

**Defense Health Program  
Fiscal Year (FY) 2019 Budget Estimates  
Operation and Maintenance  
Consolidated Health Support**

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

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

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

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

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

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**I. Description of Operations Financed (cont.)**

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

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

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

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

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

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

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**I. Description of Operations Financed (cont.)**

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

**II. Force Structure Summary:**

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

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**III. Financial Summary (\$ in thousands)**

	FY 2018						
	FY 2017	Budget	Congressional Action			Current	FY 2019
			<u>Actuals</u>	<u>Request</u>	<u>Amount</u>		
<b>A. <u>BA Subactivities</u></b>							
1. Examining Activities	88,559	85,402	0	0.0	85,402	85,402	100,370
2. Other Health Activities	666,250	690,141	0	0.0	690,141	690,141	668,613
3. Military Public / Occupational Health	503,460	534,757	4,116	0.8	538,873	534,757	551,460
4. Veterinary Services	27,826	30,896	0	0.0	30,896	30,896	32,021
5. Military Unique-Other Medical Activities	674,344	767,460	-4,116	-0.5	763,344	767,460	661,359
6. Aeromedical Evacuation System	70,954	57,090	0	0.0	57,090	57,090	66,483
7. Service Support to Other Health Activities- TRANSCOM	1,688	2,419	0	0.0	2,419	2,419	2,471
8. Joint Pathology Center	24,763	22,935	0	0.0	22,935	22,935	23,090
9. Support to FACA Advisory Board Activities	1,346	1,945	0	0.0	1,945	1,945	2,094
<b>Total</b>	<b>2,059,190</b>	<b>2,193,045</b>	<b>0</b>	<b>0.0</b>	<b>2,193,045</b>	<b>2,193,045</b>	<b>2,107,961</b>

1. FY 2017 actuals include \$5,141K for Overseas Contingency Operations (OCO).

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

3. FY 2019 estimate excludes \$2,375K for OCO.

4. The Department of Defense transferred O&M funding of \$122,400K in FY 2017 and will transfer \$115,519K in FY 2018 and \$113,000K in FY 2019 to the Joint Department of Defense - Department of Veterans Affairs Medical Facility Demonstration Fund (James A. Lovell Federal Health Care Center Great Lakes) established by section 1704 of Public Law 111-84 (National Defense Authorization Act for FY 2010). Additionally, the Department of Defense transferred \$15,000K of O&M funding in FY 2017 and will transfer the same amount in FY 2018 and FY 2019 to the DoD-VA Health Care Joint Incentive Fund (JIF) as required by Section 8111 of Title 38 of the United States Code (USC) and Section 722 of Public Law 111-92 (National Defense Authorization Act for FY 2016).

5. The following are Consolidated Health Support Budget Activity Group internal program element realignments:

a. James A. Lovell Federal Health Care Funds Realignment: Realigns medical care contracts (\$28,868K) from the Military Unique-Other Medical program element (PE) to the Other Health Activities PE to standardize accounting for budgeting and execution.

b. Analytics Support Services Realignment: Realigns Military Unique-Other Medical program element (PE) funding (\$3,600K) to the Other

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Health Activities PE to standardize accounting for Analytics (Studies, Analysis & Evaluations) Support Services. Realignment decreases OP32 Lines 932, Management and Professional Support Services (-\$3,100K) and 933, Studies, Analysis and Evaluations (-\$500K) in the Military Unique-Other Medical PE and increases Line 933 (+\$3,600K) in the Other Health Activities PE.

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<b>B. <u>Reconciliation Summary</u></b>	<b>Change</b>	<b>Change</b>
	<b><u>FY 2018/FY 2018</u></b>	<b><u>FY 2018/FY 2019</u></b>
<b>Baseline Funding</b>	2,193,045	2,193,045
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
<b>Subtotal Appropriated Amount</b>	<b>2,193,045</b>	
Fact-of-Life Changes (2018 to 2018 Only)		
<b>Subtotal Baseline Funding</b>	<b>2,193,045</b>	
Supplemental	1,980	
Reprogrammings		
Price Changes		40,389
Functional Transfers		-2,900
Program Changes		-122,573
<b>Current Estimate</b>	<b>2,195,025</b>	<b>2,107,961</b>
Less: Wartime Supplemental	-1,980	
<b>Normalized Current Estimate</b>	<b>2,193,045</b>	

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	<u>Amount</u>	<u>Totals</u>
<b>C. <u>Reconciliation of Increases and Decreases</u></b>		
<b>FY 2018 President's Budget Request (Amended, if applicable)</b>		<b>2,193,045</b>
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
<b>FY 2018 Appropriated Amount</b>		<b>2,193,045</b>
2. OCO and Other Supplemental Enacted		1,980
a. OCO and Other Supplemental Requested		
1) OCO	1,980	
FY 2018 Overseas Contingency Operations request.		
3. Fact-of-Life Changes		
<b>FY 2018 Baseline Funding</b>		<b>2,195,025</b>
4. Reprogrammings (Requiring 1415 Actions)		
<b>Revised FY 2018 Estimate</b>		<b>2,195,025</b>
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-1,980
<b>FY 2018 Normalized Current Estimate</b>		<b>2,193,045</b>
6. Price Change		40,389
7. Functional Transfers		-2,900
a. Transfers In		
b. Transfers Out		
1) Transfer Alcohol and Tobacco Counter Marketing	-2,900	
Efforts:		
Transfers Consolidated Health Support, Other Health Activities funding for alcohol and tobacco counter- marketing efforts from the Defense Health Agency (DHA) to the Office of the Under Secretary of Defense (Personnel and Readiness). Transferred funding		

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
provides for services and materials in support of the continuing efforts to inform, educate, and support the cessation of substance misuse by target audiences. By commodity, the transfer reduces printing and reproduction (-\$290K) and management and professional support services (-\$2,610K).		
8. Program Increases		32,528
a. Annualization of New FY 2018 Program		
b. One-Time FY 2019 Increases		
c. Program Growth in FY 2019		
1) a. U.S. Military Entrance Processing Command Medical Qualification Program: Funds contracts for specialty care referral services and fee-based providers to augment civil service medical staff (+\$8,200K) and supplies and materials (+\$5,000K). Increased requirements are driven by higher costs for medical referral services, implementation of the MedCheck contract to provide applicant reviews of pharmacy and other past medical history, as well as the purchase of sufficient medical supplies and test item inventory. Leveraging the new Med Check capabilities will facilitate early identification of non-qualified applicants and ultimately result in a more efficient applicant screening process. The FY 2018 Examining Activities program element baseline funding request is \$85,402K.	13,200	
2) b. Global Patient Movement: Realigns funding to Consolidated Health Support (CHS) from In-House Care (IHC) for Patient Movement Item	5,821	

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
<p>(PMI) medical equipment and facility infrastructure to mitigate a shortfall identified in the Military Aeromedical Evacuation Requirements Analysis/ Aeromedical Evacuation Requirements Analysis (MAERA/AERA). PMI program directly supports the Air Mobility Command's Aeromedical Evacuation (AE) mission that provides critical en-route care to and between medical treatment facilities. Realigned funds to CHS from IHC to align resources with appropriate AE/readiness capability program element. Increases Aeromedical Evacuation System program element funding for Equipment Purchases (+\$5,821K). The FY 2018 Aeromedical Evacuation System program element baseline funding request is \$57,090K. The FY 2018 Aeromedical Evacuation System program element baseline funding request for Equipment Purchases is \$11,481K.</p>		
<p>3) c. Human Performance Program/Base Operational Medical Clinic:</p> <p>Increases the Air Force Medical Service's funding for medical care contracts (+\$12,700K) to support the implementation of the Base Operational Medical Clinic program to improve reliability of Physical Exams and Standards product lines; to standardize workflow processes, to produce quality/accurate products (i.e. physical/occupational health exams, profiling, clearances, etc.); to ensure accurate medical readiness status reporting; and, to improve patient satisfaction. Increases the Military</p>	12,700	

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**C. Reconciliation of Increases and Decreases**

**Amount**

**Totals**

<p>Public/Occupational Health program element (+\$12,700K). The FY 2018 baseline funding request for this program element is \$538,873K. FY 2018 Military Public/Occupational program element medical care contracts baseline request is \$116,521K. The FY 2018 Military Public/Occupational Health program element baseline contractor staffing request is 683 CMEs.</p> <p>4) d. Navy and Marine Corps Public Health Center Drinking Water Program: Increases Consolidated Health Support, Military Public/Occupational Health program element funding to execute the Chief of Naval Operations directive to provide formal Public Health Risk Assessments (PHRA) of the potability of the drinking water at Navy installations, investigate disease/cancer clusters from contaminated water, and provide other consultative services and training for drinking water worldwide to protect the public health. Increases medical care contracts (+\$594K), travel (+\$25K) and supplies and materials (+\$5K). The FY 2018 Military Public/Occupational Health program element baseline funding request is \$538,873K. The FY 2018 Military Public/Occupational Health program element medical care contracts baseline funding is \$116,521K, the travel baseline funding request is \$7,347K and the supplies and materials baseline funding request is \$8,582K. The FY 2018 Military Public/Occupational Health program element baseline contractor staffing</p>	<p>624</p>
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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
request is 683 CMEs.		
5) e. OCONUS Civilian Manpower Reprogramming for Veterinary Services:	183	
Realigns 10 FTEs and associated funding to the Consolidated Health Support Veterinary Services program element (+\$183K) to ensure veterinary mission readiness at Ansbach, Germany and the Public Health Activity, Japan. This realignment includes a transfer of 7 FTEs and associated funding from the Consolidated Health Support Military Unique/Other Medical program element; a transfer of 2 FTEs and associated funding from In-House Care Budget Activity Group (+\$115K); and a transfer of 1 FTE and associated funding from the Information Management/Information Technology Budget Activity Group (+\$68K). FTEs and associated funding are available for realignment from the European Area Of Responsibility (AOR) following the Department of Army manpower studies that identified decreased workload in the European AOR from the closure at Schwienfurt, Germany. The FY 2018 Veterinary Services program element baseline funding request is \$30,896K. The FY 2018 Veterinary Services program element civilian pay baseline funding request is \$17,038K. The FY 2018 Veterinary Services baseline civilian staffing request is 225 FTEs.		
9. Program Decreases		-155,101
a. Annualization of FY 2018 Program Decreases		
b. One-Time FY 2018 Increases		

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**C. Reconciliation of Increases and Decreases**

c. Program Decreases in FY 2019

1) a. Reduced Contract Requirements:

Reduction of \$121,039K based on the incorporation of FY 2017 actual execution into the FY 2019 budget estimate for contract requirements. Incorporating this analysis into budgetary projections coupled with better pricing methodologies resulted in improved requirement identification and resource management. Funding reductions applied to contracts for other services from Non-Federal sources (-\$41,700K) in the Military Unique-Other Medical program element; medical care contracts in the Military Public/Occupational Health (-\$5,500K), Other Health Activities (-\$35,639K) and Military Unique-Other Medical (-\$28,000K) program elements; and other medical care costs in the Other Health Activities (-\$5,200K) and Military Unique-Other Medical (-\$5,000K) program elements. The FY 2018 Military Unique-Other Medical program element baseline funding request is \$763,344K. The Military Public/Occupational Health program element baseline funding request is \$538,873K. The Other Health Activities program element baseline funding request is \$690,141K. The Consolidated Health Support baseline contractor staffing request is 3,083 CMEs.

**Amount**

**Totals**

-121,039

2) b. James A. Lovell Federal Health Care Center:

Reduction of (\$2,519K) based on a slight decline in the Department of Defense share for the James A. Lovell Federal Health Care Center Department of

-2,519

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**C. Reconciliation of Increases and Decreases**

**Amount**

**Totals**

Defense-Department of Veterans Affairs Medical Facility Demonstration Fund. Funds are reduced from Other Health Activities program element, medical care contracts. The FY 2018 Other Health Activities program element baseline funding request is \$690,141K. The FY 2018 Other Health Activities baseline funding request for medical care contracts is \$199,379K. The FY 2018 Other Health Activities baseline contractor staffing request is 626 CMEs.

3) c. Military Health System Major Headquarters Reduction:

-6,598

Reduction of (\$6,598K) associated with Section 702, Reform of the Administration of the Defense Health Agency and Military Treatment Facilities in NDAA 2017. Savings are a result of initial efforts to eliminate duplicative activities carried out by the elements of the Defense Health Agency and the military departments. Reduces the Other Health Activities program element (-\$5,604K) with decreases in civilian FTEs (-14) and associated funding (-\$1,668K); management and professional support services (-\$3,430K); rent payments to GSA (-\$6K); and medical care contracts (-\$500K). Reduces the Military Unique-Other Medical program element with a decrease in civilian FTEs (-7) and associated funding (-\$994K). The FY 2018 Other Health Activities program element baseline funding request is \$690,141K. The FY 2018 Other Health Activities program element baseline civilian funding request is

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
<p>\$ 276,344K. The FY 2018 Other Health Activities program element baseline civilian staffing request is 2,488 FTEs. The FY 2018 Military Unique-Other Medical program element baseline funding request is \$763,344K. The FY 2018 Military Unique-Other Medical program element baseline civilian funding request is \$ 138,306K. The FY 2018 Military Unique-Other Medical program element baseline civilian staffing request is 1,467 FTEs. The Consolidated Health Support baseline contractor staffing request is 3,083 CMEs.</p>		
<p>4) d. Improve Financial Management - Deobligations: Reduction of (\$10,386K) as a result of the Military Health System (MHS) review of historical deobligation trends and associated financial management improvements. Reduced Consolidated Health Support requirements for medical care contracts (-\$5,139K); management and professional support services (-\$3,919K); services from Non-Federal sources (-\$1,048K); IT contracts support services (-\$178K); and studies, analysis and evaluations (-\$102K). Consolidated Health Support funds are reduced from the Examining Activities (-\$149K), Military Public/Occupational Health (-\$1,532K), Other Health Activities (-\$1,725K), Military Unique - Other Medical (-\$6,952), and Support to FACA Advisory Board Activities (-\$28K) program elements. The FY 2018 Consolidated Health Support Budget Activity Group baseline funding request is \$2,193,045K. The</p>	-10,386	

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
Consolidated Health Support baseline contractor staffing request is 3,083 CMEs.		
5) e. Travel Reduction: Reduced travel requirements for Army Medical Command's Other Health Activities (-\$336K) due to decreased participation in non-local conferences and training and fewer travel obligations resulting from shared services. The FY 2018 Other Health Activities program element baseline funding request is \$690,141K. The FY 2018 Other Health Activities program element travel baseline funding request is \$9,851K.	-336	
6) f. James A. Lovell Federal Health Care Center Funds Realignment: Realigns Navy Bureau of Medicine and Surgery funds for the James A. Lovell Federal Health Care Center (-\$10,705K) from Consolidated Health Support to In-house Care (+8,022K), Information Management (+\$2,252K) and Base Operations and Communications (+\$431K) to standardize accounting for budgeting and execution for the James A. Lovell Federal Health Care Center contract services that continue to be funded within the DHP. The Consolidated Health Support funds are realigned from Other Health Activities medical care contracts. The FY 2018 Other Health Activities program element baseline funding request is \$690,141K. The FY 2018 Other Health Activities program element medical care contracts baseline	-10,705	

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
<p>funding request is \$199,379K. The FY 2018 Other Health Activities program element baseline contractor staffing request is 626 CMEs.</p> <p>7) g. Korean Army Medical Material Center</p> <p>Reprogramming:</p> <p>Realigns 60 FTEs and associated funding (-\$2,936K) from Consolidated Health Support to In-House Care for sustained logistics operations at United States Army Medical Material Center, Korea. FTEs and associated funding are available for realignment from the European AOR following the Department of Army manpower studies that identified decreased workload in the European AOR from community closures at Bamberg and Schwienfurt Germany. The realignment reduces the Other Health Activities (-\$3,442K) and Military Public/Occupational Health (-\$104K) program elements; and increases the Military Unique/Other Medical (+\$610K) program element. The FY 2018 Other Health Activities program element baseline civilian funding request is \$276,344K. The FY 2018 Other Health Activities program element baseline civilian staffing request is 2,488 FTEs. The FY 2018 Military Public/Occupational Health program element baseline civilian funding request is \$358,617K. The FY 2018 Military Public/Occupational Health program element baseline civilian staffing request is 3,487 FTEs. The FY 2018 Military Unique-Other Medical program element baseline civilian funding request is \$138,306K. The FY 2018 Military Unique-Other Medical</p>	-2,936	

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program element baseline civilian staffing request is 1,467 FTEs.		
8) h. Army OCONUS Civilian Manpower Reprogramming for Medical/Dental Care:	-582	
Realigns 12 FTEs and associated funding from the Consolidated Health Support Other Health Activities program element (-\$582K) to the In-House Care Budget Activity Group to align manpower requirements with programmed funding lines at peacetime medical and dental treatment facilities in Korea. FTEs and associated funding are available for realignment from the European Area Of Responsibility (AOR) following the Department of Army manpower studies that identified decreased workload in the European AOR from the closure at Schwienfurt, Germany. The FY 2018 Other Health Activities program element baseline funding request is \$690,141K. The FY 2018 Other Health Activities program element civilian pay baseline funding request is \$276,344K. The FY 2018 Other Health Activities program element baseline civilian staffing request is 2,488 FTEs.		
<b>FY 2019 Budget Request</b>		<b>2,107,961</b>

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**IV. Performance Criteria and Evaluation Summary:**

**Performance Criteria and Evaluation Summary**

	FY 2017 Actuals	FY 2018 Estimate	FY 2019 Estimate	Change FY 2017/2018	Change FY 2018/2019
Active Duty Force Structure	1,547,608	1,555,044	1,561,504	7,436	6,460
1) Military Entrance Processing Stations Workload (000's)	305	326	326	21	-
2) Spectacles/Inserts Fabricated (000's)	1557	1579	1600	22	21
3) Veterinary Lab Procedures (000's)	194	203	203	9	-

1) Active Duty Force Structure: The FY 2017 to FY 2018 and FY 2018 to FY 2019 changes in Active Duty Force Structure support Department of Defense's increases in Active Duty end strength.

2) Military Entrance Processing Stations Workload: The Military Entrance Processing Command (MEPCOM) projects an increase in applicant workload for FY 2017 to FY 2018 to produce qualified accessions to achieve Department of Defense Armed Forces required escalating manning levels. MEPCOM projects achieving a steady state in workload in FY 2019 as efficiencies are realized from improved processes to identify non-qualified applicants.

3) Spectacles/Inserts Fabricated: The FY 2017 to FY 2018 increase is due to additional workload associated with the anticipated increase in Active Duty end strength in FY 2018 and the introduction of additional Frame of Choice (FOC) options. Nine (9) new FOC options were introduced in FY 2017 to replace outdated frame styles. Historically, 40% of the total force requires optical devices to attain vision correction. The FY 2018 to FY 2019 increase is due to a combination of continued replacements with new FOC options and the fielding of the M50 gas mask insert to both Active Duty and Reserve/Guard components replacing the M40 insert. Additionally, the introduction of new optical fabrication ordering technology is expected to drive an increase in demand across all fiscal years due to enhanced accessibility of services.

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**IV. Performance Criteria and Evaluation Summary:**

4) Veterinary Lab Procedures: The increase from FY 2017 to FY 2018 is due to the DoD Food Analysis and Diagnostics Labs (FADL) expanding their testing capabilities with new equipment and instruments for chemistry and diagnostic testing that will be online in FY 2018. No significant changes in FY 2019 are anticipated at this time.

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<b>V. <u>Personnel Summary</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b>Change <u>FY 2017/ FY 2018</u></b>	<b>Change <u>FY 2018/ FY 2019</u></b>
<u>Active Military End Strength (E/S) (Total)</u>	7,960	7,757	7,753	-203	-4
Officer	2,494	2,550	2,545	56	-5
Enlisted	5,466	5,207	5,208	-259	1
<u>Active Military Average Strength (A/S) (Total)</u>	<u>8,219</u>	<u>7,859</u>	<u>7,756</u>	-360	-103
Officer	2,592	2,522	2,548	-70	26
Enlisted	5,627	5,337	5,208	-290	-129
<u>Civilian FTEs (Total)</u>	<u>9,283</u>	<u>8,245</u>	<u>8,172</u>	-1,038	-73
U.S. Direct Hire	8,696	7,756	7,737	-940	-19
Foreign National Direct Hire	257	120	96	-137	-24
Total Direct Hire	8,953	7,876	7,833	-1,077	-43
Foreign National Indirect Hire	305	344	314	39	-30
Reimbursable Civilians	25	25	25	0	0
Average Annual Civilian Salary (\$ in thousands)	104.3	107.0	108.0	2.7	1.0
<u>Contractor FTEs (Total)</u>	<u>3,181</u>	<u>3,083</u>	<u>2,940</u>	-98	-143

Explanation of changes in Active Military End Strength: The decrease from FY 2017 to FY 2018 (-203) includes under-execution of FY 2017 military endstrength (+785), transfer of responsibility to the Department of the Army for the Wounded Transition Mission (-968), realignments to the Defense Health Agency for Enterprise Support Activities (-18), and internal realignments to meet emerging requirements (-2). The decrease from FY 2018 to FY 2019 (-4) includes transfer of Army Executive Agent endstrength to the Defense Health Agency (-16), transfer of endstrength from the Department of the Army for non-MHA

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functions (+32) and internal realignments to meet emerging requirements (-20).

Explanation of changes in Civilian FTEs: The decrease from FY 2017 to FY 2018 (-1,038) accounts for execution year adjustments, the continuation of the manpower adjustments based on the Secretary of Defense Modernization Study, Headquarters reductions, the transfer of the Army Medical Command's Wounded Warrior Program from the Defense Health Agency to the Department of the Army and internal Military Health System (MHS) realignments to: Air Force Medical Service (-56), Army Medical Command (-843), Navy Bureau of Medicine and Surgery (-127), the Defense Health Agency (-43). The decrease from FY 2018 to FY 2019 (-73) accounts for the 25% reduction to the Military Health System major headquarters as directed in the Terms of Reference of the "Military Health System Reform" memorandum signed by the Deputy Secretary of Defense on April 27, 2017; the transfer of the Armed Services Blood Program Office from Army to Defense Health Agency; and the realignment to support FACA activities at USUHS and is based on manpower adjustments: Air Force Medical Service (+17), Army Medical Command (-114), Navy Bureau of Medicine and Surgery (-3), Defense Health Agency (+26) and USUHS (+1).

Explanation of changes in Contractor FTEs: The decrease from FY 2017 to FY 2018 (-98) includes execution adjustments and accounts for the Defense Health Program's Service Requirements Review Board reductions and the Army Medical Command's Medical Action Plan transfer to the Department of the Army. The decrease from FY 2018 to FY 2019 (-143) accounts for an increase due to the realignment of the Armed Service Blood Program Office from Army to the Defense Health Agency in Military Unique-Other Medical programs (+16) and decreases due to the Defense Health Program's Service Requirements Review Board reductions in Other Health Activities (-107), Military Public/Occupational Health (-51), and Examining Activities (-1).

Contractor FTE Footnote: FY 2018 contractors have been updated based upon actual

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execution and anticipated savings. The FY 2018 Budget Request reflected an estimate of 3,436 contractor FTEs in FY 2018.

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

<u>OP 32 Line</u>	<u>FY 2017</u> <u>Actuals</u>	<u>Change</u> <u>FY 2017/FY 2018</u>		<u>FY 2018</u> <u>Estimate</u>	<u>Change</u> <u>FY 2018/FY 2019</u>		<u>FY 2019</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	923,068	18,037	-104,296	836,809	4,268	-1,264	839,813
103 Wage Board	9,466	185	-379	9,272	47	12	9,331
104 FN Direct Hire (FNDH)	9,496	186	-3,771	5,911	30	-50	5,891
105 Separation Liability (FNDH)	263	0	0	263	0	0	263
107 Voluntary Sep Incentives	1,495	0	0	1,495	0	0	1,495
<b>199 TOTAL CIV COMPENSATION</b>	<b>943,788</b>	<b>18,408</b>	<b>-108,446</b>	<b>853,750</b>	<b>4,345</b>	<b>-1,302</b>	<b>856,793</b>
308 Travel of Persons	46,521	791	-15,845	31,467	566	-432	31,601
<b>399 TOTAL TRAVEL</b>	<b>46,521</b>	<b>791</b>	<b>-15,845</b>	<b>31,467</b>	<b>566</b>	<b>-432</b>	<b>31,601</b>
401 DLA Energy (Fuel Products)	47	5	7	59	0	1	60
402 Service Fund Fuel	1	0	2	3	0	0	3
411 Army Supply	7	0	-7	0	0	0	0
412 Navy Managed Supply, Matl	400	0	-275	125	0	2	127
414 Air Force Consol Sust AG (Supply)	89	-7	-37	45	1	0	46
416 GSA Supplies & Materials	1,577	27	-123	1,481	27	1	1,509
417 Local Purch Supplies & Mat	3,207	55	-154	3,108	56	6	3,170
422 DLA Mat Supply Chain (Medical)	1,866	0	225	2,091	3	38	2,132
<b>499 TOTAL SUPPLIES &amp; MATERIALS</b>	<b>7,194</b>	<b>80</b>	<b>-362</b>	<b>6,912</b>	<b>87</b>	<b>48</b>	<b>7,047</b>
503 Navy Fund Equipment	27	0	0	27	0	1	28
506 DLA Mat Supply Chain (Const & Equip)	120	4	0	124	-2	4	126
507 GSA Managed Equipment	359	6	84	449	8	1	458
<b>599 TOTAL EQUIPMENT PURCHASES</b>	<b>506</b>	<b>10</b>	<b>84</b>	<b>600</b>	<b>6</b>	<b>6</b>	<b>612</b>
614 Space & Naval Warfare Center	73	3	-76	0	0	0	0
633 DLA Document Services	308	-4	-241	63	1	0	64
634 NAVFEC (Utilities and Sanitation)	19	0	-19	0	0	0	0
635 Navy Base Support (NAVFEC Other Support Services)	16	0	-5	11	0	0	11
647 DISA Enterprise Computing Centers	2	0	-2	0	0	0	0

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<u>OP 32 Line</u>	<u>FY 2017</u> <u>Actuals</u>	<u>Change</u> <u>FY 2017/FY 2018</u>		<u>FY 2018</u> <u>Estimate</u>	<u>Change</u> <u>FY 2018/FY 2019</u>		<u>FY 2019</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
671 DISA DISN Subscription Services (DSS)	1	0	15	16	0	0	16
675 DLA Disposition Services	3	0	0	3	0	0	3
677 DISA Telecomm Svcs - Reimbursable	7	0	-7	0	0	0	0
679 Cost Reimbursable Purchase	6	0	-1	5	0	0	5
680 Building Maint Fund Purch	7,190	-247	-6,600	343	-42	49	350
<b>699 TOTAL DWCF PURCHASES</b>	<b>7,625</b>	<b>-248</b>	<b>-6,936</b>	<b>441</b>	<b>-41</b>	<b>49</b>	<b>449</b>
706 AMC Channel Passenger	35,656	-571	-555	34,530	-552	1,243	35,221
719 SDDC Cargo Ops-Port hndlg	0	0	115	115	0	2	117
771 Commercial Transport	2,915	50	586	3,551	64	-22	3,593
<b>799 TOTAL TRANSPORTATION</b>	<b>38,571</b>	<b>-521</b>	<b>146</b>	<b>38,196</b>	<b>-488</b>	<b>1,223</b>	<b>38,931</b>
901 Foreign National Indirect Hire (FNIH)	21,557	421	3,442	25,420	130	-2,416	23,134
912 Rental Payments to GSA (SLUC)	85	1	-75	11	0	-6	5
913 Purchased Utilities (Non-Fund)	582	10	-592	0	0	0	0
914 Purchased Communications (Non-Fund)	1,034	18	465	1,517	27	4	1,548
915 Rents (Non-GSA)	3,863	66	-792	3,137	56	189	3,382
917 Postal Services (U.S.P.S)	77	1	-30	48	1	0	49
920 Supplies & Materials (Non-Fund)	95,977	1,632	-13,685	83,924	1,511	2,313	87,748
921 Printing & Reproduction	1,795	31	-76	1,750	31	-286	1,495
922 Equipment Maintenance By Contract	8,404	142	-3,158	5,388	97	7	5,492
923 Facilities Sust, Rest, & Mod by Contract	7,827	133	296	8,256	149	-201	8,204
924 Pharmaceutical Drugs	21,276	745	27,812	49,833	1,894	628	52,355
925 Equipment Purchases (Non-Fund)	53,024	901	-2,808	51,117	920	8,023	60,060
926 Other Overseas Purchases	0	0	41	41	1	0	42
930 Other Depot Maintenance (Non-Fund)	1	0	408	409	7	1	417
932 Mgt Prof Support Svcs	167,715	2,851	-56,699	113,867	2,050	-14,330	101,587

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<u>OP 32 Line</u>	<u>FY 2017</u> <u>Actuals</u>	<u>Change</u> <u>FY 2017/FY 2018</u>		<u>FY 2018</u> <u>Estimate</u>	<u>Change</u> <u>FY 2018/FY 2019</u>		<u>FY 2019</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
933 Studies, Analysis & Eval	38,208	650	-27,683	11,175	201	2,929	14,305
934 Engineering & Tech Svcs	1,545	26	-1,240	331	6	1	338
937 Locally Purchased Fuel (Non-Fund)	3	0	179	182	-1	3	184
955 Other Costs (Medical Care)	43,879	1,536	58,378	103,793	3,944	-6,229	101,508
957 Other Costs (Land and Structures)	838	14	-852	0	0	0	0
959 Other Costs (Insurance Claims/Indmnties)	133	2	-135	0	0	0	0
960 Other Costs (Interest and Dividends)	93	2	1,187	1,282	23	3	1,308
964 Other Costs (Subsistence and Support of Persons)	21	0	399	420	8	-1	427
986 Medical Care Contracts	239,335	8,376	275,444	523,155	19,880	-66,378	476,657
987 Other Intra-Govt Purch	74,153	1,261	-1,306	74,108	1,334	-5,384	70,058
988 Grants	9,751	166	-9,874	43	1	0	44
989 Other Services	179,320	3,048	3,657	186,025	3,348	-43,770	145,603
990 IT Contract Support Services	44,489	756	-28,798	16,447	296	-165	16,578
<b>999 TOTAL OTHER PURCHASES</b>	<b>1,014,985</b>	<b>22,789</b>	<b>223,905</b>	<b>1,261,679</b>	<b>35,914</b>	<b>-125,065</b>	<b>1,172,528</b>
<b>Total</b>	<b>2,059,190</b>	<b>41,309</b>	<b>92,546</b>	<b>2,193,045</b>	<b>40,389</b>	<b>-125,473</b>	<b>2,107,961</b>

The following Consolidated Health Support internal OP-32 realignments were driven by the continuation of the Military Health System's Common Cost Accounting Structure initiative:

1. Realignment from OP32 932, Management and Professional Support Services (-\$3,100K) to OP32 933, Studies, Analysis and Evaluations (+\$3,100K) to standardize accounting for Analytics Support Services.
2. Realignment from OP32 986, Medical Care Contracts (-\$5,000K) to OP32 955, Other Contracts (+\$5,000K) within the Military Unique-Other Medical program element to standardize accounting for the Aerospace Medicine Department and Performance Integration Support Services.