

**Defense Health Program
Fiscal Year (FY) 2020 President's Budget
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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	FY 2019						
	FY 2018	Budget	<u>Congressional Action</u>			Current	FY 2020
			<u>Actuals</u>	<u>Request</u>	<u>Amount</u>		
A. <u>BA Subactivities</u>							
1. Examining Activities	109,804	100,370	0	0.0	100,370	99,935	104,303
2. Other Health Activities	536,404	668,613	-4,700	-0.7	663,913	674,147	532,867
3. Military Public / Occupational Health	481,859	551,460	-15,600	-2.8	535,860	533,826	533,379
4. Veterinary Services	28,782	32,021	0	0.0	32,021	31,690	32,192
5. Military Unique-Other Medical Activities	685,124	661,359	-44,700	-6.8	616,659	609,596	607,460
6. Aeromedical Evacuation System	122,992	66,483	0	0.0	66,483	66,115	137,482
7. Service Support to Other Health Activities- TRANSCOM	1,757	2,471	0	0.0	2,471	2,468	2,484
8. Joint Pathology Center	24,832	23,090	0	0.0	23,090	23,090	23,236
9. Support to FACA Advisory Board Activities	1,590	2,094	0	0.0	2,094	2,094	2,133
Total	1,993,144	2,107,961	-65,000	-3.1	2,042,961	2,042,961	1,975,536

1. FY 2018 actuals include \$4,601K for OCO.

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

3. FY 2020 estimate excludes \$2,800K for OCO.

4. The Department of Defense transferred O&M funding of \$115,519K in FY 2018 and will transfer \$113,000K in FY 2019 and \$127,000K in FY 2020 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 2018 and will transfer the same amount in FY 2019 and FY 2020 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).

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B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2019/FY 2019</u>	<u>FY 2019/FY 2020</u>
Baseline Funding	2,107,961	2,042,961
Congressional Adjustments (Distributed)	-65,000	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	2,042,961	
Fact-of-Life Changes (2019 to 2019 Only)		
Subtotal Baseline Funding	2,042,961	
Supplemental	2,375	
Reprogrammings		
Price Changes		34,384
Functional Transfers		-79,699
Program Changes		-22,110
Current Estimate	2,045,336	1,975,536
Less: Wartime Supplemental	-2,375	
Normalized Current Estimate	2,042,961	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2019 President's Budget Request (Amended, if applicable)		2,107,961
1. Congressional Adjustments		-65,000
a. Distributed Adjustments		
1) DHP Under-execution	-35,000	
2) Medical Care Contracts - Excess Growth	-40,000	
3) Therapeutic Dog Training Program	10,000	
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2019 Appropriated Amount		2,042,961
2. OCO and Other Supplemental Enacted		2,375
a. OCO and Other Supplemental Requested		
1) OCO	2,375	
FY 2019 Overseas Contingency Operations request.		
3. Fact-of-Life Changes		
FY 2019 Baseline Funding		2,045,336
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2019 Estimate		2,045,336
5. Less: OCO and Other Supplemental Appropriations and Reprogrammings (Items 2 and 4)		-2,375
FY 2019 Normalized Current Estimate		2,042,961
6. Price Change		34,384
7. Functional Transfers		-79,699
a. Transfers In		
b. Transfers Out		
1) a. Air Force Medical Service Transfer of Civilian FTEs to the Department of the Air Force: Transfer 100 civilian FTEs and associated funding from the Air Force Medical Service's Consolidated	-10,578	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Health Support, Defense Health Program to the Department of the Air Force to right-size the Service Medical Headquarters in compliance with Military Health System reform initiatives.		
2) b. Army Medical Command Transfer of Civilian FTEs to the Department of the Army: Transfer 345 civilian FTEs and associated funding from the Army Medical Command's Consolidated Health Support, Defense Health Program to the Department of the Army to right-size the Service Medical Headquarters in compliance with Military Health System reform initiatives.	-41,206	
3) c. Navy Bureau of Medicine and Surgery Transfer of Civilian FTEs to the Department of the Navy: Transfer 139 civilian FTEs and associated funding from the Navy Bureau of Medicine and Surgery's Consolidated Health Support, Defense Health Program to the Department of the Navy to right-size the Service Medical Headquarters in compliance with Military Health System reform initiatives.	-27,915	
8. Program Increases		108,071
a. Annualization of New FY 2019 Program		
b. One-Time FY 2020 Increases		
c. Program Growth in FY 2020		
1) a. Patient Movement Item (PMI) Equipment: Increases the Air Force Medical Service's funding for Patient Movement Item (PMI) medical equipment and supplies to mitigate a shortfall identified in the 2017 Aeromedical Evacuation Requirements Analysis	70,018	

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(AERA) study. The PMI program directly supports the Air Mobility Command's Aeromedical Evacuation (A/E) mission that provides critical en-route care to and between medical treatment facilities. Updated patient evacuation demand from the newly developed Joint Medical Planning Tool (JMPT) and the U. S. Transportation Command (USTRANSCOM)/Surgeon Generals' (SG) requirement for a 14-day recycle time drive the increased requirement for PMI inventory of ventilators, Intra-Venous (IV) controllers, patient monitors and pulse oximeters. Increases Aeromedical Evacuation System program element funding for equipment purchases (+\$69,074K), OP-32 line 925, and supplies and materials (+\$944K), OP-32 line 920. The FY 2019 Aeromedical Evacuation System program element baseline funding is \$ 66,115K. The FY 2019 Aeromedical Evacuation System program element baseline funding for equipment purchases is \$19,900K and for supplies and materials is \$2,645K.

2) b. Army Material Readiness:

4,178

Increases civilian FTEs (+13), associated civilian pay (+\$715K) and 20 contract support positions (+\$3,463K) for the U. S. Army Medical Research and Materiel Command (USAMRMC) to meet increased demands for medical materiel readiness and support of Army and Joint Forces actively engaged in three Combatant Commands. Since 2014, an increase in the operational tempo and rotational troop levels throughout its supported Areas of Responsibility (AORs) has driven a

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26% increase in the demand for supplies and services while personnel levels remained constant. Additional contract support is required to eliminate a growing backlog of unfilled customer orders and to meet storage, distribution, medical maintenance and optical fabrication requirements. Expanded program support is required in multiple modalities of medical logistics including: enterprise business solutions for Army, Army Reserve and Army National Guard; assemblage management for Navy and Air Force; delivery of medical repair parts to operating forces; plant maintenance; materiel management; sales and distribution; warehouse management; instructional design and training delivery; and the development of sound, multi-year investments in clinical technology such as diagnostic imaging, laboratory sciences, patient monitoring, surgical instrument tracking, and nuclear medicine. Increases the Other Health Activities program element Other Services (+\$3,463K), OP-32 line 989, and Executive, General and Special Schedules (+\$715K), OP-32 line 101. The FY 2019 Other Health Activities program element baseline funding is \$674,147K. The FY 2019 Other Health Activities program element baseline civilian staffing is 2,387 FTEs and the civilian pay baseline funding is \$276,577K. The FY 2019 Other Health Activities program element baseline contractor staffing is 566 CMEs.

3) c. U.S. Military Entrance Processing Command Medical

3,924

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Qualification Program:

Increases civilian FTEs (+41) and associated pay (+\$3,924K) at the U. S. Military Entrance Processing Command (USMEPCOM) to meet additional manpower requirements validated by the U.S. Army Manpower Analysis Agency to support medical workload growth. The addition of 41 medical authorizations will enable USMEPCOM to support the accession of additional service members required to meet programmed end strength and achieve the Services' recruiting goals. Proper staffing provides the necessary flexibility to handle operational tempo challenges due to increases in medical examinations, aptitude testing and administrative processing associated with accessions growth. The FY 2019 Examining Activities program element funding baseline funding is \$99,935K. The FY 2019 Examining Activities program element civilian pay baseline is \$44,783K and the civilian staffing baseline is 451 FTEs.

- 4) d. James A. Lovell Federal Health Care Center: 14,000
 Increase of \$14,000K based on a projected increase due to workload in the Department of Defense share for the James A. Lovell Health Care Center Department of Defense-Department of Veterans Affairs Medical Facility Joint Demonstration Fund. Funds are increased in the Other Health Activities program element, medical care contracts, OP-32 line 986. The FY 2019 Other Health Activities program element baseline funding is \$674,147K. The Other Health

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Activities program element baseline funding for medical care contracts is \$193,153K and the baseline contractor staffing is 245 CMEs.		
5) e. Readiness Programs: Restores Consolidated Health Support funding for supplies and materials (+\$3,840K), OP-32 line 920.1, to maintain the continuity of operations in the Optical Fabrication Enterprise (+1,040K) and Blood Donor Testing Program (+\$2,800K). Funds increase the Military Unique-Other Medical program element. The FY 2019 Military Unique-Other Medical program element baseline funding for supplies and materials is \$47,206K.	3,840	
6) f. Long-Term Opioid Therapy Pilot Program: Funds the Urine Drug Testing for Beneficiaries Long-Term Opioid Therapy Pilot program (+\$8,000K). This pilot program will assess the feasibility and advisability of mechanisms to minimize the early exposure of beneficiaries under the TRICARE program to opioids and to prevent the progression of beneficiaries to misuse or abuse of opioids medications. Funds increase supplies and materials, OP-32 line 920.1 in the Military Unique-Other Medical (+\$8,000K) program element. The Military Unique-Other Medical program element baseline funding for supplies and materials is \$47,206K.	8,000	
7) g. Vision Center of Excellence: Realigns the Vision Center of Excellence (VCoE)	2,111	

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Executive Agency to the Defense Health Agency (DHA) from the Navy Bureau of Medicine and Surgery (BUMED). Funds realigned to the Consolidated Health Support budget activity group (BAG) from the In-House Care BAG to support requirements for data abstraction. The transfer of the VCoE operating budget from BUMED to DHA includes 9 civilian FTEs and associated costs to complete the reprogramming of this shared service. Funds increase the Military Unique - Other Medical program element (+\$2,111K). The FY 2019 Military Unique-Other Medical program element baseline funding is \$609,596K. The FY 2019 Military Unique-Other Medical program element civilian pay baseline funding is \$137,252K and the baseline civilian staffing is 1,480 FTEs.

8) h. Knowledge Skills and Abilities (KSA) Program Office: 2,000

Resources required for the Knowledge, Skills and Abilities Program Office for the Initial Operational Capability of contractor-supported tri-service discovery of the knowledge, skills and abilities (KSA) in 62 deployable/operational enlisted and officer common specialties. The KSA specialty lists will have built-in annual or pre-deployment assessments associated with minimum joint KSA thresholds. The KSA lists themselves are to be re-evaluated for relevance/validity and lessons observed, along with new research outputs. Funds

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increase the Other Health Activities program element, medical care contracts, OP-32 line 986. The FY 2019 Other Health Activities program element baseline funding is \$674,147K. The Other Health Activities program element baseline funding for medical care contracts is \$193,153K and the baseline contractor staffing is 245 CMEs.		
9. Program Decreases		-130,181
a. Annualization of FY 2019 Program Decreases		
b. One-Time FY 2019 Increases		
c. Program Decreases in FY 2020		
1) a. Reduced Contract Requirements:	-77,183	
Reduction of \$77,183K based on the incorporation of FY 2018 actual execution into the FY 2020 budget estimate for contract requirements. Incorporating this analysis into budgetary projections combined with better pricing methodologies, and a review of historical deobligation trends resulted in improved requirement identification and resource management. Funding reductions applied to contracts for Medical Care, OP-32 line 986, in the Military Unique-Other Medical (-\$15,340K), Military Public/Occupational Health (-\$9,786K), and Other Health Activities (-10,424K) program elements; Other Costs (Medical Care), OP-32 line 955, in the Other Health Activities (-\$11,602K) and Military Unique-Other Medical (-\$1,910K) program elements; Facility Sustainment, Restoration, And Modernization by Contract, OP-32		

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line 923 in the Other Health Activities (-\$4,500K) and Military Unique-Other Medical (-1,300K) program elements; and Other Goods and Services from Federal Sources (-\$20,321K), OP-32 line 989, and Payments to Foreign National Indirect Hires in the Military Unique-Other Medical program element (-\$2,000K), OP-32 line 901. The FY 2019 Military Public/Occupational Health program element baseline funding is \$ 533,826K and the baseline contractor staffing is 632 CMEs. The FY 2019 Other Health Activities program element baseline funding is \$674,147K and the baseline contractor staffing is 566 CMEs. The FY 2019 Military Unique-Other Medical program element baseline funding is \$609,596K and the baseline contractor staffing is 1,432 CMEs.		
2) b. Service Medical Headquarters Realigned to the Defense Health Agency: Realigns 358 civilian FTEs and associated funding from the Consolidated Health Support budget activity group to the Management Activities budget activity group to implement specific organizational reforms directed by Congress making the Defense Health Agency responsible for: the operations of all military medical treatment facilities (MTFs); fully integrating medical capabilities of the Armed Forces; and eliminating duplication of functions and tasks among Military Health System components. Funding realignments decrease the Military Public/Occupational Health program element (-	-52,063	

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\$8,545K), the Other Health Activities program element (-\$36,187K) and the Military Unique-Other Medical program element (-\$7,331K). Funding realignments decrease civilian pay (-\$52,004K), OP32 line 101 and travel (-\$59K), OP-32 line 308.1. The FY 2019 Consolidated Health Support budget activity group baseline funding is \$ 2,042,961K. The FY 2019 Consolidated Health Support civilian pay baseline funding is \$850,499K and the baseline civilian staffing is 8,172 FTEs.

3) c. Desktop to Data Center (D2D)

-935

Reduces Military Unique-Other Medical program funding to consolidate the Desktop to Data Center (D2D) program through centralization at the Defense Health Agency (DHA) Health Information Technology (HIT) Directorate. Centralized functions include: help desk support (Global Service Center); network security; data computation and data storage; global directory services; and network management services that were formerly provided by the individual Military Health System (MHS) components or the Military Departments. Funds are reduced from IT Contracts Support Services, OP-32 line 990. The FY 2019 Military Unique-Other Medical program element baseline funding for IT contract support services is \$11,541K and the baseline contractor staffing request is 28 CMEs.

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1,975,536

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IV. Performance Criteria and Evaluation Summary:

Performance Criteria and Evaluation Summary

	FY 2018 Actuals	FY 2019 Estimate	FY 2020 Estimate	Change FY 2018/2019	Change FY 2019/2020
Active Duty Force Structure	1,563,919	1,580,675	1,593,606	16,756	12,931
1) Military Entrance Processing Stations Workload (000's)	305	365	359	60	(6)
2) Spectacles/Inserts Fabricated (000's)	1624	1646	1668	22	22
3) Veterinary Lab Procedures (000's)	69	70	70	1	-

1) Active Duty Force Structure: The FY 2018 to FY 2019 and FY 2019 to FY 2020 changes in Active Duty Force Structure support Department of Defense's increases in Active Duty end strength.

2) Military Entrance Processing Stations Workload: The FY 2018 Armed Forces recruiting mission was not met causing FY 2018 actuals to be lower than projected. The Military Entrance Processing Command (MEPCOM) projects an increase in applicant workload for FY 2019 to produce qualified accessions to achieve Department of Defense Armed Forces required escalating manning levels and compensating for recruiting shortfalls in FY 2018. MEPCOM projects achieving a steady state in workload in FY 2020 as efficiencies are realized from improved processes to identify non-qualified applicants and leveling off of accession goals.

3) Spectacles/Inserts Fabricated: The FY 2018 to FY 2019 increase is due to a combination of additional workload associated with the anticipated increase in Active Duty end strength; continued replacements with new Frame of Choice (FOC) options; the fielding of the M50 gas mask insert to both Active Duty and Reserve/Guard components replacing the M40 insert; and the implementation of digital freeform and anti-reflective lens enhancements. The FY 2019 to FY 2020 increase is due to the introduction of new optical fabrication ordering technology which is expected to drive an increase in demand across all fiscal years due to enhanced accessibility of services. Historically, 40% of the total force requires optical devices to attain vision correction.

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IV. Performance Criteria and Evaluation Summary:

4) Veterinary Lab Procedures: A new automated, web-based data collection system for Veterinary Lab procedures was recently implemented which improved the accuracy of accounting for food and animal testing.

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V. <u>Personnel Summary</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>Change FY 2018/ FY 2019</u>	<u>Change FY 2019/ FY 2020</u>
<u>Active Military End Strength (E/S) (Total)</u>	7,441	7,753	7,439	312	-314
Officer	2,274	2,545	2,200	271	-345
Enlisted	5,167	5,208	5,239	41	31
<u>Active Military Average Strength (A/S) (Total)</u>	<u>7,701</u>	<u>7,598</u>	<u>7,597</u>	<u>-103</u>	<u>-1</u>
Officer	2,384	2,410	2,373	26	-37
Enlisted	5,317	5,188	5,224	-129	36
<u>Civilian FTEs (Total)</u>	<u>8,418</u>	<u>8,165</u>	<u>7,260</u>	<u>-253</u>	<u>-905</u>
U.S. Direct Hire	7,945	7,749	6,844	-196	-905
Foreign National Direct Hire	192	96	96	-96	0
Total Direct Hire	8,137	7,845	6,940	-292	-905
Foreign National Indirect Hire	274	313	313	39	0
Reimbursable Civilians	7	7	7	0	0
Average Annual Civilian Salary (\$ in thousands)	106.9	106.9	106.7	0	-0.2
<u>Contractor FTEs (Total)</u>	<u>3,274</u>	<u>2,706</u>	<u>2,938</u>	<u>-568</u>	<u>232</u>

Explanation of changes in Active Military End Strength:

The increase from FY 2018 to FY 2019 (+312) includes under execution of FY 2018 Actuals (+316: Army: +30, Navy: -60, AF: +346), realignments to the Defense Health Agency for Army Executive Agent functions (-16; includes Armed Forces Medical Examiner: -13, Armed Services Blood Program Office: -2, and Army Military Vaccine Agency: -1), transfer of end strength from the Department of the Army for non Major Headquarters Activities (+32:

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Expeditionary Medical Training: +15; Third Party Collections: +5; Patient Administration: +4; Pharmaco-Economics: +4; Legal: +2; Trauma Training: +2) and internal realignments to meet emerging requirements (-20).

The decrease from FY 2019 to FY 2020 (-314) includes 10% end strength reduction for Major Headquarters Activities (-160; Army: -145, Navy: -15), transfers to the Defense Health Agency for Major Headquarters Activities (-96: Army: -46, Navy -32, AF: -18), mission transfers to the Military Departments for Medical Readiness: (-562: Army: -72, Navy: -89, AF: -401), transfers to the Military Departments for reductions to medical end strength (Army: -197), restoral of previously programmed reductions at Major Headquarters Activities (Army: +3), and internal reprogramming to meet emerging requirements (Navy: +698).

Explanation of changes in Civilian FTEs:

The decrease from FY 2018 to FY 2019 (-253) includes FY 2018 execution adjustments (-180: Army +74; Navy: -107; Air Force: -47; Defense Health Agency: -89; National Capital Region: -12; and Uniform Services University of the Health Sciences: +1) and 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 (-21); Service headquarters execution and internal reprogramming adjustments (+12); Army internal realignments to support OCONUS mission requirements (-68); the transfer of the DoD HIV/AIDS Prevention Program from Navy to the Defense Health Agency (+3); and the realignment to support FACA activities at USUHS (+1). Manpower adjustments by component are: Air Force Medical Service (-30), Army Medical Command (-40), Navy Bureau of Medicine and Surgery (-110), Defense Health Agency (-63), National Capital Region (-12), and Uniformed Services University of the Health Sciences (+2).

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The decrease from FY 2019 to FY 2020 (-905) includes mission transfers to the Military Departments for medical readiness: (-584: Army: -345, Navy: -139, AF: -100); transfers to the Defense Health Agency for Major Headquarters Activities (-358: Army: -248, Navy -159, DHA +49); 10% FTE reduction for Major Headquarters Activities (Navy: -22); Army Material Readiness (+13), U.S. Military Entrance Processing Command (+41); 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 (-14); and Service headquarters execution and internal reprogramming adjustments (+19). Manpower adjustments by component are: Air Force Medical Service (-92), Army Medical Command (-574), Navy Bureau of Medicine and Surgery (-340), Defense Health Agency (+68), National Capital Region (+33).

Explanation of changes in Contractor FTEs:

The decreases from FY 2018 to FY 2019 (-568) includes execution adjustments and reflects the net impact of Defense Health Program's Service Requirements Review Board reductions; Air Force Medical Service's (AFMS) realignment efforts under the Common Cost Accounting Structure; increased support for Examining Activities (+43) and the Federal Advisory Committee Act Advisory Board Activities (+2); and the continuation of the incremental reduction to contract support in compliance with the Department of Defense efficiency and headquarters reductions across all Services. Reductions from FY 2018 to FY 2019 are accounted for in Other Health Activities (-166), Military Public/Occupational Health (-152), Military Unique-Other Medical programs (-264) and the Joint Pathology Center (-31).

The increase from FY 2019 to FY 2020 (+232) reflects the net impact of the Medical Headquarters transfer from the Services to the Defense Health Agency (DHA). Changes from FY 2019 to FY 2020 are accounted for in Military Unique-Other Medical programs (+248), Other Health Activities (+22), and Military Public/Occupational Health (-38).

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

<u>OP 32 Line</u>	<u>FY 2018</u> <u>Actuals</u>	<u>Change</u> <u>FY 2018/FY 2019</u>		<u>FY 2019</u> <u>Estimate</u>	<u>Change</u> <u>FY 2019/FY 2020</u>		<u>FY 2020</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	857,730	4,374	-25,652	836,452	0	-95,851	740,601
103 Wage Board	11,251	57	-2,324	8,984	0	-1,672	7,312
104 FN Direct Hire (FNDH)	9,306	47	-5,991	3,362	0	0	3,362
105 Separation Liability (FNDH)	314	0	0	314	0	0	314
107 Voluntary Sep Incentives	1,387	0	0	1,387	0	0	1,387
199 TOTAL CIV COMPENSATION	879,988	4,478	-33,967	850,499	0	-97,523	752,976
308 Travel of Persons	48,007	865	-17,269	31,603	632	-648	31,587
399 TOTAL TRAVEL	48,007	865	-17,269	31,603	632	-648	31,587
401 DLA Energy (Fuel Products)	27	0	33	60	0	1	61
402 Service Fund Fuel	2	0	1	3	0	0	3
411 Army Supply	52	0	-52	0	0	0	0
412 Navy Managed Supply, Matl	125	0	2	127	3	-130	0
414 Air Force Consol Sust AG (Supply)	45	1	0	46	4	-50	0
416 GSA Supplies & Materials	1,294	23	192	1,509	30	-403	1,136
417 Local Purch Supplies & Mat	2,971	53	146	3,170	63	-611	2,622
422 DLA Mat Supply Chain (Medical)	1,286	2	844	2,132	-6	-422	1,704
499 TOTAL SUPPLIES & MATERIALS	5,802	79	1,166	7,047	94	-1,615	5,526
503 Navy Fund Equipment	27	0	1	28	1	0	29
506 DLA Mat Supply Chain (Const & Equip)	124	-2	4	126	-1	-125	0
507 GSA Managed Equipment	335	6	117	458	9	-349	118
599 TOTAL EQUIPMENT PURCHASES	486	4	122	612	9	-474	147
614 Space & Naval Warfare Center	49	0	-49	0	0	0	0
633 DLA Document Services	870	16	-822	64	0	-2	62
635 Navy Base Support (NAVFECC Other Support Services)	11	0	0	11	0	0	11
671 DISA DISN Subscription Services (DSS)	0	0	16	16	-1	0	15
675 DLA Disposition Services	2	0	1	3	0	-1	2

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<u>OP 32 Line</u>	<u>FY 2018</u> <u>Actuals</u>	<u>Change</u> <u>FY 2018/FY 2019</u>		<u>FY 2019</u> <u>Estimate</u>	<u>Change</u> <u>FY 2019/FY 2020</u>		<u>FY 2020</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
679 Cost Reimbursable Purchase	5	0	0	5	0	0	5
680 Building Maint Fund Purch	5,424	-664	-4,410	350	7	0	357
699 TOTAL DWCF PURCHASES	6,361	-648	-5,264	449	6	-3	452
706 AMC Channel Passenger	25,187	-403	10,437	35,221	704	0	35,925
719 SDDC Cargo Ops-Port hndlg	0	0	117	117	44	-161	0
771 Commercial Transport	2,800	50	743	3,593	72	-562	3,103
799 TOTAL TRANSPORTATION	27,987	-353	11,297	38,931	820	-723	39,028
901 Foreign National Indirect Hire (FNIH)	19,265	98	1,973	21,336	0	-70	21,266
902 Separation Liab (FNIH)	65	0	0	65	0	-65	0
912 Rental Payments to GSA (SLUC)	88	2	-85	5	0	0	5
913 Purchased Utilities (Non-Fund)	613	11	-624	0	0	0	0
914 Purchased Communications (Non-Fund)	339	6	1,203	1,548	31	0	1,579
915 Rents (Non-GSA)	5,473	99	-2,190	3,382	68	16	3,466
917 Postal Services (U.S.P.S)	55	1	-7	49	1	0	50
920 Supplies & Materials (Non-Fund)	93,245	1,678	-7,175	87,748	1,755	8,103	97,606
921 Printing & Reproduction	919	17	559	1,495	30	-24	1,501
922 Equipment Maintenance By Contract	6,121	110	-739	5,492	110	-829	4,773
923 Facilities Sust, Rest, & Mod by Contract	2,679	48	5,477	8,204	164	-5,799	2,569
924 Pharmaceutical Drugs	45,814	1,741	4,800	52,355	2,042	58	54,455
925 Equipment Purchases (Non-Fund)	119,073	2,143	-61,156	60,060	1,201	61,443	122,704
926 Other Overseas Purchases	41	1	0	42	1	0	43
930 Other Depot Maintenance (Non-Fund)	0	0	417	417	8	0	425
932 Mgt Prof Support Svcs	118,239	2,128	-16,687	103,680	2,074	7,043	112,797
933 Studies, Analysis & Eval	42,753	770	-29,218	14,305	286	1,235	15,826
934 Engineering & Tech Svcs	7,448	134	-7,244	338	7	-1	344
937 Locally Purchased Fuel (Non-Fund)	5	0	179	184	-1	2	185

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**Defense Health Program
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<u>OP 32 Line</u>	<u>FY 2018 Actuals</u>	<u>Change FY 2018/FY 2019</u>		<u>FY 2019 Estimate</u>	<u>Change FY 2019/FY 2020</u>		<u>FY 2020 Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
955 Other Costs (Medical Care)	45,617	1,733	57,616	104,966	4,094	-20,493	88,567
957 Other Costs (Land and Structures)	320	6	-326	0	0	0	0
960 Other Costs (Interest and Dividends)	9	0	1,299	1,308	26	0	1,334
964 Other Costs (Subsistence and Support of Persons)	57	1	369	427	9	0	436
986 Medical Care Contracts	262,805	9,986	147,615	420,406	16,396	-23,826	412,976
987 Other Intra-Govt Purch	49,791	896	21,387	72,074	1,441	-3,047	70,468
988 Grants	13,432	242	-3,593	10,081	202	-10,194	89
989 Other Services	153,867	2,770	-28,462	128,175	2,564	-14,366	116,373
990 IT Contract Support Services	36,380	655	-21,357	15,678	314	-9	15,983
999 TOTAL OTHER PURCHASES	1,024,513	25,276	64,031	1,113,820	32,823	-823	1,145,820
Total	1,993,144	29,701	20,116	2,042,961	34,384	-101,809	1,975,536

FY 2018 to FY 2019 Notes:

1. Incorporation of FY 2018 actuals account for change in program growth in the following OP-32 lines: Civilian Compensation (Line 199); Travel of Persons (Line 308); AMC Channel Passenger (Line 706); Equipment Purchases (Line 925); Other Costs (Medical Care) (Line 955); Medical Care Contracts (Line 986); Mgt Professional Support Services (Line 932); Studies, Analysis and Evaluation (Line 933); Other Intra-Govt Purchases (Line 987.1).
2. FHCC control adjustments also account for change in program growth in Medical Care Contracts (Line 986).
3. Commodity realignments, improvement to financial management (deobligations), MHS Major Headquarters reduction, the transfer of alcohol and tobacco counter marketing efforts from DHA to OUSD (P&R) also drove change in program growth in Mgt Professional Support Services (Line 932).

FY 2019 to FY 2020 Notes:

1. Medical Headquarters realignments and reductions and Army manpower increases at MEPCOM and U. S. Army Medical Research and Materiel Command (USAMRMC) drive the change in Civilian Compensation. (Line 199).
2. Medical Headquarters realignments and increases for Patient Movement Item equipment, readiness programs and the Long-Term Opioid Therapy Pilot Program drive the change in Supplies and Materials (Line 920.1).
3. An increased requirement for Patient Movement Item equipment drives the change in Equipment Purchases (Line 925).
4. The realignment of the Vision Center of Excellence (VCOE) from Navy to the Defense Health Agency drives the changes in Management and Professional Support Services and Studies (OP-32 Line 932), Analysis and Evaluation (Line 933).
5. Reduced resource requirements drive the change in Other Costs (OP-32 Line 955), Medical Care Contracts (Line 986)
6. Reduced resource requirements, Medical Headquarters realignments and an increase to Army material readiness drive the change to Other Services (Line 989.1).
6. Reduced resource requirements, Medical Headquarters realignments and an increase to Army material readiness drive the change to Other Services (Line 989.1).