

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

I. Description of Operations Financed:

This Budget Activity Group is comprised of the Defense Health Agency's Medical Headquarters; and the Defense Health Agency's functions supporting Military Health System worldwide patient care delivery.

Defense Health Agency - Resources required for the Defense Health Agency's (DHA) operating costs supporting delivery of patient care worldwide for members of the Armed Forces, family members, and others entitled to Department of Defense (DoD) health care. Oversees and maintains DoD Unified Medical Program resources for all medical activities. More specifically, the resources support headquarters functions, which include the cost of operating the DHA and centrally managed requirements supporting the delivery of services healthcare services.

Management Headquarters - Resources required for the Defense Health Agency management headquarters operating costs to coordinate and oversee the provision of health care within the Military Health System.

II. Force Structure Summary:

Force Structure Summary: Management Activities includes resources necessary to support headquarters functions outlined in DoD Instruction 5100.73, Major Department of Defense Headquarters Activities. Within the Military Health System, this includes the cost of operating the acquisition, administration, audiovisual, audit, cost analysis, data automation, financial management, information and public affairs, legal and legislative affairs, logistics, management analysis, manpower and organization, personnel, and security programs at the Defense Health Agency, the Army Medical Command, the Navy Bureau of Medicine and Surgery, and the Air Force Medical Service.

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

III. Financial Summary (\$ in Thousands):

	FY 2021 <u>Actuals</u>	Budget <u>Request</u>	FY 2022 <u>Congressional Action</u>			Current <u>Enacted</u>	FY 2023 <u>Request</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
<u>A. BA Subactivities</u>							
Defense Health Agency	\$240,996	\$253,449	\$-2,000	-0.79%	\$251,449	\$251,449	\$253,495
Management Headquarters	<u>\$96,729</u>	<u>\$81,689</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$81,689</u>	<u>\$81,689</u>	<u>\$85,183</u>
Total	\$337,725	\$335,138	\$-2,000	-0.60%	\$333,138	\$333,138	\$338,678

FY 2021 actuals includes +\$8,142K reprogrammed to Management Activities for unfunded requirements.

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

III. Financial Summary (\$ in Thousands): (Cont.)

<u>B. Reconciliation Summary</u>	<u>Change FY 2022/FY 2022</u>	<u>Change FY 2022/FY 2023</u>
BASELINE FUNDING	\$335,138	\$333,138
Congressional Adjustments (Distributed)	-2,000	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	0	
SUBTOTAL APPROPRIATED AMOUNT	333,138	
Fact-of-Life Changes (2022 to 2022 Only)	0	
SUBTOTAL BASELINE FUNDING	333,138	
Supplemental	0	
Reprogrammings	0	
Price Changes		11,824
Functional Transfers		495
Program Changes		-6,779
CURRENT ESTIMATE	333,138	338,678
Less: Supplemental	0	
NORMALIZED CURRENT ESTIMATE	\$333,138	\$338,678

**Defense Health Program
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2023 President's Budget
 Management Activities OP-5 Exhibit**

III. Financial Summary (\$ in Thousands): (Cont.)

FY 2022 President's Budget Request (Amended, if applicable)	\$335,138
1. Congressional Adjustments	\$-2,000
a) Distributed Adjustments.....	\$-2,000
1) a. Excess Growth Equipment:	\$-2,000
b) Undistributed Adjustments.....	\$0
c) Adjustments to Meet Congressional Intent.....	\$0
d) General Provisions	\$0
FY 2022 Appropriated Amount	\$333,138
2. Supplemental Appropriations	\$0
a) Supplemental Funding.....	\$0
3. Fact-of-Life Changes.....	\$0
a) Functional Transfers.....	\$0
b) Technical Adjustments	\$0
c) Emergent Requirements.....	\$0
FY 2022 Baseline Funding	\$333,138

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

III. Financial Summary (\$ in Thousands): (Cont.)

4. Reprogrammings (Requiring 1415 Actions)	\$0
a) Increases	\$0
b) Decreases	\$0
Revised FY 2022 Estimate	\$333,138
5. Less: Item 2, Supplemental Appropriation and Item 4, Reprogrammings	\$0
a) Less: Supplemental Funding	\$0
FY 2022 Normalized Current Estimate	\$333,138
6. Price Change	\$11,824
7. Functional Transfers	\$495
a) Transfers In	\$495
1) Continuous Process Improvement/Lean Six Sigma (LSS) Training Team:	\$495
Transfer of funding and FTEs (\$495K, 4 FTEs) associated with the Continuous Process Improvement (CPI)/Lean Six Sigma (LSS) Training Team from Department of the Army. Team will provide quality and cost-effective improvement sciences training to medical facilities worldwide.	
b) Transfers Out	\$0
8. Program Increases	\$2,103
a) Annualization of New FY 2022 Program	\$0

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

III. Financial Summary (\$ in Thousands): (Cont.)

b) One-Time FY 2023 Increases\$0

c) Program Growth in FY 2023.....\$2,103

1) a. Deputy Assistant Director Information Operations Headquarters Functions Realigned to Management Activities:.....\$1,918
 Realigns funding for 16 FTEs (+1,918K) to Management Activities, Management Headquarters program element from Information Management/Information Technology, Desktop to Datacenter (-\$1,679K; -14 FTEs) and Cybersecurity (-\$239K; -2 FTEs) program elements to support the Deputy Assistant Director Information Operations Information Management/Information Technology headquarters functions. The FY 2022 Management Headquarters program element baseline funding is \$81,689K. The FY 2022 Management Headquarters program element baseline civilian staffing is 348 FTEs.

2) b. Anomalous Health Incidents:.....\$185
 Funding supports the FY 2022 NDAA (P. L. 117-81, Sec 732, 10 U. S. C. 1071 note), Access by United States Government Employees and their Family Members to Certain Facilities of Department of Defense for Assessment and Treatment of Anomalous Health Conditions, which ensures that individuals affected by anomalous health incidents (as defined by the Secretary of Defense) receive timely and comprehensive health care and treatment. Funds one FTE in the Management Activities Budget Activity group for program oversight. The FY 2022 Defense Health Agency program element baseline funding is \$251,449K. The FY 2022 Defense Health Agency program element baseline civilian staffing is 1,326 FTEs.

9. Program Decreases\$-8,882

a) Annualization of FY 2022 Program Decreases\$0

b) One-Time FY 2022 Increases\$0

c) Program Decreases in FY 2023 \$-8,882

1) a. Defense Health Regions, Markets and Stand-Alone Offices: \$-8,352
 Realigns funding and FTEs to Consolidated Health Support from Management Activities, (-\$8,352K; -57 FTEs) to support the standup of the Defense Health Regions, Markets and Stand-Alone Offices (SSOs) supporting the respective healthcare missions. The FY 2022 Defense Health Agency program element baseline funding is \$251,449K. The FY 2022 Defense Health Agency program element baseline civilian staffing is 1,326 FTEs.

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

III. Financial Summary (\$ in Thousands): (Cont.)

2) b. Defense Health Program Reform Management – Services Efficiencies:..... \$-530

Reduces Management Activities contract requirements funding through Military Health System enterprise-wide efforts to consolidate contracts and to increase contract standardization, elimination of duplicative contracts, leveraging market buying power, and continued use of nationwide contracting sources. The Defense Health Agency and the Services' Medical Activities conducted a comprehensive review of contracts requirements that resulted in savings derived from reform efforts in category management and Service commodity efficiencies within the Defense Health Program appropriation. Funds are reduced from the Management Headquarters program element. The FY 2022 Management Headquarters baseline funding request is \$81,689K. The FY 2022 Management Headquarters baseline contractor staffing is 76 CMEs.

FY 2023 Budget Request \$338,678

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

IV. Performance Criteria and Evaluation Summary:

Refer to the Personnel Summary in Section V.

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

V. Personnel Summary:

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>Change FY 2021/ FY 2022</u>	<u>Change FY 2022/ FY 2023</u>
Active Military End Strength (E/S) (Total)	603	719	767	116	48
Officer	397	494	531	97	37
Enlisted	206	225	236	19	11
Active Military Average Strength (A/S) (Total)	618	662	744	44	82
Officer	400	446	513	46	67
Enlisted	218	216	231	-2	15
Civilian FTEs (Total)	1,381	1,674	1,529	293	-145
U.S. Direct Hire	1,378	1,669	1,524	291	-145
Total Direct Hire	1,378	1,669	1,524	291	-145
Foreign National Indirect Hire	3	5	5	2	0
Average Annual Civilian Salary (\$ in thousands)	143.5	139.1	155.3	-4.4	16.2
Contractor FTEs (Total)	438	330	330	-108	0

Personnel Summary Explanations:

Explanation of changes in Active Military End Strength: The net decrease from FY 2021 to FY 2022 (+116) reflects execution adjustments (+575: Army +37, Navy +12, and Air Force +526) and includes the technical adjustment made by the military departments for the revised drawdown reductions (Navy -6 and Air Force -453) to comply with Section 719 of the FY 2020 National Defense Authorization Act (NDAA) that limits the realignment or reduction of military medical E/S authorizations and to reflect executable Service plans for the drawdown. The net increase from FY 2022 to FY 2023 (+48) reflects the addition of the Army's first Reserve Officer (+1), the transfer of the Armed Forces Pest Management Board (AFPM) in accordance with DOD Public Health governance (Army +3), internal realignments for Military Training Network (MTN) program (+8: Navy +2, Air Force +5, and Army +1), internal realignment of Executive Agent Share (Army +36), internal realignment from Navy medicine (+2), transfer of Headquarter FTEs to Navy (-3) and the technical adjustment made by the military departments for the revised drawdown reductions (Army +1) to comply with Section 719 of the FY 2020 National Defense Authorization Act (NDAA) that limits the realignment or reduction of military medical end strength authorizations and to reflect executable Service plans for the drawdown.

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

V. Personnel Summary: (Cont.)

Explanation of changes in Civilian FTEs: The net increase from FY 2021 to FY 2022 (+293) results from Service headquarters execution adjustments (+148: DHA-Comptroller +55, Navy +108, and Army -15); an increase in civilian FTEs in support of section 702 of the FY 2017 National Defense Authorization Act (+147); Defense Health Agency internal realignments for the Management Information Platform (+1); and a decrease for the Safety and Occupational Health Program (-3). The net decrease from FY 2022 to FY 2023 (-145) reflects the realignment of FTEs from Information Management Information Technology for the Deputy Assistant, Director Information Operations Headquarters functions (+16), realignment of FTEs only to Consolidated Health Support for the Stand Alone Support Offices (SSO) and the Defense Health Regions (DHR) supporting the respective healthcare missions (-57); transfer of FTEs to support Continuous Process Improvement (CPI)/Lean Six Sigma (LSS) policy development and training (+4); and the internal realignment of from other BAGs (Navy -108).

Explanation of changes in Contractor FTEs: The decrease from FY 2021 to FY 2022 (-108) reflects continued decreases to advisory and assistance services contracts for ongoing consolidation of services at the Defense Health Agency in accordance with the FY 2017 National Defense Authorization Act Section 702 and realignment of contract dollars to funds civilian personnel increases. There is no change from FY 2022 to FY 2023.

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

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

	FY 2021 <u>Program</u>	<u>Change from FY 2021 to FY 2022</u>		FY 2022 <u>Program</u>	<u>Change from FY 2022 to FY 2023</u>		FY 2023 <u>Program</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
101 EXEC, GEN'L & SPEC SCHEDS	198,101	4,497	29,055	231,653	9,556	-5,112	236,097
103 WAGE BOARD	115	3	1,073	1,191	49	186	1,426
107 VOLUNTARY SEP INCENTIVES	0	0	40	40	2	-42	0
110 UNEMPLOYMENT COMPENSATION	0	0	5,830	5,830	240		6,070
0199 TOTAL CIVILIAN PERSONNEL COMPENSATION	198,216	4,500	35,998	238,714	9,847	-4,968	243,593
308 TRAVEL OF PERSONS	2,695	81	1,260	4,036	85	-20	4,101
0399 TOTAL TRAVEL	2,695	81	1,260	4,036	85	-20	4,101
412 NAVY MANAGED SUPPLY, MATL	0	0	2	2	0		2
417 LOCAL PURCH SUPPLIES & MAT	0	0	500	500	11	-1	510
0499 TOTAL DEFENSE WORKING CAPITAL FUND SUPPLIES AND MATERIALS	0	0	502	502	11	-1	512
647 DISA ENTERPRISE COMPUTING CENTERS	1,639	33	-1,672	0	0	0	0
0699 TOTAL OTHER FUND PURCHASES	1,639	33	-1,672	0	0	0	0
707 AMC TRAINING	207	1	-208	0	0	0	0
771 COMMERCIAL TRANSPORT	70	2	171	243	0	5	248
0799 TOTAL TRANSPORTATION	277	3	-37	243	0	5	248
914 PURCHASED COMMUNICATIONS (NON-FUND)	47	1	-38	10	0		10
915 RENTS (NON-GSA)	0	0	30	30	1	0	31
917 POSTAL SERVICES (U.S.P.S)	0	0	448	448	9		457
920 SUPPLIES & MATERIALS (NON-FUND)	163	5	929	1,097	23	172	1,292
921 PRINTING & REPRODUCTION	40	1	549	590	12	4	606
922 EQUIPMENT MAINTENANCE BY CONTRACT	2	0	231	233	5	-10	228
925 EQUIPMENT PURCHASES (NON-FUND)	663	20	683	1,366	29	38	1,433
932 MGT PROF SUPPORT SVCS	59,668	1,790	-15,440	46,018	966	-498	46,486

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 President's Budget
Management Activities OP-5 Exhibit**

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

	FY 2021 Program	Change from FY 2021 to FY 2022		FY 2022 Program	Change from FY 2022 to FY 2023		FY 2023 Program
		Price Growth	Program Growth		Price Growth	Program Growth	
933 STUDIES, ANALYSIS & EVAL TRAINING AND LEADERSHIP DEVELOPMENT (OTHER CONTRACTS)	27,287	819	-20,991	7,115	149	-299	6,965
936	202	6	-208	0	0	0	0
955 OTHER COSTS (MEDICAL CARE)	2,751	113	-2,855	9	0	1	10
959 OTHER COSTS (INSURANCE CLAIMS/INDMNTIES) OTHER COSTS (SUBSISTENCE AND SUPPORT OF PERSONS)	55	0	-55	0	0	0	0
964	15	0	-15	0	0	0	0
986 MEDICAL CARE CONTRACTS	0	0	0	0	0	185	185
987 OTHER INTRA-GOVT PURCH	19,950	599	-7,477	13,072	275	-13	13,334
989 OTHER SERVICES	23,458	704	-6,479	17,683	371	-777	17,277
990 IT CONTRACT SUPPORT SERVICES	597	18	1,357	1,972	41	-103	1,910
0999 TOTAL OTHER PURCHASES	134,898	4,076	-49,331	89,643	1,881	-1,300	90,224
9999 GRAND TOTAL	337,725	8,693	-13,280	333,138	11,824	-6,284	338,678