Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2022 Budget Estimates
Introductory Statement

($ in Millions)

Appropriation Summary:	FY 2020[1] Actuals	Price Growth	Program Growth	FY 2021[2] Estimate	Price Growth	Program Growth	FY 2022[3] Estimate
Operation & Maintenance[4]	32,963.9	1,012.7	-2,211.9	31,764.7	1,024.8	1,393.2	34,182.7
RDT&E	3,657.9	10.8	-1,276.1	2,392.6	13.1	-1,775.0	630.7
Procurement	476.4	13.8	54.2	544.4	14.2	220.4	779.0
Total, DHP	**37,098.2**	**1,037.3**	**-3,433.8**	**34,701.7**	**1,052.1**	**-161.4**	**35,592.4**
MERHCF Receipts	10,570.1			11,347.7			11,958.1
Total Health Care Costs	**47,668.3**			**46,049.4**			**47,550.5**

[1/] FY 2020 actuals includes $3.466 billion for CARES, $347.535 million for OCO, $10.0 million for Fisher House, and excludes funds transferred to VA for Lovell FHCC and the Joint Incentive Fund ($141.865 million)
[2/] FY 2021 estimate includes $365.098 million for OCO, includes $650.245 million fact-of-life increase attributed to COVID-19 Pandemic healthcare claims in Private Sector Care, and includes $10.0 million for Fisher House, $137 million for transfer to VA for Lovell FHCC, and $15 million for transfer to Joint Incentive Fund.
[3/] FY 2022 request includes $251.851 million for Direct War Funding, $429.415 for continued COVID-19 Pandemic response and includes $137 million for transfer to VA for Lovell FHCC and $15 million for transfer to Joint Incentive Fund.
[4/] Reflects DoD Medicare-Eligible Retiree Health Care Fund (MERHCF) O&M transfer Receipts for FY 2020, FY 2021 and FY 2022 that support 2.5 million Medicare-eligible retirees and their family members.

Description of Operations Financed:

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. The MHS provides care in government owned and operated medical treatment facilities focused on sustaining readiness of the medical force and the medical readiness of deployable forces. Additionally, the MHS purchases more than 65 percent of the total care provided for beneficiaries through tailored contracts, such as Managed Care Support Contracts responsible for the administration of the TRICARE benefit. 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 COVID-19 Pandemic had, and continues to have, a major impact on the DoD and the Military Health System (MHS), in terms of both the management of the pandemic inside DoD and the MHS's larger role in the national "whole of government" counterattack against the virus. In FY 2022 and beyond, the MHS will continue its efforts to eradicate the virus and apply lessons learned which will have an immediate and sustained impact on the ability of the MHS to support the ongoing pandemic and to prepare for future major public health emergencies. FY 2022 funding will support COVID-19 and pandemic response priorities to integrate essential requirements for prevention, diagnosis, and surveillance health activities.

Directed in the National Defense Authorization Act (NDAA) for Fiscal Years 2017 and 2019, the MHS is undergoing its most significant transformation in decades. The reforms set forth in the NDAA change the structure of the health care benefit and the management of the MHS. The Defense Health Agency's centralized administration of Military Treatment Facilities (MTFs) will transform the MHS into an integrated readiness and health system, eliminate redundancies and create a standardized high quality care experience for our beneficiaries. The FY 2022 Budget continues the Department's efforts to develop and employ cost containment strategies, while addressing delays in planned reform efforts in the FY 2021 budget due to COVID-19 impacts to transition plans. For FY 2022, our efforts will focus on additional business reforms and process re-engineering as we continue to examine the impacts of recently implemented reforms. To support these efforts, the Defense Health Agency will stand-up a Picture Archiving and Communication (PACS) office to ensure sufficient staffing and process standardization are in place to realize identified savings. Additionally, the DHA will achieve savings by establishing a unified Medical Logistics Enterprise Activity to leverage best practices and limit variation in logistical support to the Military Treatment Facilities (MTFs) for non-drug supplies, equipment and services. The aforementioned initiatives, along with others focused on Access and Revenue Cycle Management, will continue to ensure the organization is optimizing the best use of the Department's resources.

Private Sector Care continues to be a vital part of the Military Health System in FY 2022 and represents roughly half of the Operations and Maintenance requirement. Over the period of FY 2012 to FY 2018, both private health insurance premiums and National Health Expenditures per capita rose 25% (or 3.7% annually). The Private Sector Care budget should have continued to rise but the Department, with concurrence from Congress, instituted a series of initiatives that bent the cost curve. A combination of benefit changes, payment savings initiatives, contract changes, and population reductions masked underlying increases in health care costs, which is estimated to have saved $3.5 billion over a six year period. Starting in FY 2019, cost patterns returned to normal growth rate related to normal price inflation, an increase in beneficiaries, new benefits (e.g., urgent care visit requiring no referral), and a small increase in utilization of some services. At the start of FY 2020, those growth trends were continuing until the COVID-19 pandemic significantly reduced the utilization of health care service beginning in March of 2020. The suppression of care due to beneficiaries delaying or deferring care appears to be returning to more normal levels in FY 2021, while we

address higher healthcare costs associated with the on-going COVID-19 pandemic. As multiple reform efforts continue within the Military Health System, Private Sector Care will continue to represent an important part of the overall health system in FY 2022.

The DoD and the Department of Veteran's Affairs continue to progress in the establishment of the unified Electronic Health Record. In FY 2022, the DoD continues funding the clinical application, HealtheIntent, which provides a platform for population health and analytic tools, and offers a seamless longitudinal record between the DoD and VA that will grant providers and beneficiaries' access to detailed medical histories.

The FY 2022 budget continues the deployment of MHS GENESIS, the Department's Electronic Health Record. The FY 2022 expansion to Waves BAMC, LACKLAND, HOOD, BRAGG, BEAUMONT, GORDON, JACKSONVILLE, and EGLIN. MHS GENESIS will also be deploying RevX the accounting system for MHS GENESIS for all facilities that have or will have MHS GENESIS deployed during FY 2022. This is all part of the Defense Healthcare Management System Modernization Program (DHMSM) Program Management Office's (PMO) updated deployment schedule and incorporates lessons learned from the deployments that have been done to date. In addition the following waves will begin pre-deployment activities in FY 2022, Waves PORTSMOUTH, DRUM, WALTER REED, BELVOIR, and WRIGHT-PATTERSON. Additional enhancements to MHS GENESIS will provide expanded analytics and data modeling; decision-support, integrated patient level accounting and billing functionality, and advanced prognostic competencies.

The DHP appropriation funds the Research, Development, Test and Evaluation (RDT&E) program developed in response to the needs of the National Defense Strategy and Joint Capabilities Integration and Development System (JCIDS). The goal is to advance the state of medical science in those areas of most pressing need and relevance to today's battlefield experience and emerging threats. The objectives are to discover and explore innovative approaches to protect, support, and advance the health and welfare of military personnel and individuals eligible for care in the MHS; to accelerate the transition of medical technologies into deployed products; and to accelerate the translation of advances in knowledge into new standards of care for injury prevention, treatment of casualties, rehabilitation, and training systems that can be applied in theater or in military medical treatment facilities.

The DHP appropriation Procurement program funds acquisition of capital equipment in 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 uneconomically reparable items; and MHS information technology (IT) requirements.

Narrative Explanation of FY 2021 and FY 2022 Operation and Maintenance (O&M) Changes:

The DHP O&M funding reflects an overall increase of $2,418.0 million between FY 2021 and FY 2022, consisting of $1,024.8 million in price growth and a net program increase of $1,393.2 million. $251.9 million for Direct War Costs accounted for in the Base Budget, supporting the following programs: 1) pre/post deployment activities for all deploying and returning soldier, 2) Reserve Component (RC) personnel and their family members with healthcare, pharmacy and dental benefits, and 3) requirements directly supporting the transportation of wounded warriors by aircraft from outside the theater of operations to the United States, the resupply of medical evacuation equipment, and ground transportation for patients outside of the theater.

Program **increases** include:

- $606.0 million required Private Sector Care to support continued COVID-19 testing and vaccine booster

- $272.8 million for increase in requirements in the In-House Care Budget Activity Group to fund COVID-19 testing (+$202.8 million) and vaccine boosters (+$70.0 million) to support the Administration's priorities to move quickly to contain the COVID-19 Pandemic and inoculate the United States population efficiently and equitably
- $191.4 million for increase to Private Sector Care (PSC) baseline attributed to National Health Expenditure (NHE) inflationary growth of 4.97% applied to the FY 2021 estimate for healthcare projected for FY 2022
- $146.6 million funds requirements for expanded Public Health Surveillance for expanded contact tracing testing and screening and continued efforts to identify variants to prevent the further spread of COVID-19
- $104.5 million required to provide funding for civilian full-time equivalents (FTEs) and contractor FTEs to ensure uninterrupted access to timely, high-quality healthcare as the Department redirects uniformed manpower toward more direct warfighting functions
- $96.7 million for fact-of-life delays associated with implementing three elements of medical business reforms identified in the Defense Wide Review 1.0 and which were included in the PB 2021 submission; fact-of-life events to include the COVID-19 pandemic delayed implementation of the reform efforts and require an adjustment to the timing of the savings estimates.
- $69.6 million for increased estimate for Continuing Health Education/Capitalization of Assets Program based on estimated increase in in-patient workload assumed in the Private Sector Care program
- $66.6 million continues funding the Military Treatment Facilities (MTFs) Information Management/Information Technology (IM/IT) and Defense Health Agency IT Infrastructure ongoing operating costs
- $51.1 million for civilian personnel costs to reflect the revised Federal Employee Retirement System (FERS) Agency Contribution for FY 2022 in accordance with Office of Management and Budget (OMB) Circular No. A-11
- $50.6 million continues funding the MHS GENESIS Electronic Health Record (EHR) deployment in accordance with the DoD Healthcare Management System (DHMS) Program Executive Office's (PEO) updated deployment schedule and the Continued Fielding Acquisition Decision Memorandum (ADM) from the Assistant Secretary of Defense, Acquisition (ASD(A))
- $39.1 million for the FY 2022 civilian personnel awards budget at the aggregate level for General Schedule (GS) and Wage Grade (WG) employees in accordance with the Office of Management and Budget (OMB) Circular No. A-11 direction to increase civilian awards spending by no less than one (1) percentage point of FY 2020 GS and WG salary spending
- $37.0 million for increases to pharmaceutical requirements in order to better align actual budget execution with programming
- $21.7 million required to fund civilian personnel costs for the net effect of the Civilian Pay Raise Assumptions which was increased from 1.0% to 2.7%
- $9.0 million for the purchase of supplies and materials, equipment, contracts, and printing and reproduction for Education and Training operations at the Defense Health Agency's activities
- $7.5 million for projected increase in requirements in Consolidated Health Support Budget Activity Group; funds support increased hazard exposure surveillance and training requirements; increased supply costs associated with the operation of 20 blood centers to include blood typing anti-sera and other testing reagents, donor unit collection bags shipping containers and other consumable supplies required in the production of blood products; as well as increased contract provider support needed to augment the GS/MIL performing disability evaluation physicals
- $6.9 million required to fund the incremental increase for the expansion of the Military Health System (MHS) Virtual Health Program, which synchronizes, standardizes, and coordinates virtual medical services across the Department of Defense that support remote, clinical, operational and garrison forces
- $4.5 million required for Foreign Currency Fluctuation Rates; projected change in the value of the U.S. dollar based on the 6-month historical weekly rates

- $3.5 million realigned to DHP Operation and Maintenance, Private Sector Care (+$3,498K) from DHP Research, Development, Test & Evaluation (RDT&E) for E-Commerce sustainment.
- $3.4 million for the administrative fees associated with the Overseas Health Care that was reduced in FY 2021 in error
- $2.1 million realigns Information Management/Information Technology (IM/IT) funding to Defense Health Agency, Operations and Maintenance, IM/IT, Tri-Service IM/IT program element ($2,128K) from Research, Development, Test, and Evaluation to account for the budgeting and execution of Air Force Medical Information System Test Bed at the Defense Health Agency
- $1.1 million transfers remaining funding for the Operation Live Well (OLW) Initiative from the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD P & R) to the Defense Health Agency's Public Health Division

Program **decreases** include:

- $219.7 million reduction in requirements in the In-House Care, Consolidated Health Support, Management Activities, Education and Training, and Base Operations and Communications Budget Activity Groups through the Military Health System enterprise-wide efforts to consolidate contracts and increase contract standardization
- $79.4 million reduction in Private Sector Care Pharmaceutical Drugs to account for increase in Pharmaceutical copay levels set in January of 2020, which are to begin January 2022
- $44.7 million adjustment due to FY 2021 one-time increases for the following efforts: suicide prevention, Health Professions Scholarship Programing (HPSP) and Natural Disaster Recovery funding which was issued for Initial Outfitting requirements to support MILCON associated with 2017 Hurricane Disasters
- $22.6 million reduces the Desktop to Datacenter (D2D) funding required for information technology (IT) sustainment, infrastructure maintenance, and enterprise support services for the Military Health System (MHS) centrally managed IT systems worldwide; also reduces funding for the Service Medical Information Management/Information Technology (IM/IT) FTES (-29FTEs;-$2,380K) and contracts ($3,217K) through consolidation of IM/IT services at the Defense Health Agency and continues the reduction to the Cybersecurity program as program matures beyond initial actions to establish the program and baseline
- $8.0 million reduction in resources for FY 2022 legislative proposal that amends Title 10 United States Code (USC), Section 1073e, to provide TRICARE the authority to levy civil monetary penalties associated with fraud and abuse claims against Private Sector Care (PSC) charges and execute these funds in the Defense Health Program (DHP) appropriation.
- $7.0 million realignment of funds from Defense Health Program, Operations and Maintenance, Base Operations (-$7,000K) to Research, Development Test and Evaluation (+$4,000K) and Procurement (+3,000K) for continued development of the Defense Health Program Financial Management System, General Fund Enterprise Business System
- $5.8 million decrease continues the implementation of the Military Health System organizational reforms required by the National Defense Authorization Acts of FY 2017 and FY 2019 focused on efforts to reduce redundant and unnecessary headquarters overhead while building a structure that drives improved outcomes for readiness, health, quality and cost
- $5.7 million due to healthcare requirements reduction associated the reduction of Active Army end strength projection for FY 2022
- $5.6 million transfers Other Education and Training program element funds from the Defense Health Program (DHP) to the Department of the Army to correct an error made during the FY 2021 President's Budget when calculating the amount transferred to Operations and Maintenance, Army (OMA) for the Medical Simulations program

Continuing in FY 2022, the Department projects that up to $137 million should transfer to the Joint DoD -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 Center in the country by the total integration of the North Chicago VA Medical Center and the Navy Health Clinic Great Lakes, IL.

Continuing in FY 2022, the Department will transfer $15 million to the DoD-VA Health Care Joint Incentive Fund (JIF). Authority for the JIF is established by Section 8111, Title 38, of the United States Code (USC) and Section 721 of Public Law 107-314(National Defense Authorization Act for 2003. This fund combines the resources of the DoD and VA to implement, fund, and evaluate creative coordination and sharing initiatives at the facility, intraregional, and nationwide levels.

Narrative Explanation of FY 2021 and FY 2022 Research Development Test & Evaluation (RDT&E) Changes:

The DHP RDT&E Program reflects a net decrease of $1,761.9 million between FY 2021 and FY 2022. This includes a price growth of $13.1 million and a program decrease of $1,775.0 million.

Program **increases** include:

- $52.9 million increase associated with the realignment of the Joint Operational Medicine Information Systems (JOMIS) and Theater Medical Information Program - Joint (TMIP-J) funding from the Software & Digital Technology Budget Activity created in FY21 back to the Research, Development, Test & Evaluation (RDT&E) Budget Activitt.
- $15.0 million increase associated with support of COVID vaccine capabilities and wearables.
- $7.1 million increase for Medical Products Support and Advanced Concept Development due to increases in Medical Simulation and Training, Medical Readiness and Medical Combat Support capability improvements through clinical and field validation studies, prototyping, risk reduction, and product transition efforts for medical information technology applications.
- $5.0 million restoral for Advanced Modeling and Simulation.
- $4.0 million increase due to support of the GFEBS Deployment to support the Investment 1.0: SAP Licenses/HANA/Site Activation/Deployment Hardware/SI Pre-Deployment/Deployment/Post-Deployment On-Site Support.

Program **decreases** include:

- $1,667.2 million decrease due to FY 2021 one-time Congressional adjustments to include congressional special interest items
- $163.5 million decrease based on the realignment of the Software & Digital Technology Budget Activity back to Joint Operational Medicine Information Systems (JOMIS) RDT&E Budget Activity and Operational and Maintenance Budget Activity.
- $15.5 million decrease associated with the restoral for the National Disaster Medical System (NDMS) Medical Surge Pilot.
- $5.8 million decrease due to newly approved Acquisition Strategy to acquire solutions to modernize, deploy, and sustain the Department of Defense's (DoD) Operational Medicine (OpMed) Information Systems (IS) capabilities. This includes the execution of Healthcare Delivery development plan which including development of MHS GENESIS-Theater, Health Assessment Lite Operations (HALO), and Theater Blood Management system; as well as initiate development of Operational Medicine Data Service.

- $3.5 million decrease for E-Commerce due to a funding transfer from RDT&E Budget Activity to O&M Budget Activity starting in FY22. Development activities are planned for completion in FY21. Funding re-aligned to O&M will support sustainment of completed development activities.
- $3.5 million decrease associated with scaling back efforts towards Combat Causality Care and Clinical and Rehabilitation Medicine.

Narrative Explanation of FY 2021 and FY 2022 Procurement Changes:

The DHP Procurement Program has a net increase of $234.6 million between FY 2021 and FY 2022. This includes price growth of $14.2 million and a net program increase of $220.4 million.

Program **increases** include:
- $198.7 million increase to DoD Healthcare Management System Modernization (DHMSM) to align with the MHS GENESIS deployment schedule (Continued Acquisition Decision Memorandum (ADM) from the Assistant Secretary of Defense, Acquisition (ASD(A)) signed on Oct. 30, 2020). The funding deployment activities include site visits, localized configuration, and on-site deployment support.
- $16.9 million increase to support replacement of medical equipment to include Medical/Surgical, Preventive Medicine/Pharmacy, and Radiographic across the Military Health System.
- $7.7 million increase for the Wide Area Virtual Environment (WAVE) system at Uniformed Services University of the Health Sciences. The WAVE plays a central role in the University's medical training and education mission and these funds support critical equipment upgrades to ensure the continued operation of the system.
- $3.2 million increase in support DML-ES project for compute and storage hosting architecture associated with LogiCole and the refreshed Defense Medical Logistics Standard Support (DMLSS) environment. This will combine all the legacy MEDLOG applications (DMLSS, Theater Enterprise Wide Medical Logistics System (TEWLS), and Joint Medical Asset Repository (JMAR)) into a single environment.
- $3.0 million increase for the General Fund Enterprise Business System (GFEBS) hardware and storage purchases planned for FY 2022.

Program **decreases** include:
- $3.8 million decrease for Legacy Data Repository (LDR) requirements due to hardware purchases being completed with FY21 funds.
- $2.6 million decrease to initial facility outfitting requirements based on a shift of facility projects.
- $2.7 million decrease to Joint Operational Medicine Information Systems (JOMIS) program in FY22 to align procurement requirements with the new JOMIS Acquisition Strategy signed by Milestone Decision Authority (MDA) signed Jan 2021. Procurement funds are not required to support the program in FY 2022.

President’s Management Plan – Performance Metrics Requirements:

The Military Health System (MHS) continues to refine existing performance measures and develop specific criteria to determine and measure outputs/outcomes as compared with initial goals. The Quadruple Aim provides a focused and balanced approach to overall performance. This approach includes not only production but outcome measures related to medical readiness, a healthy population, positive patient experiences and the responsible management of health care costs.

- **Individual Medical Readiness** – This measure provides operational commanders, Military Department leaders and primary care managers use a measure 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 Component and Reserve Component) prior to deployment.

- **Beneficiary Satisfaction with Health Plan** – Satisfaction is measured using a standard survey instrument comparable to those used by civilian plans. The goal is to improve MHS beneficiary overall satisfaction with TRICARE to a level at or above benchmark satisfaction with civilian plans utilizing the Consumer Assessment of Healthcare Providers and Systems survey. Increasing satisfaction with the Health Plan indicates that actions being taken are improving the overall functioning of the health plan from the beneficiary perspective.

- **Medical Cost Per Member Per Year** – This measure focuses on the annual overall cost growth for the Prime enrollees and includes all costs related to health care delivered to enrollees. The objective is to keep the rate of cost growth for TRICARE Prime enrollees to a level at or below the increases for the Civilian health care plans 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 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 2020 performance measures related to the Quadruple Aim, and two output measures related to production plan targets. Performance various greatly primary attributable to the impacts of COVID-19 on the American health service delivery organizations as well as associated force health protection guidance for the MHS and larger Department of Defense. Therefore the performance is not representative of normal operations, and is expected to experience continued impacts during FY 2021 as the MHS supports the Federal Emergency Management Agency (FEMA) in administering COVID-19 vaccinations at community vaccination centers around the country. The overall success of each measured is discussed below:

- **Individual Medical Readiness** – The MHS achieved the goal for the Active Component Force Medical Readiness through the 3rd quarter of FY 2020. With all of the issues surrounding the associated force health protection guidance for COVID-19, delays existed with updating of the Periodic Health Assessment (PHA). Initial guidance allowed for a one-time extension of the deadlines for updating the PHA, but even those revised timelines were impacted by COVID-19. Since the PHA is a screening tool used by the Services to evaluate the individual medical readiness of their Service members, additional details for any outstanding Deployment-Limiting Medical Conditions may not be addressed until later this fiscal year. Issues should be resolved during this fiscal year, with the goal achieved by the end of FY 2021.

- **Beneficiary Satisfaction with Health Plan** – Satisfaction with Health Care Plan performance for FY 2020 was 63%, which exceeded the goal of 57 percent based on Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey for the fiscal year. Overall, there was a slight decrease in the satisfaction level at the beginning of the COVID-19 period from MTF Prime enrollees, but the scores recovered later in the year. It appears that restricted access at the MTFs related to force health protections during the initial COVID-19 periods drove part of the decrease. Once the online access to care was better established with MTF PCMs and access to the MTFs improved, the overall satisfaction with health care also improved. Major performance drivers for this measure are related to claims processing timeliness, interaction during health care encounter, and access to health care.

- **NOTE: Due to the deployment of MHS GENESIS and data availability issues, sites that have deployed the new Electronic Health Record are excluded from the following three measures and the goals have been adjusted accordingly for the two production measures related to Inpatient and Outpatient Care.**

- **Medical Cost Per Member Per Year – Annual Cost Growth** – The Year to Date performance estimate for FY 2020 is negative 3.5% percent vs goal of 4.9 percent growth. As claims mature, there may be slight changes in the performance levels. This does not represent normal performance for the system and is primary attributable to the impacts of COVID-19 on the United States health care system during the pandemic. Overall, the entire health care system experienced a dramatic decrease in utilization of health care services for approximately 6 months during FY 2020. As the system returns to normal during the next couple of years, performance is expected to return to more normal levels of growth.

- **Inpatient Production Target** (MS-RWPs) – Due to impact of COVID-19 and the force health protections guidelines, the MHS only managed to achieve 92% of the Inpatient workload of the prior fiscal year. Based on access restrictions to the MTFs for an extended period of time during FY2020, this level of performance represent significant effort from the MTFs to provide quality health care service to MHS beneficiaries during the pandemic. Overall, once the impacts related to COVID-19 are eliminated, performance should return to normal with a growth in workload.

- **Outpatient Production Target** (RVUs) – Due to the impact of COVID-19, force health protections guidelines, and significant deployments of MTF personnel in support of FEMA operations across the United States, the MHS did not achieve the performance levels for this measure. The MHS only managed to achieve 80% of the workload produced in the prior fiscal year. While the workload decrease was expected due to all the external factors in place during the year, significant progress was achieved on expansion of tele-health services to MHS beneficiaries. Overall performance should improve once the impacts from the pandemic are eliminated. For FY 2021, reductions in care are also expected based on support to FEMA health care requirements and the administration of the COVID-19 vaccinations at community vaccination centers around the country.