Purchased Health Care	462,997	492,783	0	0.0	492,783	492,783		972,439
2. National Retail Pharmacy	1,497,064	1,599,512	0	0.0	1,599,512	1,599,512		1,233,994
3. Managed Care Support Contracts	6,874,295	6,893,201	0	0.0	6,893,201	6,893,201		6,958,656
4. MTF Enrollee Purchased Care	2,418,746	2,978,107	0	0.0	2,978,107	2,978,107		2,524,474
5. Dental Purchased Care	338,658	337,368	0	0.0	337,368	337,368		339,049
6. Uniformed Services Family Health Program	401,368	459,518	0	0.0	459,518	459,518		445,085
7. Supplemental Care - Health Care	1,531,137	1,686,782	0	0.0	1,686,782	1,686,782		1,641,936
8. Supplemental Care - Dental	180,352	260,605	0	0.0	260,605	260,605		218,266
9. Continuing Health Education/Capitalization	331,109	395,002	0	0.0	395,002	395,002		413,439
10. Overseas Purchased Health Care	323,121	320,404	0	0.0	320,404	320,404		337,614
11. Miscellaneous Purchased Health Care	501,701	568,350	0	0.0	568,350	568,350		628,787
12. Miscellaneous Support Activities	102,118	156,631	0	0.0	156,631	156,631		128,993
Total	14,962,666	16,148,263	0	0.0	16,148,263	16,148,263		15,842,732

1. FY 2012 actuals include \$451.9M for Overseas Contingency Operations (OCO) under the Consolidated Appropriations Act, (Division A), Public Law 112-74.

2. FY 2013 current estimate excludes \$377.0M for OCO.

3. FY 2014 estimate excludes OCO.

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III. Financial Summary (\$ in thousands)

4. Does not reflect Department of Defense Medicare-Eligible Retiree Health Care Fund (MERHCF) for FY 2012 of \$6,858.7M, FY 2013 of \$7,449.4M and FY 2014 of \$7,607.1M only.

Defense Health Program
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III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	16,148,263	16,148,263
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	16,148,263	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	16,148,263	
Supplemental	376,981	
Reprogrammings		
Price Changes		629,783
Functional Transfers		
Program Changes		-935,314
Current Estimate	16,525,244	15,842,732
Less: Wartime Supplemental	-376,981	
Normalized Current Estimate	16,148,263	

Defense Health Program
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III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		16,148,263
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		16,148,263
2. OCO and Other Supplemental Enacted		376,981
a. OCO and Other Supplemental Requested		
1) OCO Supplemental	376,981	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		16,525,244
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		16,525,244
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-376,981
FY 2013 Normalized Current Estimate		16,148,263
6. Price Change		629,783
7. Functional Transfers		
8. Program Increases		529,991
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) FY 2013 Benefit Reform Proposals Restoral (TRICARE Fees):	273,000	
Restores savings associated with FY 2013 proposed TRICARE Prime, Extra, and Standard Fees denied by Congress.		
2) FY 2013 Benefit Reform Proposals Restoral (Pharmacy Co-Pays):	202,599	

**Defense Health Program
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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
Restores savings associated with FY 2013 proposed pharmacy benefit reform denied by Congress.		
3) TRICARE Reserve Select (TRS) - Healthcare Mandate: The increase to requirement provides for a projected increase in enrollment above previous projections driven by TRS eligibles seeking to comply with the Affordable Care Act mandate to obtain health insurance.	54,392	
9. Program Decreases		-1,465,305
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
1) Temporary End-Strength Army (TEAM)	-47,841	
c. Program Decreases in FY 2014		
1) Repricing Adjustment to Purchased Care Programs: The decrease to requirement reflects the current slow growth healthcare cost profile. The revision incorporates the impact of assumed volume changes driven by a declining beneficiary population and a slower growth in individual utilization trends. Cost growth is suppressed to account for the cumulative effect of Outpatient Prospective Payment System cost containment initiative. The decrease also includes cost savings associated with revised enrollment and rate changes for the family members and active duty dental contracts as well as those related to the TRICARE Overseas program, and several other miscellaneous purchased healthcare programs.	-869,381	
2) FY 2014 Benefit Reform Proposal - TRICARE Fees: Assumed savings resulting from proposed changes to TRICARE Prime enrollment fees and office visit co-	-197,000	

Defense Health Program
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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
pays and instituting an enrollment fee and increasing deductibles for TRICARE Standard/Extra for working retirees. After FY 2017, the enrollment fees will be indexed to annual retiree cost-of-living (COLA) increases.		
3) FY 2013 NDAA Pharmacy Co-Pay Changes: Assumed savings resulting from FY 2013 National Defense Authorization Act (NDAA) directed changes to Retail Pharmacy Co-Pays.	-187,833	
4) FY 2014 Benefit Reform Proposal - Pharmacy Co-pays: Assumed savings resulting from additional increases to Retail Pharmacy Co-Pays and mandatory use of mail order or MTF pharmacies for maintenance medications.	-130,895	
5) Uniformed Services Family Health Plan: The decrease to requirement reflects successful capitated rate negotiations to include secondary effect of the retail pharmacy rebate program and OPPS.	-32,355	
FY 2014 Budget Request		15,842,732

**Defense Health Program
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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Change FY 2012/2013</u>	<u>Change FY 2013/2014</u>
Uniformed Service Family Health Services:	112,693	116,704	120,772	4,011	4,068
DoD Enrollees (Non-MERHCF)	71,752	75,871	80,245	4,119	4,374
DoD Enrollees (MERHCF)	40,941	40,833	40,527	-108	-306
Workload for Medical Care and Pharmacy:					
Admissions	394,471	390,711	382,834	-3,760	-7,877
Weighted Workload - Inpatient RWP's	369,588	368,110	362,701	-1,478	-5,408
Visits	43,443,096	45,665,823	47,592,353	2,222,727	1,926,530
Weighted Workload - Outpatient RVU's	116,347,398	122,326,051	127,508,000	5,978,653	5,181,949
Retail Pharmacy Prescriptions	33,760,116	33,771,640	33,621,512	11,524	-150,128
Mail Order Prescriptions	3,656,663	3,856,478	3,937,724	199,815	81,247

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V. Personnel Summary

N/A

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

<u>OP 32 Line</u>	<u>FY 2012</u> <u>Actual</u>	<u>Change</u> <u>FY 2012/FY 2013</u>		<u>FY 2013</u> <u>Estimate</u>	<u>Change</u> <u>FY 2013/FY 2014</u>		<u>FY 2014</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
308 Travel of Persons	432	9	-441	0	0	471	471
399 TOTAL TRAVEL	432	9	-441	0	0	471	471
633 DLA Document Services	2,000	125	-2,125	0	0	0	0
647 DISA Enterprise Computing Centers	6,098	104	-6,202	0	0	6,373	6,373
699 TOTAL DWCF PURCHASES	8,098	229	-8,327	0	0	6,373	6,373
912 Rental Payments to GSA (SLUC)	257	5	-262	0	0	0	0
921 Printing & Reproduction	2,800	56	-2,856	0	0	5,276	5,276
924 Pharmaceutical Drugs	1,960,061	78,402	53,832	2,092,295	81,600	32,538	2,206,433
932 Mgt Prof Support Svcs	7,511	150	-7,661	0	0	12,892	12,892
933 Studies, Analysis & Eval	5,169	103	-5,272	0	0	1,889	1,889
986 Medical Care Contracts	12,944,785	517,791	593,392	14,055,968	548,183	-1,047,231	13,556,920
987 Other Intra-Govt Purch	14,487	290	-14,777	0	0	23,580	23,580
989 Other Services	4,034	81	-4,115	0	0	3,024	3,024
990 IT Contract Support Services	15,032	301	-15,333	0	0	25,874	25,874
999 TOTAL OTHER PURCHASES	14,954,136	597,179	596,948	16,148,263	629,783	-942,158	15,835,888
Total	14,962,666	597,417	588,180	16,148,263	629,783	-935,314	15,842,732

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**Defense Health Program
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I. Description of Operations Financed:

This Budget Activity Group (BAG) comprises nine functions which support military medical readiness and delivery of patient care worldwide:

Examining Activities - Resources required for 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 required for organizations and functions that support the provision of health care for Military Health System beneficiaries. Examples include central medical laboratories; medical services squadrons; Navy Medicine Regional Commands; public affairs; and the Women, Infants and Children Program. Starting in FY 2013, resources for the DoD contribution for care for beneficiaries at the Federal Health Care Center North Chicago were realigned to this functional area.

Military Public/Occupational Health - Resources required for 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, health surveillance, community health nursing, medical intelligence, disease and climate illness, disease prevention and control, and injury surveillance.

Veterinary Services - Resources required for 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 required for unique military medical functions and activities that have a relationship to the size of the military population supported and are not included in any other program elements. Examples of programs include physiological training units; drug abuse detection labs; optical repair and fabrication laboratories; pandemic influenza preparedness; medical logistics offices; medical support offices; medical materiel activities; and plans, operation and training offices in military treatment facilities.

Aeromedical Evacuation System - Resources required for the operation and administration of the Aeromedical Evacuation System and the costs associated with intra- and inter-theater patient transportation.

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

Joint Pathology Center (JPC) - Fiscal Year 2008 National Defense Authorization Act, Section 722 directed the establishment of the JPC by FY 2012 as the reference center in pathology for the Military Health System (MHS). Selected resources required for manpower, equipment, facilities, and the associated operation and maintenance of the JPC move from the Armed Forces Institute of Pathology.

Federal Advisory Committee Act (FACA) Advisory Board Activities - Starting in FY 2014, resources to support the FACA committee 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

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I. Description of Operations Financed (cont.)

and agencies in the executive branch of the Federal Government and must follow the regulatory and statutory requirements related to FACA in Title 5 Appendix, United States Code (U.S.C.).

II. Force Structure Summary:

Consolidated Health Support includes a variety of program elements supporting such functions as examining activities, military public and occupational health, veterinary services, aeromedical evacuation, and various activities that have a relationship to the size of the military population supported and are not included in other program elements.

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III. Financial Summary (\$ in thousands)

	FY 2013							FY 2014 <u>Estimate</u>
	FY 2012 <u>Actual</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>		
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
A. <u>BA Subactivities</u>								
1. Examining Activities	74,100	81,354	0	0.0	81,354	81,354		90,824
2. Other Health Activities	701,070	677,102	0	0.0	677,102	677,102		958,708
3. Military Public / Occupational Health	426,665	370,633	0	0.0	370,633	370,633		428,798
4. Veterinary Services	28,233	32,225	0	0.0	32,225	32,225		33,646
5. Military Unique-Other Med Activities	789,354	1,087,669	0	0.0	1,087,669	1,087,669		915,290
6. Aeromedical Evaluation System	63,409	36,149	0	0.0	36,149	36,149		52,024
7. Svc Spt to Other Health Activities-TRANSCOM	1,317	1,477	0	0.0	1,477	1,477		1,506
8. Joint Pathology Center (JPC)	18,363	22,576	0	0.0	22,576	22,576		22,953
9. Support to FACA Advisory Board Activities	0	0	0	n/a	0	0		1,891
Total	2,102,511	2,309,185	0	0.0	2,309,185	2,309,185		2,505,640

1. FY 2012 actuals include \$92.4M for Overseas Contingency Operations (OCO) under the Consolidated Appropriations Act, 2012 (Division A), Public Law 112-74.
2. FY 2013 estimate excludes \$111.7M for OCO.
3. FY 2014 request excludes OCO.

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III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	2,309,185	2,309,185
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	2,309,185	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	2,309,185	
Supplemental	111,676	
Reprogrammings		
Price Changes		45,781
Functional Transfers		
Program Changes		150,674
Current Estimate	2,420,861	2,505,640
Less: Wartime Supplemental	-111,676	
Normalized Current Estimate	2,309,185	

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III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		2,309,185
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		2,309,185
2. OCO and Other Supplemental Enacted		111,676
a. OCO and Other Supplemental Requested		
1) OCO	111,676	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		2,420,861
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		2,420,861
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-111,676
FY 2013 Normalized Current Estimate		2,309,185
6. Price Change		45,781
7. Functional Transfers		
8. Program Increases		194,347
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Integrated Disability Evaluation System (iDES):	67,800	
Increases funding to include an additional 639 civilian full time equivalents (FTEs) in FY 2014. The iDES program integrates the DoD and Department of Veterans Affairs (DVA) disability evaluation programs into one comprehensive process which provides seamless transition for service members undergoing		

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
disability evaluation. The FY 2013 iDES baseline is \$42.5M, 410 civilian FTEs and 4 contractor FTEs.		
2) Occupational Health/Industrial Hygiene (OH/IH): Funds increased staffing to conduct OH and IH inspections based on gaps identified in a review of the Military Health System's Occupational Medicine requirements. Civilian manpower will come from within the existing baseline. The FY 2013 OH/IH baseline is \$74.5M, 644 civilian FTEs and 14 contractor FTEs.	40,371	
3) Initial Outfitting & Transition (IO&T): Incremental funding of IO&T funds from the In-House Care BAG to the Consolidated Health Support BAG to support the Army regional military construction (MILCON) transition offices for transition costs (contracts, swing spaces, architectural drawings, leases, etc.) for MILCON projects at installations such as Fort Irwin, CA; Fort Drum, NY; Fort Bragg, NC; Fort Campbell, KY; and Fort Knox, KY. The FY 2013 Other Health Activities baseline is \$677.1M.	33,561	
4) Aeromedical Evacuation System, Epidemiology (EPI) Lab and Veterinary Services Realignment: Realigns funds from the In-House Care BAG for proper execution for the Aeromedical Evacuation System (\$15.0M) for patient transport by commercial and military transportation, equipment and other services and supplies; the EPI Lab (\$6.0M) at Wright-Patterson Air Force Base, OH which serves as DoD's only clinical reference laboratory offering a full spectrum of diagnostic, infectious disease and public	22,000	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
health laboratory support; and Veterinary Services (\$1.0M) for supplies. The FY 2013 Military Unique - Other Medical baseline is \$1,087.7M. The FY 2013 Aeromedical Evacuation System baseline is \$36.1M. The FY 2013 Veterinary Services baseline is \$32.2M.		
5) Population Health: Provides additional funding for a Military Health System global Population Health program. Funds will be allocated to MTFs for supplies, equipment and contracts to start implementation of a program that encourages healthy lifestyle behaviors and focuses on health prevention. The program staffing will come from within current levels of civilian FTEs at MTFs. The FY 2013 Population Health Baseline is \$11.6M and 165 civilian FTEs.	21,921	
6) Armed Forces Health Surveillance Center (AFHSC): Provides additional funding for the AFHSC which produces timely, relevant, actionable and comprehensive health surveillance information in order to promote, maintain and enhance the health of military and military-associated populations. The FY 2013 AFHSC baseline is \$18.1M.	3,000	
7) Health Future's Group: The Assistant Secretary of Defense (Health Affairs) (ASD (HA)) has directed the stand-up of a Health Future's Group. Adds funding for creating models that will look to gain efficiencies in the future Military Health System methods of organizing, training and equipping MTFs. The FY 2013 Health Future's Group baseline is \$0.0M and 0 civilian FTEs.	2,844	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
8) Institute of Medicine (IOM) - Standing Committee on Health & Medicine: Provides funds, at the direction of the ASD (HA), in coordination with the senior Military Health System leaders, for the IOM to establish a standing committee of external civilian experts. This group will convene with ASD (HA) and invited staff to independently review and discuss medical and technical health matters of importance to DoD. The FY 2013 Other Services baseline is \$210.3M.	2,000	
9) Funding Realignments: Realigns funds from multiple BAGs to reflect proper execution.	850	
9. Program Decreases		-43,673
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Travel and Printing Reductions: Reduction in non-patient travel (\$20.8M) and printing (\$0.2M) in accordance with OMB Memo M12-12 (dated 11 May 2012) and Executive Order # 13589 "Promoting Efficient Spending (dated 9 November 2011). The FY 2013 travel baseline is \$67.6M. The FY 2013 printing baseline is \$1.3M.	-20,965	
2) Joint Task Force Capital Region Medical (JTF CapMed): Realigns funds to the IM/IT BAG for proper execution of JTF CapMed IT operations including help desk support, network operations and information assurance security support. The FY 2013 JTF CapMed Consolidated Health Support baseline is \$13.0M, 58	-10,334	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
civilian FTEs and 138 contractor FTEs.		
3) Manpower - Civilian Realignment:	-6,639	
Technical adjustment to realign 81 current civilian workforce FTEs to meet execution projections based on Army manpower requirements for mission and priorities. The Army FY 2013 Consolidated Health Support BAG civilian pay baseline is \$698.8M and 7,474 civilian FTEs.		
4) Substance Use Disorder (SUD) Residential Treatment Center (RTC) Realignment:	-4,595	
Realigns funds to the In-House Care BAG for proper execution to establish a SUD RTC at Fort Belvoir Community Hospital. The RTC will provide identification, counseling and rehabilitation services for active duty and family members in outpatient and partial hospital settings. Staff will consist of 31 GS and 37 healthcare contractors. The FY 2013 medical care contracts baseline is \$317.7M.		
5) Women, Infants and Children (WIC) Adjustment:	-1,140	
Adjusts the WIC program to the current requirement. The FY 2013 WIC baseline is \$12.8M.		
FY 2014 Budget Request		2,505,640

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Change</u> <u>FY 2012/2013</u>	<u>Change</u> <u>FY 2013/2014</u>
Active Duty Force Structure	1,685,856	1,677,992	1,658,078	-7,864	-19,914
MEPS Workload (000's)	306	326	330	20	4
Spectacles/Inserts Fabricated (000's)	1,692	1,629	1,580	-63	-49
Veterinary Lab Procedures (000's)	193	211	249	18	38

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<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	Change FY 2012/ FY 2013	Change FY 2013/ FY 2014
<u>Active Military End Strength (E/S) (Total)</u>	<u>9,182</u>	<u>9,182</u>	<u>9,155</u>	<u>0</u>	<u>-27</u>
Officer	2,835	2,859	2,858	24	-1
Enlisted	6,347	6,323	6,297	-24	-26
<u>Active Military Average Strength (A/S) (Total)</u>	<u>9,335</u>	<u>9,182</u>	<u>9,169</u>	<u>-153</u>	<u>-13</u>
Officer	2,857	2,847	2,859	-10	12
Enlisted	6,478	6,335	6,310	-143	-25
<u>Civilian FTEs (Total)</u>	<u>9,826</u>	<u>10,515</u>	<u>11,013</u>	<u>689</u>	<u>498</u>
U.S. Direct Hire	9,138	9,921	10,419	783	498
Foreign National Direct Hire	150	133	133	-17	0
Total Direct Hire	9,288	10,054	10,552	766	498
Foreign National Indirect Hire	538	461	461	-77	0
Average Annual Civilian Salary (\$ in thousands)	92.1	93.1	94.3	1.0	1.2
<u>Contractor FTEs (Total)</u>	<u>2,019</u>	<u>1,713</u>	<u>2,242</u>	<u>-306</u>	<u>529</u>

Military Personnel:

FY 2012/2013 decrease is due to the transfer of Army Warrior Transition Units to the Department of the Army and the transfer of the Air Force Aerospace Physiology Training Units to the Department of the Air Force. FY 2013/2014 decrease is due to Army Medicine's drawdown in Europe.

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Civilian Personnel:

FY 2012/2013 increase is the net result of a decrease due to a military-to-civilian reversal and increases due to insourcing, actions from a Civilian Workforce Analysis to shape a properly sized and highly capable workforce and an increase for the iDES. FY 2013/2014 increase is the net of an increase for the iDES and a decrease for an OCO adjustment.

Contractor Personnel:

FY 2012/2013 decrease reflects an FY 2012 number that is higher than budgeted due to execution of contractor FTEs in this BAG that were budgeted/programmed to execute in the In-House Care BAG. Additionally, there were contractor FTE reductions in OP-32 Lines 932 and 989 reflecting continued efforts to reduce reliance on service support contracts. FY 2013/2014 increase is due to a realignment of contractor FTEs from a non-reportable category to a reportable category, as well as additional growth for the Vision Center of Excellence, Occupational Health/Industrial Hygiene and Population Health initiatives.

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

<u>OP 32 Line</u>	<u>FY 2012</u>	<u>Foreign</u>		<u>Change</u>		<u>FY 2013</u>	<u>Foreign</u>		<u>Change</u>		<u>FY 2014</u>
		<u>Currency</u>	<u>Rate Diff</u>	<u>FY 2012/FY 2013</u>	<u>Program</u>		<u>Currency</u>	<u>Rate Diff</u>	<u>FY 2013/FY 2014</u>	<u>Program</u>	
	<u>Actual</u>			<u>Price</u>	<u>Program</u>	<u>Estimate</u>			<u>Price</u>	<u>Program</u>	<u>Estimate</u>
308 Travel of Persons	78,576	0		1,572	-12,522	67,626	0		1,285	-14,798	54,113
399 TOTAL TRAVEL	78,576	0		1,572	-12,522	67,626	0		1,285	-14,798	54,113
401 DLA Energy (Fuel Products)	32	0		3	-4	31	0		-1	5	35
402 Service Fund Fuel	45	0		4	-14	35	0		-1	11	45
411 Army Supply	158	0		-2	-86	70	0		-2	3	71
412 Navy Managed Supply, Matl	0	0		0	114	114	0		0	3	117
414 Air Force Consol Sust AG (Supply)	0	0		0	41	41	0		2	-1	42
416 GSA Supplies & Materials	1,153	0		23	222	1,398	0		27	4	1,429
417 Local Purch Supplies & Mat	2,187	0		44	580	2,811	0		53	14	2,878
422 DLA Mat Supply Chain (Medical)	534	0		10	1,359	1,903	0		4	46	1,953
423 DLA Mat Supply Chain (Subsistence)	35	0		1	-36	0	0		0	0	0
499 TOTAL SUPPLIES & MATERIALS	4,144	0		83	2,176	6,403	0		82	85	6,570
503 Navy Fund Equipment	88	0		2	-65	25	0		0	0	25
505 Air Force Fund Equip	182	0		7	-189	0	0		0	0	0
506 DLA Mat Supply Chain (Const & Equip)	9	0		1	438	448	0		-1	12	459
507 GSA Managed Equipment	438	0		9	109	556	0		11	2	569
599 TOTAL EQUIPMENT PURCHASES	717	0		19	293	1,029	0		10	14	1,053
601 Army Industrial Operations	466	0		23	-489	0	0		0	0	0
603 DLA Distribution	1	0		0	-1	0	0		0	0	0
633 DLA Document Services	1,791	0		112	-136	1,767	0		-1	37	1,803
634 Navy Base Support (NAVFEK)	0	0		0	14	14	0		1	0	15
635 Navy Base Support (NAVFEK Other Support Services)	0	0		0	10	10	0		-1	2	11
647 DISA Enterprise Computing Centers	137	0		2	-139	0	0		0	0	0
671 DISA DISN Subscription Services (DSS)	0	0		0	11	11	0		0	99	110
675 DLA Disposition Services	0	0		0	0	0	0		0	3	3

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<u>OP 32 Line</u>	FY 2012	Foreign	Change		FY 2013	Foreign	Change		FY 2014
	<u>Actual</u>	<u>Rate Diff</u>	<u>FY 2012/FY 2013</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Rate Diff</u>	<u>FY 2013/FY 2014</u>	<u>Estimate</u>
679 Cost Reimbursable Purchase	0	0	0	0	0	0	0	3	3
699 TOTAL DWCF PURCHASES	2,395	0	137	-730	1,802	0	-1	144	1,945
708 MSC Chartered Cargo	0	0	0	836	836	0	93	-929	0
719 SDDC Cargo Ops-Port hndlg	0	0	0	104	104	0	41	-38	107
771 Commercial Transport	35,681	76	715	-2,480	33,992	33	646	1,603	36,274
799 TOTAL TRANSPORTATION	35,681	76	715	-1,540	34,932	33	780	636	36,381
9xx Civ Pay Reimburs Host	873,739	0	2,106	74,496	950,341	0	8,315	50,034	1,008,690
901 Foreign National Indirect Hire (FNIH)	29,601	0	71	-2,369	27,303	0	239	1	27,543
902 Separation Liab (FNIH)	2,036	0	5	-251	1,790	0	16	-16	1,790
912 Rental Payments to GSA (SLUC)	4,152	0	83	-1,352	2,883	0	55	15	2,953
913 Purchased Utilities (Non-Fund)	601	0	12	17	630	0	12	-1	641
914 Purchased Communications (Non-Fund)	4,894	0	98	407	5,399	0	103	67	5,569
915 Rents (Non-GSA)	6,867	0	137	-4,738	2,266	0	43	-25	2,284
917 Postal Services (U.S.P.S)	158	0	3	236	397	0	8	2	407
920 Supplies & Materials (Non-Fund)	115,384	53	2,309	184,599	302,345	0	5,745	-424	307,666
921 Printing & Reproduction	1,309	0	26	-20	1,315	0	25	-177	1,163
922 Equipment Maintenance By Contract	4,997	34	101	-1,615	3,517	489	76	-274	3,808
923 Facilities Sust, Rest, & Mod by Contract	20,862	0	417	-14,077	7,202	645	149	-641	7,355
924 Pharmaceutical Drugs	45,284	0	1,811	28,944	76,039	0	2,966	-421	78,584
925 Equipment Purchases (Non-Fund)	64,420	66	1,290	-35,641	30,135	17	573	15,067	45,792
926 Other Overseas Purchases	255	0	5	-223	37	0	1	0	38
930 Other Depot Maintenance (Non-Fund)	95	29	2	254	380	0	7	1	388
932 Mgt Prof Support Svcs	101,543	0	2,031	-16,108	87,466	0	1,662	3,731	92,859
933 Studies, Analysis & Eval	16,865	0	337	13,860	31,062	0	590	714	32,366
934 Engineering & Tech Svcs	1,832	0	37	-1,869	0	0	0	0	0

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<u>OP 32 Line</u>	FY 2012	Foreign	Change		FY 2013	Foreign	Change		FY 2014
	<u>Actual</u>	Currency	<u>FY 2012/FY 2013</u>		<u>Estimate</u>	Currency	<u>FY 2013/FY 2014</u>		<u>Estimate</u>
		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	
937 Locally Purchased Fuel (Non-Fund)	13	0	1	80	94	0	-3	0	91
955 Other Costs (Medical Care)	83,791	0	3,352	-15,983	71,160	0	2,775	112,451	186,386
957 Other Costs (Land and Structures)	4,396	0	88	-4,484	0	0	0	0	0
960 Other Costs (Interest and Dividends)	544	0	11	-407	148	0	3	1,189	1,340
964 Other Costs (Subsistence and Support of Persons)	538	0	11	-419	130	235	7	104	476
984 Equipment Contracts	124	0	2	-126	0	0	0	0	0
986 Medical Care Contracts	255,627	40	10,227	51,821	317,715	0	12,391	11,393	341,499
987 Other Intra-Govt Purch	62,519	0	1,250	-9,203	54,566	0	1,037	10,107	65,710
988 Grants	1,552	0	31	-1,583	0	0	0	40	40
989 Other Services	234,548	1,435	4,720	-30,433	210,270	1,151	4,017	-38,512	176,926
990 IT Contract Support Services	42,452	0	849	-30,498	12,803	0	243	168	13,214
999 TOTAL OTHER PURCHASES	1,980,998	1,657	31,423	183,315	2,197,393	2,537	41,055	164,593	2,405,578
Total	2,102,511	1,733	33,949	170,992	2,309,185	2,570	43,211	150,674	2,505,640

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I. Description of Operations Financed:

This Budget Activity Group provides for the Information Management/Information Technology resources required to support the Military Health System. This program includes the following:

Service Medical IM/IT - Includes funding for non-centrally managed, Service Medical Information Management/Information Technology (IM/IT) Programs in the following functional areas: 1) Service medical funded support for Functional Area Applications (service unique information systems); 2) Communications & Computing Infrastructure to include long haul/wide area communications, office automation and video teleconferencing; 3) Related Technical Activities, which includes spectrum management, data administration, development of architectures, facilitation of interoperability and technical integration; and 4) Information Assurance, which includes all efforts that protect and defend information and information systems by ensuring their availability, integrity, authentication, confidentiality and non-repudiation. Beginning in FY 2011 includes funding for the Joint Task Force National Capital Region Medical.

DHP IM/IT Support Programs - Includes funding for IM/IT services in support of the Military Health System (MHS). These services are in support of the Military Health System Chief Information Officer and can be contracted out or provided by other DoD agencies. Services deliver modifications to contractor owned IM/IT systems to meet Congressional and other mandated changes; changes or modifications to other DoD agencies IM/IT systems supporting the Military Health System to comply with changes in medical regulatory guidance; commercially purchased IM/IT related services that enable the Managed Care Support Contracts to meet healthcare, security, and audit compliance requirements; and funding to support centrally managed office automation, video-teleconferencing and related technical activities. Beginning in FY 2011 includes funding for the Business Management Modernization Program Domain Management and Systems

**Defense Health Program
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I. Description of Operations Financed (cont.)

Integration program that was realigned from the Management Activities Budget Activity Group.

Integrated Electronic Health Record - For the management, operations and support of the Integrated Electronic Health Record (iEHR) information program and associated capabilities within the Defense Health Program. Funding includes actions necessary for the acquisition, maintenance, enhancement, operation, sustainment, and program management in support of the iEHR and to achieve objectives as defined in requirements documentation. This program element reflects iEHR resources beginning in FY 2014 established in accordance with joint memorandum from the Under Secretaries of Defense Comptroller and Acquisition and logistics, "Joint Memorandum on Major Defense Acquisition Program and Major Automated Information System Program Resource Transparency in Department of Defense Budget Systems", April 24, 2012. Prior to 2014 the iEHR funding was included in the Electronic Health Record - Way Ahead and the Virtual Lifetime Electronic Health Record initiatives.

Tri-Service IM/IT - Includes funding for program management of Tri-Service IM/IT programs, system and infrastructure sustainment, annual software licensing fees, and software and hardware maintenance fees. Major Tri-Service initiatives include: 1) The Armed Forces Health Longitudinal Technology Application (AHLTA) that is DoD's current Electronic Health Record (EHR) serving as one of the world's largest clinical information systems that provides secure, 24x7, worldwide online access to patients' medical records, making it a key enabler of military medical readiness; 2) Composite Health Care System (CHCS) that is the legacy computerized provider order entry (CPOE) system providing an interface to the EHR for official medical coding information entered by health care providers; and 3) integrated Electronic Health Record (iEHR) through FY 2013 that is the Major Automated Information System program designed to replace/sunset the current portfolio of systems providing initial EHR capability (primarily AHLTA and CHCS). iEHR

**Defense Health Program
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I. Description of Operations Financed (cont.)

will provide a comprehensive, longitudinal, electronic health record that is available anytime anywhere and will share DoD health record information with the Department of Veterans Affairs; 4) Theater Medical Information Program - Joint (TMIP-J); that integrates the military health information systems to ensure timely interoperable medical support for mobilization, deployment and sustainment of contingency operations in the theater environment and adapts medical information systems to Theater specific requirements; 5) Defense Medical Logistics Standard Support (DMLSS) that provides integrated supply chain and life cycle management for pharmaceuticals, medical supplies, equipment, health facilities and services, and enables medical logistics support to the Force Health Protection mission for the MHS; 6) Executive Information/Decision Support (EI/DS) that receives and stores data from MHS systems, processes those data through a variety of business rules, and makes the data available, in various data marts, to managers, clinicians, and analysts for the management of the business of health care; and 7) Defense Occupational and Environmental Health Readiness System - Industrial Hygiene (DOEHRS-IH) that assembles, stores and evaluates data on personnel occupational exposure information, environment monitoring, protective equipment usage, work practices, and health hazard education. Funding for other significant Tri-Service initiatives include, but not limited to: Defense Medical Human Resources System (internet); Coding and Compliance Editor (CCE); Enterprise Blood Management System (EBMS); TRICARE On Line (TOL); Patient Safety Reporting (PSR); Wounded, Ill and Injured solutions (including Health Artifact and Image Management (HAIMS)); and the Joint Electronic Health Record Interoperability (JEHRI) for DoD's portion of the joint DoD/VA sharing initiative. Resources also support MHS communications and computing infrastructure that manage: (a) a wide area network (WAN) deployed to all TRICARE regions, providing communication support for all medical information systems; (b) a local area networks (LANs), providing unified backbone networks within military treatment facilities; and (c) centralized network management, including capacity planning, configuration management and security integration.

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I. Description of Operations Financed (cont.)

II. Force Structure Summary:

This program funds concept exploration, management and sustainment of automated information systems, communications & computing infrastructure, related technical activities and information assurance supporting military medical readiness and promoting quality healthcare services to members of the armed forces, their families, and others entitled to DoD healthcare.

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III. Financial Summary (\$ in thousands)

	FY 2013							
	FY 2012	Budget	Congressional Action			Current	FY 2014	
			<u>Actual</u>	<u>Request</u>	<u>Amount</u>			<u>Percent</u>
A. <u>BA Subactivities</u>								
1. Service Medical IM/IT	622,461	545,889	0	0.0	545,889	545,889	608,939	
2. DHP IM/IT Support Programs	97,681	100,548	0	0.0	100,548	100,548	102,632	
3. iEHR	0	0	0	n/a	0	0	75,801	
4. Tri-Service IM/IT	765,210	818,891	0	0.0	818,891	818,891	663,247	
Total	1,485,352	1,465,328	0	0.0	1,465,328	1,465,328	1,450,619	

1. FY 2012 actuals includes \$3.0M for Overseas Contingency Operations (OCO) under the Consolidated Appropriation Act, FY 2012, Public Law 112-74.
2. FY 2013 current estimate excludes \$4.8M for OCO.
3. FY 2014 request excludes OCO.
4. Does not reflect Departmental DoD Medicare-Eligible Retiree Health Care Fund (MERHCF) for FY 2012 of \$11.3M, FY 2013 of \$7.9M and FY 2014 of \$8.2M O&M only.

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III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	1,465,328	1,465,328
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	1,465,328	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	1,465,328	
Supplemental	4,773	
Reprogrammings		
Price Changes		26,568
Functional Transfers		
Program Changes		-41,277
Current Estimate	1,470,101	1,450,619
Less: Wartime Supplemental	-4,773	
Normalized Current Estimate	1,465,328	

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III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		1,465,328
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		1,465,328
2. OCO and Other Supplemental Enacted		4,773
a. OCO and Other Supplemental Requested		
1) OCO	4,773	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		1,470,101
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		1,470,101
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-4,773
FY 2013 Normalized Current Estimate		1,465,328
6. Price Change		26,568
7. Functional Transfers		
8. Program Increases		60,978
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Air Force Information Technology (IT) Adjustments: Realigns available funds from the In-House Care Budget Activity Group (BAG) for Air Force (AF) medical IT initiatives. IT initiatives include: remote desktop services in support of Virtualization, the Surgical Scheduling System, the Aeromedical Electronic Health Record (EHR), Personal Health	28,000	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
Record secure messaging, Essentris inpatient EHR licenses, E-Health, the Theater Medical Information Program-Joint (TMIP-J), and headquarters IT support requirements. These funds support software licenses and contracted IT support. The FY 2013 AF IT baseline is \$160.7M, 199 civilian FTEs and 573 contractor FTEs.		
2) Clinical Intelligence Initiative: Establishes a new Military Health System Clinical Intelligence Initiative to leverage various technologies such as business intelligence, eHealth, and mobile platforms to improve patient-provider communications and the sharing of protected patient and medical research information across the enterprise. This initiative will improve the quality of patient care decision making. This initiative did not have a FY 2013 baseline. This initiative will be staffed by 72 contractor FTEs.	17,057	
3) Joint Task Force Capital Region Medical (JTF CapMed): Realigns funds from the Consolidated Health Support BAG to Information Management and Information Technology BAG for proper execution of Joint Task Force Capital Medical Region Medical IT operations including help desk support, network operations, and information assurance security support. The FY 2013 JTF CapMed IT baseline is \$23.2M, 50 civilian FTEs and 156 contractor FTEs.	10,334	
4) Information Assurance (Uniformed Services University of Health Sciences-(USUHS)): Realigns funds from Education and Training BAG for	2,587	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
security certification, accreditation and network operations that have been historically executing above baseline projections. The FY 2013 USUHS baseline IT program is \$4.2M and 32 civilian FTEs.		
5) Enterprise-Wide Sustainment: Realigns funds from Research, Development, Test and Evaluation and Procurement for proper execution of sustainment requirements supporting Theater Medical Logistics (TML) Plus, Defense Occupational and Environmental Health Readiness System - Industrial Hygiene (DOEHRS-IH), secure messaging licenses for primary care providers, and the Blood Standard System.	1,820	
6) National Intrepid Center of Excellence (NICoE): Realigns funds from In-House Care BAG to properly align NICoE information systems sustainment funds for IT initiatives supporting the Wounded Warrior. The FY 2013 NICoE baseline IT baseline is \$12.7M and 2 civilian FTEs.	1,180	
9. Program Decreases		-102,255
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Integrated Electronic Health Record (iEHR): Adjusts funding for proper execution as a result of revised requirements for an interoperable DoD/VA integrated Electronic Health Record (iEHR). The FY 2013 iEHR baseline program is \$163.4M, 72 civilian FTEs, and 998 contractor FTEs.	-87,615	
2) International Classification of Diseases - 10 (ICD-	-9,250	

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
10):		
Reduces planned funding profile to ICD-10 requirement based on a FY 2013 implementation date. The FY 2013 ICD-10 baseline is \$11.5M.		
3) Manpower - Civilian Realignment:	-2,934	
Technical adjustment to realign 36 current civilian workforce FTEs to meet execution projections based on Army manpower requirements for mission and priorities. The Army FY 2013 civilian IT pay baseline is \$100.5M and 1,050 civilian FTEs.		
4) Travel and Printing Reductions:	-2,456	
Reduces non-patient care travel (\$2.4M) and printing (\$0.1M) in accordance with OMB Memo M12-12 (dated 11 May 2012) and Executive Order #13589 "Promoting Efficient Spending" (dated 9 November 2011). The FY 2013 travel baseline is \$4.9M and FY 2013 printing baseline is \$1.1M.		
FY 2014 Budget Request		1,450,619

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IV. Performance Criteria and Evaluation Summary:

The DHP met the FY 2014 IM/IT Department of Defense (DoD) performance objective of ninety percent for Major Automated Information Systems that are post Milestone B and have approved cost, schedule, and performance baselines achieving 100 percent in FY 2012 and FY 2013.

The DHP nearly achieved its internal objective of ninety-nine percent of operational availability with an average of ninety-eight percent for the following systems:

- a. Armed Forces Health Longitudinal Technology Application,
- b. Composite Health Care System (CHCS),
- c. Defense Medical Logistics Standard Support (DMLSS),
- d. Executive Information/Decision Support (EI/DS), and
- e. Defense Occupational and Environmental Health Readiness System - Industrial Hygiene (DOEGRS-IH).

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<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	Change FY 2012/ FY 2013	Change FY 2013/ FY 2014
<u>Active Military End Strength (E/S) (Total)</u>	<u>457</u>	<u>476</u>	<u>475</u>	<u>19</u>	<u>-1</u>
Officer	141	149	148	8	-1
Enlisted	316	327	327	11	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>482</u>	<u>467</u>	<u>476</u>	<u>-15</u>	<u>9</u>
Officer	147	145	149	-2	4
Enlisted	335	322	327	-13	5
<u>Civilian FTEs (Total)</u>	<u>1,932</u>	<u>2,052</u>	<u>2,025</u>	<u>120</u>	<u>-27</u>
U.S. Direct Hire	1,859	2,000	1,969	141	-31
Foreign National Direct Hire	34	11	11	-23	0
Total Direct Hire	1,893	2,011	1,980	118	-31
Foreign National Indirect Hire	39	41	45	2	4
Average Annual Civilian Salary (\$ in thousands)	96.3	98.1	99.0	1.8	.9
<u>Contractor FTEs (Total)</u>	<u>4,391</u>	<u>4,347</u>	<u>4,434</u>	<u>-44</u>	<u>87</u>

Military: The increase in military personnel from FY 2012 - FY 2013 reflects an adjustment to the Army based upon a manpower analysis and Air Force for the new Clinical Intelligence Initiative. The decrease from FY 2013 - FY 2014 reflects an Army Medical Action Plan adjustment.

Civilian: The increase of civilian personnel from FY 2012 - FY 2013 reflects the staff growth of the Interagency Project Office for the iEHR including civilian transfers from the Defense Human Resource Activity, and the Army's insourcing of IT contractor support.

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Information Management**

The decrease in civilian personnel from FY 2013 - FY 2014 reflects Army technical manpower realignments.

Contractor: The decrease in contractor personnel from FY 2012 - FY 2013 reflects contract efficiencies pertaining to the sustainment of DHP enterprise-wide IT systems the result of the Army's insourcing of IT contractor support. The contractor growth from FY 2013 - FY 2014 reflects increases for the new Clinical Intelligence Initiative, and Information Assurance personnel.

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Information Management**

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

<u>OP 32 Line</u>	<u>FY 2012</u>	<u>Foreign</u>	<u>Change</u>		<u>FY 2013</u>	<u>Foreign</u>	<u>Change</u>		<u>FY 2014</u>
	<u>Actual</u>	<u>Currency</u>	<u>FY 2012/FY 2013</u>	<u>Program</u>	<u>Estimate</u>	<u>Currency</u>	<u>FY 2013/FY 2014</u>	<u>Program</u>	<u>Estimate</u>
		<u>Rate Diff</u>	<u>Price</u>			<u>Rate Diff</u>	<u>Price</u>		
308 Travel of Persons	4,349	0	87	404	4,840	0	92	574	5,506
399 TOTAL TRAVEL	4,349	0	87	404	4,840	0	92	574	5,506
411 Army Supply	0	0	0	22	22	0	-1	1	22
416 GSA Supplies & Materials	643	0	13	43	699	0	13	1	713
417 Local Purch Supplies & Mat	585	0	12	-172	425	0	8	1	434
422 DLA Mat Supply Chain (Medical)	57	0	1	1	59	0	0	5	64
499 TOTAL SUPPLIES & MATERIALS	1,285	0	26	-106	1,205	0	20	8	1,233
502 Army Fund Equipment	0	0	0	34	34	0	-1	2	35
503 Navy Fund Equipment	133	0	3	0	136	0	0	2	138
505 Air Force Fund Equip	269	0	11	-280	0	0	0	0	0
506 DLA Mat Supply Chain (Const & Equip)	0	0	0	0	0	0	0	2	2
507 GSA Managed Equipment	835	0	17	118	970	0	18	2	990
599 TOTAL EQUIPMENT PURCHASES	1,237	0	31	-128	1,140	0	17	8	1,165
601 Army Industrial Operations	21,267	0	1,059	-22,326	0	0	0	0	0
614 Space & Naval Warfare Center	11,097	0	174	-9,548	1,723	0	33	-4	1,752
633 DLA Document Services	351	0	22	-195	178	0	0	3	181
647 DISA Enterprise Computing Centers	79,872	0	1,358	-81,230	0	0	0	70,000	70,000
671 DISA DISN Subscription Services (DSS)	12	0	0	3	15	0	1	7,000	7,016
677 DISA Telecomm Svcs - Reimbursable	74	0	-3	-71	0	0	0	19	19
679 Cost Reimbursable Purchase	0	0	0	0	0	0	0	9	9
699 TOTAL DWCF PURCHASES	112,673	0	2,610	-113,367	1,916	0	34	77,027	78,977
714 MSC Pol Tankership	123	0	-1	-122	0	0	0	0	0
771 Commercial Transport	358	0	7	-133	232	0	4	1	237
799 TOTAL TRANSPORTATION	481	0	6	-255	232	0	4	1	237
9xx Civ Pay Reimburs Host	183,939	0	443	14,630	199,012	0	1,741	-2,968	197,785
901 Foreign National Indirect Hire (FNIH)	1,777	0	4	293	2,074	0	18	283	2,375

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Information Management**

<u>OP 32 Line</u>	FY 2012	Foreign	Change		FY 2013	Foreign	Change		FY 2014
	<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>
902 Separation Liab (FNIH)	349	0	1	-55	295	0	3	-3	295
912 Rental Payments to GSA (SLUC)	3,338	0	67	3,039	6,444	0	122	27	6,593
913 Purchased Utilities (Non-Fund)	335	0	7	531	873	0	17	2	892
914 Purchased Communications (Non-Fund)	7,276	0	146	8,005	15,427	103	295	-1,550	14,275
915 Rents (Non-GSA)	2,232	0	45	-1,654	623	0	12	-135	500
917 Postal Services (U.S.P.S)	280	0	6	-173	113	0	2	1	116
920 Supplies & Materials (Non-Fund)	14,171	0	283	5,115	19,569	0	372	91	20,032
921 Printing & Reproduction	2,058	0	41	-1,019	1,080	0	21	-59	1,042
922 Equipment Maintenance By Contract	2,401	0	48	423	2,872	0	55	4	2,931
923 Facilities Sust, Rest, & Mod by Contract	31	0	1	3,141	3,173	0	60	9	3,242
925 Equipment Purchases (Non-Fund)	75,766	0	1,515	-32,305	44,976	81	856	1,701	47,614
926 Other Overseas Purchases	0	0	0	0	0	0	0	1	1
932 Mgt Prof Support Svcs	80,132	0	1,603	-47,002	34,733	0	660	-7,183	28,210
933 Studies, Analysis & Eval	994	0	20	1,855	2,869	0	55	146	3,070
934 Engineering & Tech Svcs	9,270	0	185	-9,194	261	0	5	20	286
955 Other Costs (Medical Care)	1,859	0	74	26,028	27,961	0	1,090	-12,826	16,225
960 Other Costs (Interest and Dividends)	271	0	5	-120	156	0	3	1	160
984 Equipment Contracts	53	0	1	-54	0	0	0	0	0
986 Medical Care Contracts	2,592	0	104	-1,853	843	0	33	-256	620
987 Other Intra-Govt Purch	139,207	0	2,784	-40,926	101,065	0	1,920	3,221	106,206
989 Other Services	66,011	121	1,323	-24,014	43,441	0	825	13,456	57,722
990 IT Contract Support Services	770,985	0	15,420	161,730	948,135	37	18,015	-112,878	853,309
999 TOTAL OTHER PURCHASES	1,365,327	121	24,126	66,421	1,455,995	221	26,180	-118,895	1,363,501
Total	1,485,352	121	26,886	-47,031	1,465,328	221	26,347	-41,277	1,450,619

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**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Management Activities**

I. Description of Operations Financed: This Budget Activity Group is comprised of Services Medical Headquarters and TRICARE Management Activity (TMA) functions supporting Military Health System (MHS) worldwide patient care delivery:

Management Headquarters - Resources required for the U.S. Army Medical Command, the Navy Bureau of Medicine and Surgery, the Command Surgeon's staff at Air Force Major Commands, the Joint Task Force - National Capital Region Medical (JTF CapMed) and TRICARE Management Activity personnel identified as management headquarters staff that coordinate and oversee the provision of health care within the Military Health System.

TRICARE Management Activity - Resources required for the operation of the TRICARE Management Activity. These operating costs support delivery of patient care worldwide for members of the Armed Forces, family members, and others entitled to DoD health care. This also includes the TRICARE Regional Offices (TROs), the Military Medical Support Office (MMSO), and the Pharmacoeconomic Center (PEC).

Business Management Modernization Program - The Domain structure consists of: Accounting and Finance, Strategic Planning and Budgeting, Human Resource Management, Logistics, Technical Infrastructure, Acquisition, and Installations and Environment. The Domains will perform such functions as Portfolio Management, Business Process Re-engineering, Pilot programs, and Process Coordination amongst the Domains, Services, and Agencies. The funding and responsibilities of this program in the Management Activities Budget Activity Group ended in FY 2011 and were realigned to Information Management/Information Technology Budget Activity Group beginning in FY 2012.

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Management Activities**

II. Force Structure Summary:

Management Headquarters includes resources necessary to support headquarters functions outlined in DoD Directive 5100.73, Major Department of Defense Headquarters Activities. Within the MHS, this includes the cost of operating the TRICARE Management Activity, U.S. Army Medical Command, the Navy Bureau of Medicine and Surgery, the Command Surgeons' staff at Air Force Major Commands and the Joint Task Force - National Capital Region Medical (JTF CapMed).

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Management Activities

III. Financial Summary (\$ in thousands)

	FY 2013							FY 2014 <u>Estimate</u>
	FY 2012 <u>Actual</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>		
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
A. <u>BA Subactivities</u>								
BMMP Domain Management & Systems	0	0	0	n/a	0	0		0
Management Headquarters	125,368	140,148	0	0.0	140,148	140,148		143,885
TRICARE Management Activity	173,262	191,973	0	0.0	191,973	191,973		224,363
Total	298,630	332,121	0	0.0	332,121	332,121		368,248

1. FY 2012 actuals includes \$0.1M for Overseas Contingency Operations (OCO) under the Consolidated Appropriation Act, FY 2012 (Division A) Public Law 112-74.
2. FY 2013 current estimate excludes \$0.7M for OCO.
3. FY 2014 request excludes OCO.

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
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Management Activities

III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	332,121	332,121
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	332,121	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	332,121	
Supplemental	660	
Reprogrammings		
Price Changes		4,744
Functional Transfers		28,197
Program Changes		3,186
Current Estimate	332,781	368,248
Less: Wartime Supplemental	-660	
Normalized Current Estimate	332,121	

Defense Health Program
 Fiscal Year (FY) 2014 Budget Estimates
 Operation and Maintenance
 Management Activities

III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		332,121
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		332,121
2. OCO and Other Supplemental Enacted		660
a. OCO and Other Supplemental Requested		
1) OCO Request	660	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		332,781
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		332,781
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-660
FY 2013 Normalized Current Estimate		332,121
6. Price Change		4,744
7. Functional Transfers		28,197
a. Transfers In		
1) Warrior Care Policy Office:	28,446	
Transfers resources and personnel for Warrior Care Policy (WCP) Office from the Office of Secretary of Defense (Personnel and Readiness) to the DHP. This transfer includes seven civilians and 92 support contractors. The WCP provides oversight of the Department's Integrated Disability Evaluation System (iDES) and Wounded Warrior Care Program. FY 2013 WCP office Baseline is \$0 and +7 civilians and + 92 contractors.		

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Management Activities**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
b. Transfers Out		
1) Central Adjudication Facilities Consolidation (CAF): Transfer of resources and one civilian to Washington Headquarters Services (WHS) for implementation of the Central Adjudication Facilities Consolidation (CAF) performing security background investigations under a single DoD organization. FY 2013 Baseline is \$0 and - 1 civilian.	-132	
2) Legislative Affairs Transfer of resources and one civilian to Office of Assistant Secretary of Defense for Legislative Affairs for implementation of the consolidation of legislative affairs within the Office of Secretary of Defense (OSD) from DoD Field Activities and non- permanent organizations under OSD. FY 2013 Baseline is \$0 and -1 civilian.	-117	
8. Program Increases		7,954
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Manpower - Civilian Reprogramming: Technical adjustment to realign 62 current civilian workforce FTEs to meet execution projections based on Army manpower requirements for mission and priorities. The FY 2013 civilian baseline is \$162.8 and 62 civilian FTEs (30 from BOS and 32 from IMIT).	4,998	
2) Audit Readiness: Aligns funding from Defense Financial and Accounting Service (DFAS) to perform audit readiness acceleration activities, including process review and	2,000	

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Management Activities**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
remediation, internal audit costs, financial management certification and readiness support missions. The FY 2013 audit readiness baseline is \$0 and 0 civilian FTEs.		
3) Defense Acquisition Workforce (DAW): Provides resources to sustain DAW effective management including accession, education, training, and career development of persons serving in acquisition positions in the Department of Defense.	956	
9. Program Decreases		-4,768
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Travel and Printing Reductions: Reduction in non-patient travel (\$3.6M) and printing (\$0.02M) in accordance with OMB Memo M12-12 (dated 11 May 2012) and Executive Order #13589 "Promoting Efficient Spending" (dated 9 November 2011). The FY 2013 travel baseline is \$10.7M and the FY 2013 printing baseline is \$0.8M and 0 civilian FTEs.	-3,619	
2) Funding Realignments: Realignment of funds to multiple Budget Activity Groups for proper execution.	-1,149	
FY 2014 Budget Request		368,248

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
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IV. Performance Criteria and Evaluation Summary:

Refer to the Personnel Summary in Section V.

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
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<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	Change FY 2012/ FY 2013	Change FY 2013/ FY 2014
<u>Active Military End Strength (E/S) (Total)</u>	<u>780</u>	<u>783</u>	<u>789</u>	<u>3</u>	<u>6</u>
Officer	569	564	570	-5	6
Enlisted	211	219	219	8	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>771</u>	<u>782</u>	<u>786</u>	<u>11</u>	<u>4</u>
Officer	560	567	567	7	0
Enlisted	211	215	219	4	4
<u>Civilian FTEs (Total)</u>	<u>1,395</u>	<u>1,537</u>	<u>1,538</u>	<u>142</u>	<u>1</u>
U.S. Direct Hire	1,390	1,532	1,533	142	1
Total Direct Hire	1,390	1,532	1,533	142	1
Foreign National Indirect Hire	5	5	5	0	0
Average Annual Civilian Salary (\$ in thousands)	115.9	117.2	118.2	1.3	1.0
<u>Contractor FTEs (Total)</u>	<u>443</u>	<u>447</u>	<u>451</u>	<u>4</u>	<u>4</u>

Narrative Explanation of changes in MILPERS (FY 2012-2014): Technical adjustment to realign/reprogram MILPERS to meet mission priorities.

Narrative Explanation of changes in Civilian FTEs (FY 2012-2014): Technical adjustment to realign workforce FTEs from the Base Operations and Communications Budget Activity Group (BAG) and Information Management BAG to the Management Activities BAG.

Narrative Explanation of changes in Contractor FTEs: Comparison to previous cycles is not

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Management Activities**

comparable due to revised methodology used to account for actual number of contractors during this budget cycle.

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Management Activities**

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

<u>OP 32 Line</u>	<u>FY 2012</u>	<u>Change</u>		<u>FY 2013</u>	<u>Change</u>		<u>FY 2014</u>
		<u>FY 2012/FY 2013</u>	<u>Price</u>		<u>Program</u>	<u>FY 2013/FY 2014</u>	
308 Travel of Persons	9,273	185	1,253	10,711	204	-3,933	6,982
399 TOTAL TRAVEL	9,273	185	1,253	10,711	204	-3,933	6,982
412 Navy Managed Supply, Matl	0	0	0	0	0	1	1
416 GSA Supplies & Materials	10	0	-10	0	0	0	0
417 Local Purch Supplies & Mat	480	10	144	634	12	-1	645
499 TOTAL SUPPLIES & MATERIALS	490	10	134	634	12	0	646
601 Army Industrial Operations	455	23	-478	0	0	0	0
633 DLA Document Services	51	3	-22	32	0	1	33
634 Navy Base Support (NAVFEC)	51	6	-57	0	0	0	0
699 TOTAL DWCF PURCHASES	557	32	-557	32	0	1	33
771 Commercial Transport	13	0	220	233	4	0	237
799 TOTAL TRANSPORTATION	13	0	220	233	4	0	237
9xx Civ Pay Reimburs Host	161,035	388	18,070	179,493	1,571	-2	181,062
901 Foreign National Indirect Hire (FNIH)	484	1	0	485	4	0	489
902 Separation Liab (FNIH)	225	1	-51	175	2	-2	175
913 Purchased Utilities (Non-Fund)	6	0	1	7	0	0	7
914 Purchased Communications (Non-Fund)	13	0	1,219	1,232	23	301	1,556
915 Rents (Non-GSA)	0	0	29	29	1	-1	29
917 Postal Services (U.S.P.S)	1	0	374	375	7	2	384
920 Supplies & Materials (Non-Fund)	5,248	105	11,561	16,914	321	-144	17,091
921 Printing & Reproduction	51	1	710	762	14	-12	764
922 Equipment Maintenance By Contract	21	0	391	412	8	1	421
923 Facilities Sust, Rest, & Mod by Contract	0	0	2	2	0	-1	1
925 Equipment Purchases (Non-Fund)	1,148	23	1,752	2,923	56	-90	2,889
932 Mgt Prof Support Svcs	64,479	1,290	-21,854	43,915	834	3,175	47,924
933 Studies, Analysis & Eval	6,542	131	-570	6,103	116	608	6,827

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
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Management Activities**

<u>OP 32 Line</u>	FY 2012 <u>Actual</u>	Change <u>FY 2012/FY 2013</u>		FY 2013 <u>Estimate</u>	Change <u>FY 2013/FY 2014</u>		FY 2014 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
934 Engineering & Tech Svcs	3,025	61	-2,896	190	4	1	195
955 Other Costs (Medical Care)	0	0	13,513	13,513	527	-1,323	12,717
960 Other Costs (Interest and Dividends)	9	0	-8	1	0	-1	0
964 Other Costs (Subsistence and Support of Persons)	1	0	12	13	0	1	14
986 Medical Care Contracts	117	5	431	553	22	-568	7
987 Other Intra-Govt Purch	9,114	182	12,652	21,948	417	1,218	23,583
988 Grants	229	5	-217	17	0	0	17
989 Other Services	33,988	680	-27,717	6,951	132	34,631	41,714
990 IT Contract Support Services	2,561	51	21,886	24,498	465	-2,479	22,484
999 TOTAL OTHER PURCHASES	288,297	2,924	29,290	320,511	4,524	35,315	360,350
Total	298,630	3,151	30,340	332,121	4,744	31,383	368,248

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Education and Training**

I. Description of Operations Financed:

This Budget Activity Group (BAG) is comprised of three primary categories that provide support for education and training opportunities for personnel within the Defense Health Program:

Health Professions Scholarship Program (HPSP)- Resources required for the Armed Forces HPSP, the Financial Assistance Program (FAP), Health Professions Loan Repayment Program (HPLRP), and other pre-commissioning professional scholarship programs. These funds are used for educational expenses including tuition, fees and reimbursed expenses (e.g., books, supplies, and equipment).

Uniformed Services University of the Health Sciences (USUHS) - Resources required for operation and maintenance of this Department of Defense (DoD)- funded medical school that produces an average of 165 medical doctors annually, advanced education for nurses in the Graduate School of Nursing, and graduate programs leading to a masters or doctoral degree in the biological sciences.

Other Education and Training - Resources required for specialized skill training and professional development education programs for health care personnel at the Medical Education and Training Campus (METC), U.S. Army Medical Department Center and School, Navy Bureau of Medicine and Surgery sponsored schools, and Air Force medical professions education and training programs. Includes formal educational programs for health care personnel at civilian academic institutions, civilian medical facilities and facilities of non-DoD governmental agencies. Professional development provides officer, enlisted, and civilian medical personnel with the skills and knowledge required to perform highly technical health services jobs.

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Education and Training**

II. Force Structure Summary:

Education and training resources provide tuition and other educational expenses for the Armed Forces HPSP, FAP residencies, and the HPLRP. USUHS resources fund operation and maintenance requirements necessary to operate a DoD-funded medical school that trains doctors, as well as offering graduate programs for nurses and professionals in the biological sciences. The remaining resources are required for professional development education, training programs, and specialized skills training to match medical job requirements.

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Education and Training

III. Financial Summary (\$ in thousands)

	FY 2013							FY 2014 <u>Estimate</u>
	FY 2012 <u>Actual</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>		
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
A. <u>BA Subactivities</u>								
1. Health Professions Scholarship Program	238,866	283,498	0	0.0	283,498	283,498	287,152	
2. Uniformed Services University of the Health Services	130,614	129,330	0	0.0	129,330	129,330	134,912	
3. Other Education and Training	327,118	309,253	0	0.0	309,253	309,253	311,033	
Total	696,598	722,081	0	0.0	722,081	722,081	733,097	

1. FY 2012 actuals include \$16.4M for Overseas Contingency Operations (OCO) under the Consolidated Appropriation Act, 2012 (Division A), Public Law 112-74.
2. FY 2013 estimate excludes \$15.4M for OCO.
3. FY 2014 request excludes OCO.

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Education and Training

III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	722,081	722,081
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	722,081	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	722,081	
Supplemental	15,370	
Reprogrammings		
Price Changes		23,574
Functional Transfers		-476
Program Changes		-12,082
Current Estimate	737,451	733,097
Less: Wartime Supplemental	-15,370	
Normalized Current Estimate	722,081	

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Education and Training

III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		722,081
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		722,081
2. OCO and Other Supplemental Enacted		15,370
a. OCO and Other Supplemental Requested		
1) OCO	15,370	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		737,451
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		737,451
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-15,370
FY 2013 Normalized Current Estimate		722,081
6. Price Change		23,574
7. Functional Transfers		-476
a. Transfers In		
b. Transfers Out		
1) Science, Technology, Engineering and Mathematics (STEM) Education Programs Centralization:	-476	
Transfer of responsibility for the Defense Health Program's STEM programs from the Uniformed Services University of the Health Sciences (USUHS) to the Department of Education and the National Science Foundation to improve consolidated effectiveness throughout Government-wide agencies. The FY 2013 USUHS baseline is \$129.3M.		

**Defense Health Program
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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
8. Program Increases		15,588
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Health Professions Scholarship Program (HPSP) and Other Education & Training Realignments:	8,000	
Realigns funds from the In-House Care BAG for proper execution for HPSP (\$5.0M) for recruiting health professionals in critically short Air Force medical specialties, and Other Education & Training (\$3.0M) for Expeditionary Readiness Training at the United States Air Force School of Aerospace Medicine. The FY 2013 HPSP baseline is \$283.5M. The FY 2013 Other Education & Training baseline is \$309.3M.		
2) Curricular Reform:	3,492	
Provides funding for the Uniformed Services University of the Health Sciences' (USUHS) curricular reform to meet accrediting organizations' changing requirements for medical education mandating a shift to a competency-based (outcomes) model. Adds 33 civilian full time equivalents (FTEs) in FY 2014. The FY 2013 USUHS baseline is \$129.3M, 2,057 civilian FTEs and 189 contractor FTEs.		
3) Doctorate of Nursing Practice (DNP):	1,764	
Provides funding for the USUHS curriculum revisions to meet a new mandate from nurse education accrediting organizations that Advanced Practice Registered Nurses will require academic preparation at the practice doctorate level. Current masters' program options at USUHS for Certified Registered		

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C. Reconciliation of Increases and Decreases	Amount	Totals
Nurse Anesthetist, Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner will require curriculum revisions to transition from the Master of Nursing Science Degree to the DNP. The FY 2013 DNP baseline is \$3.9M and 27 civilian FTEs.		
4) Human Performance Resource Center (HPRC): Provides funding for the HPRC. The HPRC analyzes data and disseminates timely, accurate and scientifically-based Human Performance Optimization (HPO) information to commanders, warfighters, medical personnel and researchers, and facilitates communication and collaboration for all HPO communities of interest. The FY 2013 USUHS baseline is \$129.3M, 2,057 civilian FTEs and 189 contractor FTEs.	1,749	
5) Medical Simulation: Provides funding for establishment of an accredited certificate program in "Medical Modeling and Simulation" to address a lack of non-animal medical simulation experts within the Military Health System. The FY 2013 USUHS baseline is \$129.3M, 2,057 civilian FTEs and 189 contractor FTEs.	583	
9. Program Decreases		-27,670
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Travel and Printing Reductions: Reduction in non-patient travel (\$14.0M) and printing (\$0.3M) in accordance with OMB Memo M12-12 (dated 11 May 2012) and Executive Order # 13589 "Promoting	-14,322	

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C. Reconciliation of Increases and Decreases	Amount	Totals
Efficient Spending (dated 9 November 2011). The FY 2013 travel baseline is \$82.4M. The FY 2013 printing baseline is \$2.0M.		
2) Tri-Service Nursing Academic Partnership (TSNAP): In coordination with the Military Health System Service Components, the Military Health System senior leadership has determined that nursing services are no longer experiencing nurse recruitment shortfalls. Therefore, TSNAP funds are no longer needed. The FY 2013 Other Costs (Medical Care)baseline is \$283.5M.	-9,575	
3) Information Management and Information Technology (IM/IT) Program Sustainment - USUHS: Realigns funds to the IM/IT BAG for proper execution to sustain dual network operations and security accreditation for the USUHS that have been historically executing above baseline projections. The FY 2013 USUHS baseline is \$129.3M.	-2,587	
4) Funding Realignments: Realigns funds to multiple BAGs to reflect proper execution.&	-1,186	
FY 2014 Budget Request		733,097

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IV. Performance Criteria and Evaluation Summary:

(Student/Trainee Count)

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Change FY 2012/2013</u>	<u>Change FY 2013/2014</u>
Officer Acquisition ¹	7,337	7,499	7,483	162	-16
Graduate Medical Education ²	1,707	1,618	1,631	-89	13
Professional Development ³	35,833	35,997	40,846	164	4,849
Other Education and Training Programs ⁴	26,412	26,379	26,452	-33	73
Medical Education and Training Campus ⁵	16,619	18,818	17,734	2,199	-1,084

¹ Officer Acquisition is the summation of Health Professions Scholarship Program (HPSP) Total Student Participants and USUHS Total Student Load.

² Graduate Medical Education (GME) is the number of GME Graduates.

³ Professional Development is the summation of Officer - Professional Development/Leadership Training Graduates and Enlisted - Professional Development/Leadership Training Graduates. FY 2013/2014 increase reflects an accounting change by the Air Force in their reporting of Enlisted Medical Readiness Training. In FY 2014, Air Force recategorized some training to a category that rolls into the Professional Development line appearing on this display. Totals remain about the same as the commensurate decrease appears in another category not captured on this display.

⁴ Other Education and Training Programs is a summation of Officer - All Other Training Graduates and Enlisted - All Other Training Graduates.

⁵ Medical Education and Training Campus (METC) is the number of METC Graduates.

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<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	Change FY 2012/ FY 2013	Change FY 2013/ FY 2014
<u>Active Military End Strength (E/S) (Total)</u>	<u>14,431</u>	<u>15,048</u>	<u>15,049</u>	<u>617</u>	<u>1</u>
Officer	7,487	7,449	7,450	-38	1
Enlisted	6,944	7,599	7,599	655	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>14,411</u>	<u>14,740</u>	<u>15,049</u>	<u>329</u>	<u>309</u>
Officer	7,468	7,468	7,450	0	-18
Enlisted	6,943	7,272	7,599	329	327
<u>Civilian FTEs (Total)</u>	<u>1,982</u>	<u>2,057</u>	<u>2,040</u>	<u>75</u>	<u>-17</u>
U.S. Direct Hire	1,981	2,055	2,038	74	-17
Foreign National Direct Hire	0	1	1	1	0
Total Direct Hire	1,981	2,056	2,039	75	-17
Foreign National Indirect Hire	1	1	1	0	0
Memo: Reimbursable Civilians Included	61	33	33	-28	0
Average Annual Civilian Salary (\$ in thousands)	91.8	90.5	93.0	-1.3	2.5
<u>Contractor FTEs (Total)</u>	<u>251</u>	<u>189</u>	<u>212</u>	<u>-62</u>	<u>23</u>

Military Personnel:

FY 2012/2013 and FY 2013/2014 increases are a net of zero-based realignments and restoral of active duty end strength previously converted to civilian positions.

Civilian Personnel:

FY 2012/2013 increase is the net result of a decrease due to a military-to-civilian reversal and increases for insourcing and actions from a Civilian Workforce Analysis to

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shape a properly sized and highly capable workforce. FY 2013/2014 decrease is due to the Civilian Workforce Analysis and other miscellaneous mission and function realignments.

Contractor Personnel:

FY 2012/2013 decrease reflects an adjustment to the FY 2013 number to reflect execution. FY 2013/2014 increase is due to a realignment of contractor FTEs from a non-reportable category to a reportable category.

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

<u>OP 32 Line</u>	<u>FY 2012</u>	<u>Change</u>		<u>FY 2013</u>	<u>Change</u>		<u>FY 2014</u>
		<u>FY 2012/FY 2013</u>	<u>Program</u>		<u>FY 2013/FY 2014</u>	<u>Program</u>	
	<u>Actual</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
308 Travel of Persons	77,946	1,559	2,940	82,445	1,566	-9,358	74,653
399 TOTAL TRAVEL	77,946	1,559	2,940	82,445	1,566	-9,358	74,653
401 DLA Energy (Fuel Products)	109	9	-42	76	-2	47	121
402 Service Fund Fuel	106	9	-115	0	0	116	116
411 Army Supply	13	0	67	80	-2	4	82
412 Navy Managed Supply, Matl	350	9	0	359	0	433	792
414 Air Force Consol Sust AG (Supply)	0	0	3	3	0	0	3
416 GSA Supplies & Materials	1,423	28	-316	1,135	22	37	1,194
417 Local Purch Supplies & Mat	362	7	-1	368	7	4	379
422 DLA Mat Supply Chain (Medical)	24	0	203	227	0	-61	166
499 TOTAL SUPPLIES & MATERIALS	2,387	62	-201	2,248	25	580	2,853
503 Navy Fund Equipment	561	14	0	575	-1	11	585
506 DLA Mat Supply Chain (Const & Equip)	328	23	-1	350	-1	17	366
507 GSA Managed Equipment	456	9	9	474	9	-1	482
599 TOTAL EQUIPMENT PURCHASES	1,345	46	8	1,399	7	27	1,433
614 Space & Naval Warfare Center	724	11	0	735	14	-2	747
633 DLA Document Services	1	0	11	12	0	0	12
634 Navy Base Support (NAVSEC)	187	23	0	210	17	-13	214
671 DISA DISN Subscription Services (DSS)	0	0	51	51	2	1	54
675 DLA Disposition Services	0	0	0	0	0	1	1
679 Cost Reimbursable Purchase	0	0	0	0	0	6	6
699 TOTAL DWCF PURCHASES	912	34	62	1,008	33	-7	1,034
771 Commercial Transport	212	4	389	605	11	3	619
799 TOTAL TRANSPORTATION	212	4	389	605	11	3	619
9xx Civ Pay Reimburs Host	176,132	424	6,611	183,167	1,603	1,702	186,472
901 Foreign National Indirect Hire (FNIH)	31	0	0	31	0	0	31
902 Separation Liab (FNIH)	100	0	-25	75	1	-1	75

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<u>OP 32 Line</u>	<u>FY 2012 Actual</u>	<u>Change FY 2012/FY 2013</u>		<u>FY 2013 Estimate</u>	<u>Change FY 2013/FY 2014</u>		<u>FY 2014 Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
912 Rental Payments to GSA (SLUC)	0	0	1	1	0	0	1
913 Purchased Utilities (Non-Fund)	32	1	39	72	1	2	75
914 Purchased Communications (Non-Fund)	359	7	419	785	15	5	805
915 Rents (Non-GSA)	2,905	58	-1,045	1,918	36	8	1,962
917 Postal Services (U.S.P.S)	8	0	0	8	0	0	8
920 Supplies & Materials (Non-Fund)	36,787	736	-4,894	32,629	620	-2,470	30,779
921 Printing & Reproduction	2,013	40	-18	2,035	39	-267	1,807
922 Equipment Maintenance By Contract	2,553	51	2,982	5,586	106	-881	4,811
923 Facilities Sust, Rest, & Mod by Contract	238	5	-120	123	2	231	356
925 Equipment Purchases (Non-Fund)	22,958	459	-9,687	13,730	261	3,182	17,173
926 Other Overseas Purchases	0	0	0	0	0	1	1
930 Other Depot Maintenance (Non-Fund)	58	1	-59	0	0	0	0
932 Mgt Prof Support Svcs	8,762	175	-191	8,746	166	54	8,966
934 Engineering & Tech Svcs	0	0	2	2	0	1	3
955 Other Costs (Medical Care)	238,866	14,332	30,300	283,498	17,010	-13,356	287,152
960 Other Costs (Interest and Dividends)	3	0	26	29	1	-1	29
964 Other Costs (Subsistence and Support of Persons)	409	8	-378	39	1	0	40
986 Medical Care Contracts	6,713	269	-296	6,686	261	1,518	8,465
987 Other Intra-Govt Purch	13,054	261	623	13,938	265	2,030	16,233
988 Grants	25,048	501	-1,479	24,070	457	3,135	27,662
989 Other Services	75,455	1,509	-20,411	56,553	1,075	245	57,873
990 IT Contract Support Services	1,312	26	-683	655	12	1,059	1,726
999 TOTAL OTHER PURCHASES	613,796	18,863	1,717	634,376	21,932	-3,803	652,505
Total	696,598	20,568	4,915	722,081	23,574	-12,558	733,097

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**Defense Health Program
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Operation and Maintenance
Base Operations/Communications**

I. Description of Operations Financed: Base Operations (BASOPS)/Communications refers to the resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. BASOPS provides for facilities and services at military medical activities (CONUS and OCONUS) supporting active duty combat forces, reserve and guard components, training, eligible beneficiaries. The program consists of eight components:

Facility Restoration and Modernization - Resources required for facilities Restoration and Modernization projects including repair and replacement due to excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundations and structural members).

Facility Sustainment - Resources required for maintenance and repair activities necessary to keep facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, emergency response and service calls for minor repairs. Sustainment also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, etc.

Facilities Operations - Resources required for fire prevention and protection including crash rescue, emergency response, and disaster preparedness; engineering readiness; utilities to include plant operation and purchase of commodity; refuse collection and disposal to include recycling operations; pavement clearance including snow and ice removal from roads; lease costs for real property including off-base facilities; grounds maintenance and landscaping; real property management and engineering services including

**Defense Health Program
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Base Operations/Communications**

I. Description of Operations Financed (cont.)

special inspections of facilities and master planning; pest control; and custodial services.

Base Communications - Resources required to provide base communication resources to DHP medical activities. This includes non-tactical, non-DCS (Defense Communications System), base communication facilities and equipment systems that provide local communications worldwide.

Base Operations Support - Resources required to provide comptroller services, data processing services, information activities, legal activities, civilian personnel administration, military personnel administration, printing and reproduction, facility safety, management analysis/engineering services, retail supply operations, supply activities, procurement operations, storage activities, transportation activities, physical security and police activities, laundry and dry cleaning, food services, and morale, welfare and recreation activities.

Environmental - Resources required to comply with environmental laws, regulations, criteria, and standards. This includes manpower, training, travel, and supplies.

Visual Information Systems - Resources required to provide manpower, travel, contractual service, procurement of supplies and materials, expense equipment, necessary facilities and the associated services specifically identifiable to visual information productions, services, and support.

Demolition/Disposal of Excess Facilities - Resources required for demolition and/or disposal costs associated with excess facilities, including buildings or any other permanent or temporary structure as well as pavements, utility systems, and other supporting infrastructure. Includes environmental costs directly attributable to

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Base Operations/Communications

I. Description of Operations Financed (cont.)

demolition/disposal to include inspection and removal of hazardous material (such as lead-based paint or asbestos).

II. Force Structure Summary:

	<u>FY 2012</u> <u>Actual</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u>
Inpatient Facilities	56	56	56
Medical Clinics	365	361	361
Dental Clinics	281	249	249
Veterinary Clinics	255	254	254

**Defense Health Program
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III. Financial Summary (\$ in thousands)

	<u>FY 2013</u>							<u>FY 2014</u> <u>Estimate</u>
	<u>FY 2012</u> <u>Actual</u>	<u>Budget</u> <u>Request</u>	<u>Congressional Action</u>			<u>Current</u> <u>Estimate</u>		
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
A. <u>BA Subactivities</u>								
1. Facility Restoration/Modernization - CONUS	635,511	432,288	0	0.0	432,288	432,288	470,492	
2. Facility Restoration/Modernization - OCONUS	63,088	57,547	0	0.0	57,547	57,547	72,687	
3. Facility Sustainment - CONUS	486,528	350,082	0	0.0	350,082	350,082	407,674	
4. Facility Sustainment - OCONUS	57,800	78,989	0	0.0	78,989	78,989	82,049	
5. Facilities Operations - Health Care (CONUS)	275,678	369,904	0	0.0	369,904	369,904	372,900	
6. Facilities Operations - Health Care (OCONUS)	40,224	30,273	0	0.0	30,273	30,273	36,198	
7. Base Communications - CONUS	36,661	35,819	0	0.0	35,819	35,819	39,367	
8. Base Communications - OCONUS	5,099	5,015	0	0.0	5,015	5,015	5,042	
9. Base Operations - CONUS	370,530	328,260	0	0.0	328,260	328,260	328,937	
10. Base Operations - OCONUS	22,126	21,924	0	0.0	21,924	21,924	21,830	
11. Environmental Conservation	2	19	0	0.0	19	19	0	
12. Pollution Prevention	4	256	0	0.0	256	256	261	
13. Environmental Compliance	19,087	23,551	0	0.0	23,551	23,551	25,979	
14. Visual Information Systems	6,723	12,867	0	0.0	12,867	12,867	9,244	

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III. Financial Summary (\$ in thousands)

	FY 2013							FY 2014 <u>Estimate</u>
	FY 2012 <u>Actual</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>		
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
A. <u>BA Subactivities</u>								
15. Demolition	0	0	0	n/a	0	0		0
Total	2,019,061	1,746,794	0	0.0	1,746,794	1,746,794		1,872,660

1. FY 2012 actuals includes \$1.3M for Overseas Contingency Operations (OCO) under the Consolidated Appropriation Act, FY 2012 (Division A), Public Law 112-74.

2. FY 2013 current estimate excludes \$1.1M for OCO.

3. FY 2014 request excludes OCO.

Defense Health Program
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III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	1,746,794	1,746,794
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	1,746,794	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	1,746,794	
Supplemental	1,112	
Reprogrammings		
Price Changes		43,226
Functional Transfers		
Program Changes		82,640
Current Estimate	1,747,906	1,872,660
Less: Wartime Supplemental	-1,112	
Normalized Current Estimate	1,746,794	

Defense Health Program
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III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		1,746,794
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		1,746,794
2. OCO and Other Supplemental Enacted		1,112
a. OCO and Other Supplemental Requested		
1) OCO Request	1,112	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		1,747,906
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		1,747,906
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-1,112
FY 2013 Normalized Current Estimate		1,746,794
6. Price Change		43,226
7. Functional Transfers		
8. Program Increases		108,940
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Increased Baseline for Facilities Sustainment: Increased resources resulting from Facilities Sustainment Model version 14.2a. The FY 2013 sustainment baseline is \$429.1M.	53,502	
2) Increased Baseline for Facilities Restoration and Modernization Projects: Additional resources for critical restoration and	51,151	

**Defense Health Program
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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
modernization (R&M) requirements to maintain facilities life and safety standards in lieu of declining MILCON funding. The FY 2013 R&M baseline is \$489.8M.		
3) National Intrepid Center of Excellence (NICoE) Satellite Locations: Increases funding for support costs (utilities, housekeeping, equipment, etc.) for the Secretary of Defense accepted and approved NICoE facilities. Provides support for two (2) of the original sites: Fort Belvoir, VA; and Camp Lejeune, NC. and six (6) new projected NICoE satellite sites that will be located at Camp Pendelton, CA; Joint Base Lewis-McChord, WA; Fort Bragg, NC; Fort Hood, TX; Fort Carson, CO; and, Fort Bliss, TX. The NICoE facilities will provide a 12-16 week program of evaluation, diagnosis and care to active duty service members dealing with a possible or probable diagnosis of Traumatic Brain Injury (TBI)/Psychological Health (PH) conditions.	1,596	
4) Rate Changes for Defense Information Service Agency (DISA) and Defense Finance and Accounting Service (DFAS): Resources provided for rate adjustments for DISA and DFAS.	1,539	
5) Investment in Occupational Health: Facility renovation investments to accommodate Occupational Health and Industrial Hygiene programs to meet Occupational Safety and Health Administration and DoD standards. Civilians are from existing	1,152	

**Defense Health Program
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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
baseline. The FY 2013 R&M baseline is \$489.8M.		
9. Program Decreases		-26,300
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Programmatic Adjustments:	-7,130	
Reduced requirements for slowing growth in various operational costs such as base operations, postal services, non-medical supplies and communications.		
2) Funding Realignment:	-6,788	
Realignment of funds to multiple Budget Activity Groups for proper execution.		
3) Travel and Printing Reductions:	-5,352	
Reduction in non-patient travel (\$4.7M) and printing (\$0.6M) in accordance with OMB Memo M12-12 (dated 11 May 2012) and Executive Order #13589 "Promoting Efficient Spending" (dated 9 November 2011). The FY 2013 travel baseline is \$14.6M. The FY 2013 printing baseline is \$4.2M.		
4) Integrated Disability Evaluation System (iDES):	-3,883	
Program investment profile from FY 2013 to FY 2014. The reduction represents the incremental change from FY 2013 to FY 2014 for restoration and modernization (R&M) investments for iDES. The FY 2013 R&M investment provided a higher level of funding to cover high priority facility projects. The FY 2014 budget request funds the continued baseline iDES program. The FY 2013 R&M baseline is \$489.8M.		
5) Manpower - Civilian Reprogramming:	-2,866	
Realigned thirty (30) current civilian workforce FTEs		

Defense Health Program
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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
realigned to multiple Budget Activity Groups (BAGs) to meet changes in mission and priorities.		
6) Transfer of Manpower for Proper Execution: Transfers two (2) DHP funded base support personnel to the Navy for proper execution. The FY 2013 baseline is \$0 and 2 civilian FTEs.	-281	
FY 2014 Budget Request		1,872,660

**Defense Health Program
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IV. Performance Criteria and Evaluation Summary:

See performance criteria located with Exhibit OP-5 Facilities, Sustainment, Restoration and Modernization (Attachment 4).

**Defense Health Program
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<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	Change FY 2012/ FY 2013	Change FY 2013/ FY 2014
<u>Active Military End Strength (E/S) (Total)</u>	<u>2,233</u>	<u>2,314</u>	<u>2,311</u>	<u>81</u>	<u>-3</u>
Officer	549	552	551	3	-1
Enlisted	1,684	1,762	1,760	78	-2
<u>Active Military Average Strength (A/S) (Total)</u>	<u>2,276</u>	<u>2,274</u>	<u>2,313</u>	<u>-2</u>	<u>39</u>
Officer	555	551	552	-4	1
Enlisted	1,721	1,723	1,761	2	38
<u>Civilian FTEs (Total)</u>	<u>1,959</u>	<u>1,936</u>	<u>1,871</u>	<u>-23</u>	<u>-65</u>
U.S. Direct Hire	1,806	1,797	1,732	-9	-65
Foreign National Direct Hire	51	52	52	1	0
Total Direct Hire	1,857	1,849	1,784	-8	-65
Foreign National Indirect Hire	102	87	87	-15	0
Average Annual Civilian Salary (\$ in thousands)	83.6	81.0	81.1	-2.6	.1
 <u>Contractor FTEs (Total)</u>	 <u>90</u>	 <u>95</u>	 <u>100</u>	 <u>5</u>	 <u>5</u>

Narrative for MILPERS: The changes in military end strength are military to civilian restorals (39) and MILPERS realignment/reprogramming to meet mission priorities.

Narrative for Civilian FTEs: The reduction of civilian FTEs from FY 2012 thru FY 2014 is a zero-based realignment between various Budget Activity Groups (BAGs) in the DHP such as In-House Care, Information Management and Management Activities BAGs.

Narrative for Contractor FTEs: Comparison to previous cycles is not feasible due to

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revised methodology used to account for actual number of contractors during this budget cycle.

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

<u>OP 32 Line</u>	<u>FY 2012</u> <u>Actual</u>	<u>Foreign</u>		<u>Change</u>		<u>FY 2013</u> <u>Estimate</u>	<u>Foreign</u>		<u>Change</u>		<u>FY 2014</u> <u>Estimate</u>
		<u>Currency</u> <u>Rate Diff</u>		<u>FY 2012/FY 2013</u> <u>Price</u>	<u>Program</u>		<u>Currency</u> <u>Rate Diff</u>		<u>FY 2013/FY 2014</u> <u>Price</u>	<u>Program</u>	
308 Travel of Persons	14,245	0	285	4	14,534	0	276	-4,120		10,690	
399 TOTAL TRAVEL	14,245	0	285	4	14,534	0	276	-4,120		10,690	
401 DLA Energy (Fuel Products)	4,178	0	350	1,979	6,507	0	-192	-1,221		5,094	
402 Service Fund Fuel	194	0	16	-92	118	0	-3	69		184	
411 Army Supply	15	0	0	21	36	0	-1	2		37	
412 Navy Managed Supply, Matl	0	0	0	163	163	0	0	3		166	
416 GSA Supplies & Materials	1,217	0	24	262	1,503	0	29	5		1,537	
417 Local Purch Supplies & Mat	1,332	0	27	284	1,643	0	31	5		1,679	
422 DLA Mat Supply Chain (Medical)	135	0	3	274	412	0	1	9		422	
499 TOTAL SUPPLIES & MATERIALS	7,071	0	420	2,891	10,382	0	-135	-1,128		9,119	
503 Navy Fund Equipment	0	0	0	165	165	0	0	3		168	
506 DLA Mat Supply Chain (Const & Equip)	110	0	8	-118	0	0	0	0		0	
507 GSA Managed Equipment	96	0	2	99	197	0	4	0		201	
599 TOTAL EQUIPMENT PURCHASES	206	0	10	146	362	0	4	3		369	
601 Army Industrial Operations	1,132	0	56	-1,188	0	0	0	0		0	
610 Navy Air Warfare Center	638	0	16	-654	0	0	0	0		0	
611 Navy Surface Warfare Ctr	45	0	1	-46	0	0	0	0		0	
614 Space & Naval Warfare Center	3	0	0	-3	0	0	0	0		0	
631 Navy Base Support (NFESC)	2,656	0	33	8,407	11,096	0	-9	1,562		12,649	
633 DLA Document Services	162	0	10	-65	107	0	0	2		109	
634 Navy Base Support (NAVFECC)	16,709	0	2,022	15,486	34,217	0	2,840	-1,925		35,132	
635 Navy Base Support (NAVFECC Other Support Services)	8,546	0	154	44,385	53,085	0	-3,079	3,338		53,344	
647 DISA Enterprise Computing Centers	159	0	3	-162	0	0	0	0		0	
671 DISA DISN Subscription Services (DSS)	2,904	0	49	709	3,662	0	150	-131		3,681	
677 DISA Telecomm Svcs - Reimbursable	326	0	-11	3,245	3,560	0	304	-114		3,750	
679 Cost Reimbursable Purchase	3,789	0	76	-2,936	929	0	18	3		950	

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<u>OP 32 Line</u>	FY 2012	Foreign	Change		FY 2013	Foreign	Change		FY 2014
	<u>Actual</u>	Currency	<u>FY 2012/FY 2013</u>		<u>Estimate</u>	Currency	<u>FY 2013/FY 2014</u>		<u>Estimate</u>
		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>		<u>Rate Diff</u>	<u>Price</u>	<u>Program</u>	
691 DFAS Financial Operations (Army)	0	0	0	15,743	15,743	0	-189	1,421	16,975
692 DFAS Financial Operations (Navy)	4,695	0	778	-443	5,030	0	-364	780	5,446
696 DFAS Financial Operation (Other Defense Agencies)	1,309	0	217	407	1,933	0	251	-105	2,079
699 TOTAL DWCF PURCHASES	43,073	0	3,404	82,885	129,362	0	-78	4,831	134,115
719 SDDC Cargo Ops-Port hndlg	0	0	0	1,029	1,029	0	401	-379	1,051
771 Commercial Transport	1,604	0	32	-892	744	0	14	1	759
799 TOTAL TRANSPORTATION	1,604	0	32	137	1,773	0	415	-378	1,810
9xx Civ Pay Reimburs Host	162,019	0	390	-7,023	155,386	0	1,360	-6,450	150,296
901 Foreign National Indirect Hire (FNIH)	1,421	0	3	-206	1,218	0	11	0	1,229
902 Separation Liab (FNIH)	253	0	1	-90	164	0	1	-1	164
912 Rental Payments to GSA (SLUC)	43,391	0	868	5,370	49,629	0	943	671	51,243
913 Purchased Utilities (Non-Fund)	176,990	0	3,540	-33,987	146,543	0	2,784	16,436	165,763
914 Purchased Communications (Non-Fund)	53,224	0	1,064	-27,373	26,915	1,405	538	1,546	30,404
915 Rents (Non-GSA)	13,302	0	266	627	14,195	0	270	439	14,904
917 Postal Services (U.S.P.S)	6,742	0	135	-5,006	1,871	0	36	4	1,911
920 Supplies & Materials (Non-Fund)	17,895	0	358	3,201	21,454	78	409	-371	21,570
921 Printing & Reproduction	1,992	0	40	2,126	4,158	0	79	-437	3,800
922 Equipment Maintenance By Contract	18,736	0	375	-3,752	15,359	1,007	311	-1,040	15,637
923 Facilities Sust, Rest, & Mod by Contract	380,437	0	7,609	-35,747	352,299	6,219	6,812	36,049	401,379
925 Equipment Purchases (Non-Fund)	16,642	0	333	-10,167	6,808	0	129	-605	6,332
926 Other Overseas Purchases	2,932	0	59	-2,991	0	0	0	0	0
927 Air Def Contracts & Space Support (AF)	41	0	1	-42	0	0	0	0	0
928 Ship Maintenance By Contract	11	0	0	-11	0	0	0	0	0
930 Other Depot Maintenance	0	0	0	1,867	1,867	0	35	7	1,909

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Base Operations/Communications**

<u>OP 32 Line</u> (Non-Fund)	FY 2012	Foreign	Change		FY 2013	Foreign	Change		FY 2014
	<u>Actual</u>	Currency <u>Rate Diff</u>	<u>FY 2012/FY 2013</u> <u>Price</u>	<u>Program</u>	<u>Estimate</u>	Currency <u>Rate Diff</u>	<u>FY 2013/FY 2014</u> <u>Price</u>	<u>Program</u>	<u>Estimate</u>
932 Mgt Prof Support Svcs	741	0	15	-129	627	0	12	-4	635
933 Studies, Analysis & Eval	180	0	4	-184	0	0	0	2	2
934 Engineering & Tech Svcs	2,707	0	54	-2,761	0	0	0	0	0
937 Locally Purchased Fuel (Non-Fund)	2,525	0	211	-1,123	1,613	0	-48	266	1,831
955 Other Costs (Medical Care)	540	0	22	46,646	47,208	0	1,841	-45,446	3,603
957 Other Costs (Land and Structures)	575,202	0	11,504	-96,871	489,835	608	9,318	43,418	543,179
960 Other Costs (Interest and Dividends)	0	0	0	27	27	0	1	-1	27
964 Other Costs (Subsistence and Support of Persons)	34	0	1	7,168	7,203	0	137	31	7,371
984 Equipment Contracts	962	0	19	-981	0	0	0	0	0
986 Medical Care Contracts	68,147	0	2,726	-69,563	1,310	0	51	-1,361	0
987 Other Intra-Govt Purch	252,029	0	5,041	-161,135	95,935	1,856	1,858	-5,591	94,058
988 Grants	4,000	0	80	-4,080	0	0	0	0	0
989 Other Services	140,408	0	2,808	-3,085	140,131	1,822	2,697	45,835	190,485
990 IT Contract Support Services	9,359	0	187	-920	8,626	0	164	35	8,825
999 TOTAL OTHER PURCHASES	1,952,862	0	37,714	-400,195	1,590,381	12,995	29,749	83,432	1,716,557
Total	2,019,061	0	41,865	-314,132	1,746,794	12,995	30,231	82,640	1,872,660

**Defense Health Program
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Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition**

I. Description of Operations Financed: Base Operations (BASEOPS) Facilities Sustainment, Restoration, Modernization activities refers to the routine repair, maintenance and modernization of Defense Health Program (DHP) medical and dental facilities located in CONUS and OCONUS where delivery of health care occurs within military installations and satellite locations.

Facility Restoration and Modernization - Resources required for facilities restoration and modernization projects including repair and replacement due to excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundations and structural members).

Facility Sustainment - Resources required for maintenance and repair activities necessary to keep facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, emergency response and service calls for minor repairs. Sustainment also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, etc.

Demolition - Resources required for demolition and/or disposal costs associated with excess facilities, including buildings or any other permanent or temporary structure as well as pavements, utility systems, and other supporting infrastructure. Includes environmental costs directly attributable to demolition/disposal to include inspection and removal of hazardous material (such as lead-based paint or asbestos).

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition

I. Description of Operations Financed (cont.)

II. Force Structure Summary:

	<u>FY 2012</u> <u>Actual</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u>
Inpatient Facilities	56	56	56
Medical Clinics	365	361	361
Dental Clinics	281	249	249
Veterinary Clinics	255	254	254

Defense Health Program
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Operation and Maintenance
Facilities Sustainment, Restoration, Modernization and Demolition

III. Financial Summary (\$ in thousands)

	FY 2012 <u>Actual</u>	Budget <u>Request</u>	FY 2013			Current <u>Estimate</u>	FY 2014 <u>Estimate</u>
			<u>Congressional Action</u>				
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>BA Subactivities</u>							
1. Facility Restoration/Modernization - CONUS	635,511	432,288	0	0.0	432,288	432,288	470,492
2. Facility Restoration/Modernization - OCONUS	63,088	57,547	0	0.0	57,547	57,547	72,687
3. Facility Sustainment - CONUS	486,528	350,082	0	0.0	350,082	350,082	407,674
4. Facility Sustainment - OCONUS	57,800	78,989	0	0.0	78,989	78,989	82,049
5. Demolition	0	0	0	n/a	0	0	0
Total	1,242,927	918,906	0	0.0	918,906	918,906	1,032,902

1. FY 2012 actuals includes \$0M for Overseas Contingency Operations (OCO) under the Consolidated Appropriation Act, FY 2012(Division A), Public Law 112-74.
2. FY 2013 current estimate excludes \$0.7M for OCO.
3. FY 2014 request excludes OCO.

Defense Health Program
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III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2013/FY 2013</u>	<u>FY 2013/FY 2014</u>
Baseline Funding	918,906	918,906
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	918,906	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	918,906	
Supplemental	658	
Reprogrammings		
Price Changes		16,843
Functional Transfers		
Program Changes		97,153
Current Estimate	919,564	1,032,902
Less: Wartime Supplemental	-658	
Normalized Current Estimate	918,906	

Defense Health Program
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Facilities Sustainment, Restoration, Modernization and Demolition

III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2013 President's Budget Request (Amended, if applicable)		918,906
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		918,906
2. OCO and Other Supplemental Enacted		658
a. OCO and Other Supplemental Requested		
1) OCO Request	658	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		919,564
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		919,564
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-658
FY 2013 Normalized Current Estimate		918,906
6. Price Change		16,843
7. Functional Transfers		
8. Program Increases		106,443
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Increased Baseline for Facilities Sustainment: Increased resources resulting from Facilities Sustainment Model Version 14.2a. The FY 2013 sustainment baseline is \$429.1M.	53,502	
2) Increased Baseline for Facilities Restoration and Modernization Projects: Additional resources to fill critical restoration and	51,151	

**Defense Health Program
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Facilities Sustainment, Restoration, Modernization and Demolition**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
modernization (R&M) requirements to maintain facilities life and safety standards in lieu of declining MILCON funding. The FY 2013 restoration and modernization baseline is \$489.8M.		
3) Investment in Occupational Health: Facility renovation investments to accommodate Occupational Health and Industrial Hygiene programs to meet Occupational Safety and Health Administration and DoD standards. The FY 2013 restoration and modernization baseline is \$489.8M.	1,152	
4) Rate Changes for Defense Finance & Accounting Service (DFAS): Resources provided for rate adjustments for DFAS.	335	
5) National Intrepid Center of Excellence (NICoE) Satellite Locations: Increases funding for support costs (utilities, housekeeping, equipment, etc.) for the Secretary of Defense accepted and approved NICoE facilities. Provides support for two (2) of the original sites: Fort Belvoir, VA; and Camp Lejeune, NC. and six (6) new projected NICoE satellite sites that will be located at Camp Pendelton, CA; Joint Base Lewis-McChord, WA; Fort Bragg, NC; Fort Hood, TX; Fort Carson, CO; and, Fort Bliss, TX. The NICoE facilities will provide a 12-16 week program of evaluation, diagnosis and care to active duty service members dealing with a possible or probable diagnosis of Traumatic Brain Injury (TBI)/Psychological Health (PH) conditions.	303	
9. Program Decreases		-9,290

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Facilities Sustainment, Restoration, Modernization and Demolition**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		
c. Program Decreases in FY 2014		
1) Integrated Disability Evaluation System (iDES):	-3,883	
Program investment profile from FY 2013 to FY 2014.		
The reduction represents the incremental change from		
FY 2013 to FY 2014 for restoration and modernization		
(R/M)investments for iDES. The FY 2013 R&M		
investment provided a higher level of funding to		
cover high priority facility projects. The FY 2014		
budget request funds the continued baseline iDES		
program. The FY 2013 restoration and modernization		
baseline is \$489.8M.		
2) Manpower - Civilian Reprogramming:	-2,760	
Realigns thirty (30) current civilian workforce Full		
Time Equivalent (FTEs) to multiple Budget Activity		
Groups (BAGs) to meet changes in mission and		
priorities.		
3) Travel Reductions:	-2,123	
Reduction in non-patient travel (\$2.1M) in accordance		
with OMB Memo M12-12 (dated 11 May 2012) and		
Executive Order #13589 "Promoting Efficient Spending"		
(dated 9 November 2011). The FY 2013 travel baseline		
is \$4.7M.		
4) Funding Realignments:	-524	
Realignment of funds to multiple Budget Activity		
Groups to reflect proper execution.		
FY 2014 Budget Request		1,032,902

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IV. Performance Criteria and Evaluation Summary:

	FY 2012	FY 2013	FY 2014	Change	Change
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>	<u>FY 2012/2013</u>	<u>FY 2013/2014</u>
Facility Sustainment Funding:	544,328	429,071	489,831	-115,257	60,760
Facility Sustainment Model Requirement:	375,673	429,071	488,274	53,398	59,203
Sustainment Rate (MILPERS not included)	145%	100%	100%		

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<u>V. Personnel Summary</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Change FY 2012/ FY 2013</u>	<u>Change FY 2013/ FY 2014</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>	<u>0</u>
Officer	9	9	9	0	0
Enlisted	6	6	6	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>	<u>0</u>
Officer	9	9	9	0	0
Enlisted	6	6	6	0	0
<u>Civilian FTEs (Total)</u>	<u>310</u>	<u>292</u>	<u>244</u>	<u>-18</u>	<u>-48</u>
U.S. Direct Hire	304	275	227	-29	-48
Foreign National Direct Hire	0	13	13	13	0
Total Direct Hire	304	288	240	-16	-48
Foreign National Indirect Hire	6	4	4	-2	0
Average Annual Civilian Salary (\$ in thousands)	90.6	86.1	85.1	-4.5	-1.0
<u>Contractor FTEs (Total)</u>	<u>79</u>	<u>78</u>	<u>72</u>	<u>-1</u>	<u>-6</u>

Narrative for Civilian FTEs: The reduction of civilian FTEs from FY 2012 to FY 2013 and FY 2014 is a zero-based realignment within BASEOPS BAG or various BAGs in the DHP.

Narrative for Contractor FTEs: Comparison to previous cycles is not feasible due to revised methodology used to account for actual number of contractors during this budget cycle.

Defense Health Program
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Cost of Medical Activities, Funding by Subactivity Group
(\$ in Thousands)

		<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2012/2013</u>		<u>FY 2013/2014</u>	
		<u>Actuals¹</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Change</u>	<u>Percent</u>	<u>Change</u>	<u>Percent</u>
<u>In-House Care</u>								
0807700HP	Defense Medical Centers, Hospitals and Medical Clinics-CONUS	6,141,102	5,947,980	6,194,653	-193,122	-3.1%	246,673	4.1%
0807900HP	Defense Medical Centers, Hospitals and Medical Clinics-OCONUS	495,558	471,075	468,592	-24,483	-4.9%	-2,483	-0.5%
0807701HP	Pharmaceuticals-CONUS	1,551,053	1,518,459	1,534,677	-32,594	-2.1%	16,218	1.1%
0807901HP	Pharmaceuticals-OCONUS	127,340	147,937	139,708	20,597	16.2%	-8,229	-5.6%
0807715HP	Dental Care Activities-CONUS	504,362	479,715	481,021	-24,647	-4.9%	1,306	0.3%
0807915HP	Dental Care Activities-OCONUS	53,616	60,341	62,087	6,725	12.5%	1,746	2.9%
	Subtotal In-House Care	8,873,031	8,625,507	8,880,738	-247,524	-2.8%	255,231	3.0%
<u>Private Sector Care</u>								
0807702HP	Pharmaceuticals - Purchased Health Care	462,997	492,783	972,439	29,786	6.4%	479,656	97.3%
0807703HP	Pharmaceuticals - National Retail Pharmacy	1,497,064	1,599,512	1,233,994	102,448	6.8%	-365,518	-22.9%
0807723HP	TRICARE Managed Care Support (MCS) Contracts	6,874,295	6,893,201	6,958,656	18,906	0.3%	65,455	0.9%
0807738HP	MTF Enrollees - Purchased Care	2,418,746	2,978,107	2,524,474	559,361	23.1%	-453,633	-15.2%
0807741HP	Dental - Purchased Care	338,658	337,368	339,049	-1,290	-0.4%	1,681	0.5%
0807742HP	Uniformed Services Family Health Program (USFHP)	401,368	459,518	445,085	58,150	14.5%	-14,433	-3.1%
0807743HP	Supplemental Care - Health Care	1,531,137	1,686,782	1,641,936	155,645	10.2%	-44,846	-2.7%
0807745HP	Supplemental Care - Dental	180,352	260,605	218,266	80,253	44.5%	-42,339	-16.2%
0807747HP	Continuing Health Education/Capitalization of Assets Program	331,109	395,002	413,439	63,893	19.3%	18,437	4.7%
0807749HP	Overseas Purchased Health Care	323,121	320,404	337,614	-2,717	-0.8%	17,210	5.4%
0807751HP	Miscellaneous Purchased Health Care	501,701	568,350	628,787	66,649	13.3%	60,437	10.6%
0807752HP	Miscellaneous Support Activities	102,118	156,631	128,993	54,513	53.4%	-27,638	-17.6%
	Subtotal Private Sector Care	14,962,666	16,148,263	15,842,732	1,185,597	7.9%	-305,531	-1.9%
<u>Consolidated Health Support</u>								
0801720HP	Examining Activities	462,997	492,783	972,439	29,786	6.4%	479,656	97.3%
0807714HP	Other Health Activities	1,497,064	1,599,512	1,233,994	102,448	6.8%	-365,518	-22.9%
0807705HP	Military Public/Occupational Health	6,874,295	6,893,201	6,958,656	18,906	0.3%	65,455	0.9%
0807760HP	Veterinary Services	2,418,746	2,978,107	2,524,474	559,361	23.1%	-453,633	-15.2%
0807724HP	Military Unique Requirements - Other Medical	338,658	337,368	339,049	-1,290	-0.4%	1,681	0.5%
0807725HP	Aeromedical Evacuation System	401,368	459,518	445,085	58,150	14.5%	-14,433	-3.1%
0807730HP	Service Support to Other Health Activities - TRANSCOM	1,531,137	1,686,782	1,641,936	155,645	10.2%	-44,846	-2.7%
0807785HP	Armed Forces Institute of Pathology (AFIP)	180,352	260,605	218,266	80,253	44.5%	-42,339	-16.2%
0807786HP	Joint Pathology Center (JPC)	331,109	395,002	413,439	63,893	19.3%	18,437	4.7%
0903300HP	Support to FACA Advisory Board Activities	323,121	320,404	337,614	-2,717	-0.8%	17,210	5.4%
	Subtotal Consolidated Health Support	501,701	568,350	628,787	66,649	13.3%	60,437	10.6%
<u>Information Technology/Information Management</u>								
0807781HP	Non-Central Information Management/Information Technology	622,461	545,889	608,939	-76,572	-12.3%	63,050	11.5%
0807783HP	DHP Information Management/Information Technology Support Programs	97,681	100,548	102,632	2,867	2.9%	2,084	2.1%
0807784HP	Integrated Electronic Health Record (iEHR)	0	0	75,801	0	0.0%	75,801	100.0%
0807793HP	MHS Tri-Service Information Management/Information Technology	765,210	818,891	663,247	53,681	7.0%	-155,644	-19.0%
	Subtotal Information Management	1,485,352	1,465,328	1,450,619	-20,024	-1.3%	-14,709	-1.0%

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Cost of Medical Activities, Funding by Subactivity Group
(\$ in Thousands)

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Cost of Medical Activities, Funding by Subactivity Group
(\$ in Thousands)

	FY 2012	FY 2013	FY 2014	FY 2012/2013		FY 2013/2014	
	<u>Actuals¹</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Change</u>	<u>Percent</u>	<u>Change</u>	<u>Percent</u>
Management Activities							
0807798HP Management Activities	125,368	140,148	143,885	14,780	11.8%	3,737	2.7%
0807709HP TRICARE Management Activity	173,262	191,973	224,363	18,711	0.0%	32,390	100.0%
0901200HP DMMP Domain Management and System Integration	0	0	0	0	0.0%	0	0.0%
Subtotal Management Activities	298,630	332,121	368,248	33,491	11.2%	36,127	10.9%
Education and Training							
0806722HP Armed Forces Health Professions Scholarship Program	238,866	283,498	287,152	44,632	18.7%	3,654	1.3%
0806721HP Uniformed Services University of the Health Sciences	130,614	129,330	134,912	-1,284	-1.0%	5,582	4.3%
0806761HP Other Education and Training	<u>327,118</u>	<u>309,253</u>	<u>311,033</u>	<u>-17,865</u>	<u>-5.5%</u>	<u>1,780</u>	<u>0.6%</u>
Subtotal Education and Training	696,598	722,081	733,097	25,483	3.7%	11,016	1.5%
Base Operations/Communications							
0806276HP Facilities Restoration and Modernization - CONUS	635,511	432,288	470,492	-203,223	-32.0%	38,204	8.8%
0806376HP Facilities Restoration and Modernization - OCONUS	63,088	57,547	72,687	-5,541	-8.8%	15,140	26.3%
0806278HP Facilities Sustainment - CONUS	486,528	350,082	407,674	-136,446	-28.0%	57,592	16.5%
0806378HP Facilities Sustainment - OCONUS	57,800	78,989	82,049	21,189	36.7%	3,060	3.9%
0807779HP Facilities Operations - Health Care - CONUS	275,678	369,904	372,900	94,226	34.2%	2,996	0.8%
0807979HP Facilities Operations - Health Care - OCONUS	40,224	30,273	36,198	-9,951	-24.7%	5,925	19.6%
0807795HP Base Communications - CONUS	36,661	35,819	39,367	-842	-2.3%	3,548	9.9%
0807995HP Base Communications - OCONUS	5,099	5,015	5,042	-84	-1.6%	27	0.5%
0807796HP Base Operations - CONUS	370,530	328,260	328,937	-42,270	-11.4%	677	0.2%
0807996HP Base Operations - OCONUS	22,126	21,924	21,830	-202	-0.9%	-94	-0.4%
0807753HP Environmental Conservation	2	19	0	17	100.0%	-19	-100.0%
0807754HP Pollution Prevention	4	256	261	252	6300.0%	5	2.0%
0807756HP Environmental Compliance	19,087	23,551	25,979	4,464	23.4%	2,428	10.3%
0807790HP Visual Information Systems	6,723	12,867	9,244	6,144	0.0%	-3,623	100.0%
0808093HP Demolition/Disposal of Excess Facilities	0	0	0	0	0.0%	0	0.0%
Subtotal Base Operations/Communications	2,019,061	1,746,794	1,872,660	-272,267	-13.5%	125,866	7.2%
Subtotal DHP Operation and Maintenance	30,437,849	31,349,279	31,653,734	911,430	3.0%	302,564	1.0%

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Cost of Medical Activities, Funding by Subactivity Group
(\$ in Thousands)**

	<u>FY 2012</u> <u>Actuals¹</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u>	<u>FY 2012/2013</u>		<u>FY 2013/2014</u>	
				<u>Change</u>	<u>Percent</u>	<u>Change</u>	<u>Percent</u>
Procurement (Program Elements 0807720HP & 0807721HP)							
Dental Equipment	1,200	260	541	-940	-78.3%	281	108.1%
Food Service, Preventive Medicine, and Pharmacy Equipment	6,812	4,515	7,087	-2,297	-33.7%	2,572	57.0%
Medical Information System Equipment	404,838	258,828	155,951	-146,010	-36.1%	-102,877	-39.7%
Medical Patient Care Administrative Equipment	1,122	3,208	3,656	2,086	185.9%	448	14.0%
Medical/Surgical Equipment	23,916	35,487	29,190	11,571	48.4%	-6,297	-17.7%
Other Equipment	29,100	28,906	83,600	-194	-0.7%	54,694	189.2%
Pathology/Lab Equipment	21,200	24,170	23,306	2,970	14.0%	-864	-3.6%
Radiographic Equipment	144,330	151,088	163,650	6,758	4.7%	12,562	8.3%
Procurement (Program Elements 0807784HP)							
Integrated Electronic Health Record (ieHR)	0	0	204,200	0	0.0%	204,200	100.0%
Subtotal Procurement	632,518	506,462	671,181	-126,056	-19.9%	164,719	32.5%
Research, Development, Test and Evaluation							
0601101HP In-House Laboratory Independent Research (ILIR)	2,827	3,030	3,088	203	7.2%	58	1.9%
0601117HP Basic Operational Medical Research Sciences	1,000	3,038	6,074	2,038	203.8%	3,036	99.9%
0602115HP Applied Biomedical Technology	67,160	42,188	46,761	-24,972	-37.2%	4,573	10.8%
0602787HP Medical Technology (AFRRI)	3,558	1,193	1,216	-2,365	-66.5%	23	1.9%
0603002HP Medical Advanced Technology (AFRRI)	739	298	304	-441	-59.7%	6	2.0%
0603115HP Medical Technology Development	713,880	239,110	290,852	-474,770	-66.5%	51,742	21.6%
0604110HP Medical Products Support and Advanced Concept Development	191,536	144,403	132,430	-47,133	-24.6%	-11,973	-8.3%
0605013HP Information Technology Development	162,226	145,268	43,135	-16,958	-10.5%	-102,133	-70.3%
0605023HP Integrated Electronic Health Record (ieHR)	0	0	64,100	0	0.0%	64,100	100.0%
0605025HP Theater Medical Information Program - Joint (TMIP-J)	0	0	35,463	0	0.0%	35,463	100.0%
0605145HP Medical Products and Support Systems Development	33,073	17,116	18,976	-15,957	-48.2%	1,860	10.9%
0605502HP Small Business Innovative Research (SBIR) Program	36,040	0	0	-36,040	-100.0%	0	0.0%
0606105HP Medical Program-Wide Activities	46,252	61,518	72,568	15,266	33.0%	11,050	18.0%
0607100HP Medical Products and Capabilities Enhancements Activities	<u>14,146</u>	<u>15,815</u>	<u>14,646</u>	<u>1,669</u>	<u>11.8%</u>	<u>-1,169</u>	<u>-7.4%</u>
Subtotal RDT&E	1,272,437	672,977	729,613	-599,460	-47.1%	56,636	8.4%
Total Defense Health Program	32,342,804	32,528,718	33,054,528	185,914	0.6%	523,919	1.6%
FY 2013 Annual CR Total³		33,663,157					

1/ FY 2012 Actuals include Operation and Maintenance funding of \$1,217.1M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriations Act for FY 2012 Public Law 112-74

2/ FY 2013 Estimate excludes \$993.9 M for Overseas Contingency Operations (OCO).

3/ FY 2013 reflects DHP annualized Continuing Resolution funding for DHP and includes \$993.9 million for OCO.

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Cost of Medical Activities, Funding by Subactivity Group
(\$ in Thousands)

	FY 2012	FY 2013	FY 2014	FY 2012/2013		FY 2013/2014	
	<u>Actuals¹</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Change</u>	<u>Percent</u>	<u>Change</u>	<u>Percent</u>
	<u>Special Interest Items</u>						
Medicare Eligible Accrual Fund Receipts							
Direct Care	1,336,200	1,357,567	1,407,796	21,367	1.6%	50,229	3.7%
Private Sector Care	6,858,741	7,449,433	7,607,112	590,692	8.6%	157,679	2.1%
Military Personnel Accounts	473,200	476,000	484,092	2,800	0.6%	8,092	1.7%
Total Medicare Eligible Accrual Fund	8,668,141	9,283,000	9,499,000	614,859	7.1%	216,000	2.3%
Research, Development, Test & Evaluation By Program Title							
Congressionally Directed Programs	603,600	0	0	-603,600	-100.0%	0	0.0%
TMA Central Information Technology Development	145,561	130,212	26,365	-15,349	-10.5%	-103,847	-79.8%
Service Information Technology Development	16,665	15,056	16,770	-1,609	-9.7%	1,714	11.4%
Small Business Innovative Research	20,554	0	0	-20,554	-100.0%	0	0.0%
Medical Technology Development	187,615	131,713	140,572	-55,902	-29.8%	8,859	6.7%
Biomedical Technology	33,314	3,566	12,613	-29,748	-89.3%	9,047	253.7%
Armed Forces Radiobiology Research Institute (AFRRI)	3,558	1,193	1,216	-2,365	-66.5%	23	1.9%
In-House Laboratory Independent Research (ILIR)	2,827	3,030	3,088	203	7.2%	58	1.9%
Medical Advanced Technology (AFRRI)	739	298	304	-441	-59.7%	6	2.0%
Medical Products Support and Advanced Concept Development	134,720	0	0	-134,720	-100.0%	0	0.0%
Medical Products and Support Systems Development	33,073	8,595	5,500	-24,478	-74.0%	-3,095	-36.0%
Medical Program-Wide Activities	46,252	61,518	72,568	15,266	33.0%	11,050	18.0%
Medical Products and Capabilities Enhancements Activities	14,146	0	0	-14,146	-100.0%	0	0.0%
Basic Operational Medical Research Sciences	26	0	0	-26	-100.0%	0	0.0%
Integrated Electronic Health Record (iEHR)	0	0	64,100	0	0.0%	64,100	100.0%
Theater Medical Information Program - Joint (TMIP-J)	0	0	35,463	0	0.0%	35,463	100.0%
GDF Medical Research Enhancement	29,788	317,796	351,054	288,008	966.9%	33,258	10.5%
Total Research, Development, Test and Evaluation	1,272,437	672,977	729,613	-599,460	-47.1%	56,636	8.4%

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Personnel Summary**

	<u>FY 2012 Actual</u>		<u>FY 2013 Estimate</u>		<u>FY 2014 Estimate</u>		<u>FY13-14 Change</u>	
	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>
<u>Active Military - Assigned to DHP</u>								
<u>Army Total</u>	26,917	26,787	26,589	26,754	26,577	26,583	-12	-171
Officers	12,598	12,570	11,864	12,231	11,912	11,888	48	-343
Enlisted	14,319	14,217	14,725	14,523	14,665	14,695	-60	172
<u>Navy Total</u>	27,715	27,468	28,286	28,001	28,286	28,286	0	285
Officers /1	8,790	8,726	8,892	8,841	8,892	8,892	0	51
Enlisted	18,925	18,742	19,394	19,160	19,394	19,394	0	234
<u>Air Force Total</u>	30,810	31,660	31,176	30,994	31,176	31,176	0	182
Officers	10,195	11,057	11,048	10,622	11,048	11,048	0	426
Enlisted	20,615	20,603	20,128	20,372	20,128	20,128	0	-244
<u>Total Active Duty</u>	85,442	85,915	86,051	85,749	86,039	86,045	-12	296
Officers	31,583	32,353	31,804	31,694	31,852	31,828	48	134
Enlisted	53,859	53,562	54,247	54,055	54,187	54,217	-60	162
/1 Includes one USMC DHP officer Strength								
<u>Active Military - Non DHP Medical</u>								
<u>Army Total</u>	28,681	27,768	22,508	25,595	21,871	22,190	-637	-3,405
Officers	4,790	4,632	4,357	4,574	4,295	4,326	-62	-248
Enlisted	23,891	23,137	18,151	21,021	17,576	17,864	-575	-3,158
<u>Navy Total</u>	11,795	11,324	11,916	11,856	11,298	11,607	-618	-249
Officers /1	2,132	1,981	2,113	2,123	2,042	2,078	-71	-45
Enlisted	9,663	9,343	9,803	9,733	9,256	9,530	-547	-204
<u>Air Force Total</u>	1,994	1,999	2,211	2,103	2,219	2,215	8	113
Officers	785	787	850	818	853	852	3	34
Enlisted	1,209	1,213	1,361	1,285	1,366	1,364	5	79
<u>Total Active Duty</u>	42,470	41,091	36,635	39,553	35,388	36,012	-1,247	-3,541
Officers	7,707	7,399	7,320	7,514	7,190	7,255	-130	-259
Enlisted	34,763	33,692	29,315	32,039	28,198	28,757	-1,117	-3,283

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Personnel Summary**

	<u>FY 2012 Actual</u>		<u>FY 2013 Estimate</u>		<u>FY 2014 Estimate</u>		<u>FY13-14 Change</u>	
	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>
I. Civilian Personnel - US Direct Hire								
Army	41,718	39,097	40,248	40,951	40,383	41,216	135	265
Navy	11,649	11,622	11,791	11,605	11,656	11,470	-135	-135
Air Force	6,376	6,185	7,221	6,512	7,102	6,393	-119	-119
TRICARE Management Activity	5,840	5,775	5,924	5,908	5,940	5,924	16	16
Total	65,583	62,679	65,184	64,976	65,081	65,003	-103	27
II. Civilian Personnel - Foreign National Direct Hire								
Army	402	427	436	431	436	431	0	0
Navy	334	323	365	342	365	342	0	0
Air Force	106	105	94	95	94	95	0	0
TRICARE Management Activity	0	0	0	0	0	0	0	0
Total	842	855	895	868	895	868	0	0
III. Civilian Personnel - Foreign National Indirect Hire								
Army	927	1,085	1,053	1,033	1,053	1,033	0	0
Navy	590	569	448	430	448	430	0	0
Air Force	232	232	242	238	242	238	0	0
TRICARE Management Activity	5	5	5	5	5	5	0	0
Total	1,754	1,891	1,748	1,706	1,748	1,706	0	0
IV. Total Civilian Personnel								
Army	43,047	40,609	41,737	42,415	41,872	42,680	135	265
Navy	12,573	12,514	12,604	12,377	12,469	12,242	-135	-135
Air Force	6,714	6,522	7,557	6,845	7,438	6,726	-119	-119
TRICARE Management Activity	5,845	5,780	5,929	5,913	5,945	5,929	16	16
Total /1	68,179	65,425	67,827	67,550	67,724	67,577	-103	27
V. Summary of Civilian Personnel								
U.S. Direct Hire	65,583	62,679	65,184	64,976	65,081	65,003	-103	27
Foreign National Direct Hire	842	855	895	868	895	868	0	0
Foreign National Indirect Hire	1,754	1,891	1,748	1,706	1,748	1,706	0	0
Total, Civilians /1	68,179	65,425	67,827	67,550	67,724	67,577	-103	27
/1 Includes Reimbursable civilians - memo	205	290	209	262	209	262	0	0
	<u>FY 2012 Actual</u>		<u>FY 2013 Estimate</u>		<u>FY 2014 Estimate</u>		<u>FY13-14 Change</u>	

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Personnel Summary**

	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>
<u>SPECIAL INTEREST MANPOWER</u>								
TRICARE Regional Offices (TRO):								
Military	1	1	1	1	1	1	0	0
Civilian	120	118	126	126	139	139	13	13
TRICARE Management Activity (PE 0807798)								
Military	0	0	0	0	0	0	0	0
Civilian	105	105	143	143	138	138	-5	-5
Army Management Headquarters (PE 0807798)								
Military	166	138	122	144	128	125	6	-19
Civilian	555	542	549	542	570	563	21	21
Navy Management Headquarters (PE 0807798)								
Military	204	204	215	210	215	215	0	6
Civilian	177	177	173	170	165	162	-8	-8
Air Force Management Headquarters (PE 0807798)								
Military	373	386	399	386	399	399	0	13
Civilian	125	118	144	138	137	131	-7	-7

Note: Some numbers do not add due to rounding.

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**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Cost of Medical Activities - Medical Workload Data
(Total Comp Level)**

	<u>FY 2012 Actual*</u>	<u>FY 2013 Estimate**</u>	<u>FY 2014 Estimate</u>	<u>FY 2012-2013 Change</u>	<u>FY 2013-2014 Change</u>
Population - Average Eligible Beneficiaries, CONUS					
Active Duty***	1,488,587	1,482,675	1,465,327	-5,912	-17,348
Active Duty Family Members	2,344,860	2,333,913	2,305,872	-10,947	-28,041
Retirees	1,076,069	1,057,612	1,041,169	-18,457	-16,443
Family Members of Retirees	2,287,335	2,255,682	2,236,148	-31,653	-19,534
Subtotal Eligible	7,196,851	7,129,881	7,048,517	-66,970	-81,364
Medicare Eligible Beneficiaries****	2,129,234	2,174,697	2,210,190	45,463	35,493
Total Average Eligible Beneficiaries	9,326,085	9,304,578	9,258,707	-21,507	-45,871
Population - Average Eligible Beneficiaries, OCONUS					
Active Duty***	197,269	195,317	192,751	-1,952	-2,566
Active Duty Family Members	21,617	21,441	21,273	-176	-168
Retirees	7,040	6,924	6,822	-116	-102
Family Members of Retirees	55,972	56,330	55,019	358	-1,311
Subtotal Eligible	281,898	280,014	275,863	-1,884	-4,151
Medicare Eligible Beneficiaries	53,579	54,863	55,850	1,284	987
Total Average Eligible Beneficiaries	335,477	334,877	331,714	-600	-3,163
Population - Average Eligible Beneficiaries, Worldwide					
Active Duty***	1,685,856	1,677,992	1,658,078	-7,864	-19,914
Active Duty Family Members	2,366,477	2,355,354	2,327,145	-11,123	-28,209
Eligible Retirees	1,083,109	1,064,536	1,047,991	-18,573	-16,545
Family Members of Retirees	2,343,307	2,312,012	2,291,167	-31,295	-20,845
Subtotal Eligible	7,478,749	7,409,895	7,324,380	-68,854	-85,515
Medicare Eligible Beneficiaries:					
Active Duty Family Members	8,010	7,946	7,824	-64	-122
Guard/Reserve Family Members	2,161	2,210	2,208	49	-2
Eligible Retirees	1,037,258	1,061,593	1,080,388	24,335	18,795
Eligible Family Members of Retirees*****	673,563	689,182	701,326	15,619	12,144
Survivor	460,005	466,499	472,403	6,494	5,904
Other	1,816	2,128	1,891	312	-237
Total Medicare Eligible Beneficiaries	2,182,813	2,229,560	2,266,040	46,747	36,480
Total Average Eligible Beneficiaries	9,661,562	9,639,455	9,590,421	-22,107	-49,034

Notes:

1. (*) 2012 (FY PY1) Actual is actual DEERS eligibles from FY2012FM11. (**) 2013 (FY PY) Estimate is projected number of MSH populations (DEERS data were extracted on 11/10/2012).
2. (***) Active duty and active duty guard/reserve beneficiaries were excluded from being counted as Medicare Eligible.
3. (****) The US "Medicare Eligible Beneficiaries" are defined as MERHCF beneficiaries: Active Duty Family Members, Guard/Reserve Family Members, Eligible Retirees, Eligible Family Members of Retirees, Inactive Guard/Reserve, Inactive Guard/Reserve Family Members, Survivors, and Others
4. (*****) The Worldwide "Eligible Family Members of Retirees" are defined as MERHCF beneficiaries: Family Members of Retirees, Inactive Guard/Reserves, and Inactive Guard/Reserve Family Members
5. Numbers may not sum to totals due to rounding.

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Cost of Medical Activities - Medical Workload Data
(Total Comp Level)

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
Cost of Medical Activities - Medical Workload Data
(Total Comp Level)**

	<u>FY 2012 Actual</u>	<u>FY 2013 Estimate</u>	<u>FY 2014 Estimate</u>	<u>FY 2012-2013 Change</u>	<u>FY 2013-2014 Change</u>
Enrollees - Direct Care					
TRICARE Region - North	859,366	867,199	877,761	7,833	10,562
TRICARE Region - South	1,018,879	1,051,167	1,058,524	32,288	7,357
TRICARE Region - West	1,017,059	1,009,123	1,016,285	-7,936	7,162
TRICARE Region - Europe	178,711	160,355	160,979	-18,356	624
TRICARE Region - Pacific	187,463	183,768	184,107	-3,695	339
TRICARE Region - Latin America	2,961	2,420	2,420	-541	0
Alaska	69,532	59,852	59,880	-9,680	28
Sub-Total CONUS Regions	2,789,256	2,813,174	2,836,033	23,918	22,859
Sub-Total OCONUS Regions	412,234	387,479	388,442	-24,755	963
Total Direct Care Enrollees	3,201,490	3,200,653	3,224,475	-837	23,822

Source: FY12 = DEERS actuals; FY13 and 14 = Service Medical Departments Business Plans
Enrollees are only TRICARE PRIME Enrollees enrolled to a military treatment facility.
Excludes "Plus" empanelled and other TRICARE space available users.

Enrollees - Managed Care Support Contract

TRICARE Region - North	394,211	385,609	377,196	-8,602	-8,414
TRICARE Region - South	583,733	583,330	582,927	-403	-403
TRICARE Region - West	349,338	353,758	358,235	4,420	4,476
Total MCS Contracts	1,327,282	1,322,698	1,318,357	-4,584	-4,340

Infrastructure

Inpatient Facilities	56	56	56	0	0
Medical Clinics	365	361	361	-4	0
Dental Clinics	281	249	249	-32	0
Veterinary Clinics	255	254	254	-1	0

Direct Care System Workload (from M2 and Business Planning Tool)

Inpatient Admissions, Non-Weighted (SIDR Dispositions-All)	262,764	271,266	273,659	8,501	2,393
Inpatient Admissions, Weighted (MS-DRG RWPs, Non Mental Health)	192,606	200,419	201,498	7,813	1,079
Inpatient Admissions, Occupied Bed Days (Mental Health Only)	104,749	108,097	114,152	3,348	6,055
Average length of Stay (ALL Bed Days/All Dispositions)	12.65	0.00	0.00	-12.65	0.00
Ambulatory Visits, Non-Weighted (Encounters, CAPER)	38,041,219	38,563,479	39,157,893	522,260	594,414
Ambulatory Visits, Weighted (Adj Provider Aggregate RVUs, CAPER)	46,124,175	46,089,641	46,686,135	-34,534	596,494
Ambulatory Procedures, Weighted (Aggregate Weight APCs, CAPER)	23,483,577	23,735,150	23,755,269	251,573	20,119
Number of Outpatient Pharmacy Prescriptions "Scripts"	47,983,517	48,230,093	48,497,475	246,576	267,382

**Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
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(Total Comp Level)**

	<u>FY 2012</u> <u>Actual</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u>	<u>FY 2012-2013</u> <u>Change</u>	<u>FY 2013-2014</u> <u>Change</u>
<u>Dental Workload (Dental Weighted Values (DWVs) from Components)</u>					
CONUS	14,596,671	14,625,536	14,654,690	28,865	29,154
OCONUS	<u>2,770,789</u>	<u>2,779,931</u>	<u>2,789,165</u>	9,142	9,234
Total DWVs	17,367,460	17,405,467	17,443,855	38,007	38,388
<u>CONUS</u>					
Active Duty	12,960,169	12,982,941	13,005,941	22,772	23,000
Non-Active Duty	<u>1,636,502</u>	<u>1,642,595</u>	<u>1,648,749</u>	6,093	6,154
Total CONUS	14,596,671	14,625,536	14,654,690	28,865	29,154
<u>OCONUS</u>					
Active Duty	1,845,442	1,851,479	1,857,576	6,037	6,097
Non-Active Duty	<u>925,347</u>	<u>928,452</u>	<u>931,589</u>	3,105	3,137
Total OCONUS	2,770,789	2,779,931	2,789,165	9,142	9,234
<u>Private Sector Workload</u>					
<u>Managed Care Support Contracts (TRICARE Prime)</u>					
Inpatient Admissions	227,472	225,953	221,894	-1,519	-4,059
Inpatient Relative Weighted Product (RWPs)	222,810	221,322	217,346	-1,488	-3,976
Outpatient Visits	31,300,729	32,918,228	34,320,182	1,617,499	1,401,954
Outpatient Relative Weighted Units (RVUs)	82,205,038	86,453,072	90,135,022	4,248,035	3,681,949
<u>TRICARE Extra/Standard</u>					
Inpatient Admissions	148,715	147,722	145,068	-993	-2,654
Inpatient Relative Weighted Product (RWPs)	136,250	135,340	132,908	-910	-2,431
Outpatient Visits	11,711,949	12,317,177	12,841,753	605,228	524,576
Outpatient Relative Weighted Units (RVUs)	33,489,741	35,220,359	36,720,359	1,730,619	1,500,000
<u>Overseas CHAMPUS</u>					
Inpatient Admissions	18,284	17,036	15,872	-1,248	-1,163
Inpatient Relative Weighted Product (RWPs)	10,528	11,447	12,447	919	999
Outpatient Visits	430,418	430,418	430,418	0	0
Outpatient Relative Weighted Units (RVUs)	652,620	652,620	652,620	0	0

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	<u>FY 2012</u> <u>Actual</u>	<u>FY 2013</u> <u>Estimate</u>	<u>FY 2014</u> <u>Estimate</u>	<u>FY 2012-2013</u> <u>Change</u>	<u>FY 2013-2014</u> <u>Change</u>
Pharmacy					
Retail					
Number of Scripts	30,620,866	30,631,319	30,495,151	10,453	-136,168
Mail Order					
Number of Scripts	3,400,622	3,586,446	3,662,003	185,824	75,558
TRICARE Dental Program					
Enrollment - Single Plan	308,583	314,517	320,566	5,934	6,049
Enrollment - Family Plan	465,201	464,776	464,352	-425	-424
Enrollment - Survivor Single Plan	1,058	1,058	1,058	0	0
Enrollment - Survivor Family Plan	2,282	2,282	2,282	0	0
Uniformed Services Family Health Plan	117,099	121,377	125,917	4,278	4,540
Enrollees (Non-Medicare eligible, DoD Only)	74,975	79,253	83,793	4,278	4,540
Enrollees (Medicare eligible, DoD only)	42,124	42,124	42,124	0	0