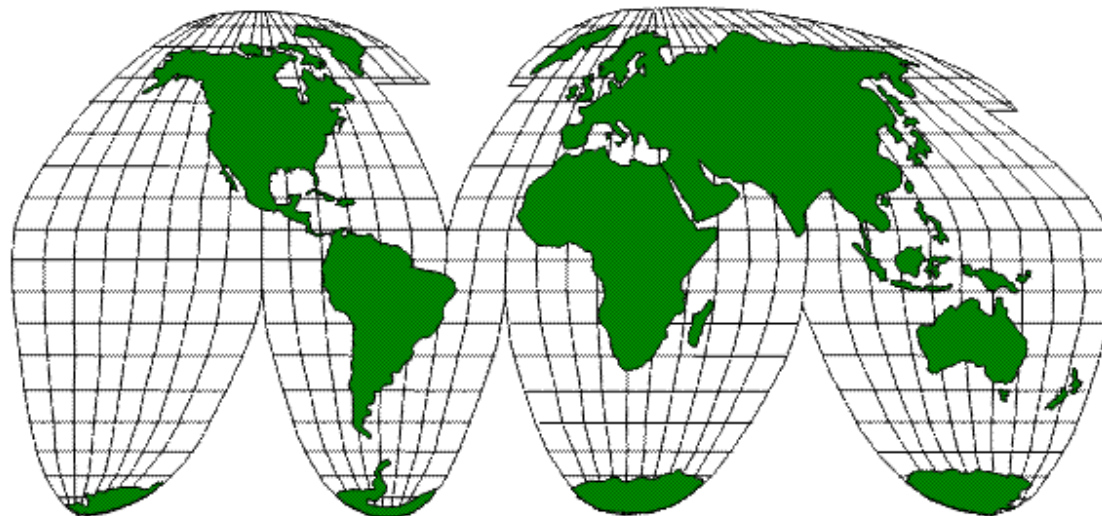


DEFENSE HEALTH PROGRAM



**CLEARED
For Open Publication**

Apr 07, 2022

Fiscal Year (FY) 2023 President's Budget

OVERSEAS OPERATION COSTS APPENDIX

Department of Defense
OFFICE OF PREPUBLICATION AND SECURITY REVIEW

April 2022

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

Preparation of the Defense-Wide budget excluding revolving funds, cost the Department of Defense a total of approximately \$1,148,520 in FY 2022

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**Defense Health Program
Overseas Operations Costs
Fiscal Year (FY) 2023 President's Budget**

<u>Sub-Activity Group</u>	<u>Sub-Activity Group Name</u>	<u>FY 2021 Actuals</u>	<u>FY 2022 Enacted</u>	<u>FY 2023 Request</u>
1	In House Care	55,977	63,200	28,235
2	Private Sector Care	296,828	188,126	7,108
3	Consolidated Health Support	1,517	525	1,076
4	Information Management			
5	Management Activities			
6	Education and Training			
7	Base Operations/Communications			
		354,322	251,851	36,419

Fiscal Year (FY) 2023 Overseas Operations Costs funding accounted for in the Base budget include:
 Combat or direct combat support expenses that discontinue once combat operations end at major contingency locations (\$36,419K)

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<u>Line</u>	<u>(Dollars in Thousands)</u>	<u>FY 2021</u>	<u>CHANGE</u>		<u>FY 2022</u>	<u>CHANGE</u>		<u>FY 2023</u>
			<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
		<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Enacted</u>	<u>Growth</u>	<u>Growth</u>	<u>Request</u>
101	Exec, Gen'l & Spec Scheds	19	0	(19)	-			
199	Total Civ Compensation	19	0	(19)	-			
308	Travel of Persons	9	0	1,886	1,895	59	(1,302)	652
399	Total Travel	9	0	1,886	1,895	59	(1,302)	652
411	Army Supply	-	-	500	500	41	(41)	500
417	Local Purch Supplies & Mat	-	-	-	-	-	-	-
499	Total Supplies & Materials	-	-	500	500	41	(41)	500
502	Army Fund Equipment	-	-	750	750	15	(15)	750
599	Total DWCF Equipment Purchases	-	-	750	750	15	(15)	750
601	Army Industrial Operations	-	-	-	-	-	-	-
682	Industrial Mobilization Capacity	-	-	-	-	-	-	-
699	Total Other Fund Purchases	-	-	-	-	-	-	-
706	AMC Channel Passenger	-	-	-	-	-	42	42
771	Commercial Transportation	-	-	-	-	-	-	-
799	Total Transportation	-	-	-	-	-	42	42
914	Purchased Communications (Non-Fund)	-	-	-	-	-	-	-
915	Rents (Non-GSA)	-	-	-	-	-	-	-
920	Supplies & Materials (Non-Fund)	4,074	159	(4,188)	45	2	(47)	-
922	Equipment Maintenance by Contract	29	1	(30)	-	-	-	-
924	Pharmaceutical Drugs	43,774	1,707	(16,949)	28,532	1,113	(22,965)	6,680
925	Equipment Purchases (Non-Fund)	32	1	(33)	-	-	-	-
955	Other Costs (Medical Care)	608	24	(632)	-	-	78	78
984	Equipment Contracts	-	-	-	-	-	-	-
986	Medical Care Contracts	305,777	11,925	(97,573)	220,129	8,585	(200,997)	27,717
999	Total Other Purchases	354,294	13,817	(119,405)	248,706	9,700	(223,931)	34,475
9999	Total	354,322	-	13,818	(116,289)	251,851	9,814	(225,246)

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**Defense Health Program
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Budget Activity 1, Operation and Maintenance

I. Description of Operations Supported: Provides resources needed to fund the incremental (above baseline) costs to support Operation ENDURING SENTINEL. The resource amounts provided are consistent with the Department's force level budgetary assumptions. These incremental funds provide medical and dental services to active forces, mobilized Reserve Components (RC), and their family members in support of these operations. The Defense Health Program (DHP) baseline budget request does not fund the medical and dental support requirements within the Area of Responsibility (AOR). Other DHP operational requirements in support of these operations include: Pre/Post deployment processing for personnel, aeromedical transportation of casualties from Germany to the U.S., and contracted civilian medical personnel to backfill deployed permanent Military Medical Treatment Facility (MTF) staff.

The Defense Health Program's FY 2022 Direct War costs are included in the Base Request.

Overseas Operations Costs (\$36,419K): Overseas Operations Costs are those combat or direct combat support costs that will not continue to be expended once combat operations end at major contingency locations.

- **In House Care:**
 - Incremental costs for casualties above the baseline budget
 - Backfill of deployed permanent medical personnel
- **Private Sector Care**
 - Incremental costs to provide medical/dental care for mobilized RC and their family members
- **Consolidated Health Support**
 - Incremental costs for aeromedical transportation of wounded warriors from outside the theater of operations to the United States
 - Backfill of medical staff in Military Public/Occupational Health to continue MTF and base support functions

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II. Financial Summary:

(\$ in Thousands)			
Total DHP OOC:	FY 2021	FY 2022	FY 2023
	<u>Actuals</u>	<u>Enacted</u>	<u>Request</u>
	354,322	251,851	36,419
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Overseas Operations Costs:	354,322	251,851	36,419

A. Subactivity Group – In-House Care:

(\$ in Thousands)		
	FY 2021	FY 2022
	<u>Actuals</u>	<u>Enacted</u>
	55,977	63,200
		28,235

Narrative Justification: Funding directly supports pre/post deployment activities such as medical records reviews, hearing and vision exams, medical evaluations, immunizations and behavioral health screening for all deploying and returning soldiers. Funding also supports backfill of deployed personnel with medical staff such as providers, nurses, and medical technicians to sustain the delivery of patient care in Military Medical Treatment Facilities (MTFs). Decrease from FY 2022 to FY 2023 is based on decrease in forecasted deployments.

Impact if not funded: The Military Medical Treatment Facilities' (MTFs') primary mission is to provide healthcare to uniformed service personnel. Funding is required to provide medical and dental care for the mobilized forces not funded in the baseline budget. Without this funding, MTFs would have to reduce access to care for non-active duty beneficiaries (retirees and family members) resulting in disengagement of these beneficiaries to the private sector for healthcare services. If funding is not provided to backfill the healthcare positions vacated in the MTFs by deployed medical personnel, components will have to redirect funding from other direct care system requirements to sustain the continuity of healthcare to patients.

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B. Subactivity Group – Private Sector Care:

FY 2021	FY 2022	FY 2023
<u>Actuals</u>	<u>Enacted</u>	<u>Request</u>
296,828	188,126	7,108

Narrative Justification: Funding provides Reserve Component (RC) personnel and their family members with healthcare, pharmacy and dental benefits. Mobilized RC personnel and their family members are eligible for medical and dental similar to active duty personnel, including access to private sector care providers through the TRICARE Managed Care Support Contract (MCSC) provider networks. This access to MCSC provider networks also supports those beneficiaries living in remote locations outside the established network areas. TRICARE Reserve Select program, offered to RC members who enroll and share premiums with the government, is not included in this requirement. Decrease from FY 2022 to FY 2023 is based on decrease in forecasted deployments.

Impact if not funded: Providing healthcare to mobilized Reserve Component personnel and their families is congressionally mandated. This is a must-pay bill and the cost will be incurred regardless of the availability of funding. If funding is not provided, lower priority healthcare requirements will be delayed so that funding can be shifted to pay for the healthcare services.

C. Subactivity Group - Consolidated Health Support:

FY 2021	FY 2022	FY 2023
<u>Actuals</u>	<u>Enacted</u>	<u>Request</u>
1,517	525	1,076

Narrative Justification: The FY23 request is necessary to resource inpatient movement expenses by transporting wounded warriors and patients from outside the theater of operations (Germany) to the United States. In addition, other requirements within Consolidated Health Support include the medical backfill of personnel in the Military Public/Occupational Health to continue MTF and base support operations. Increase from FY 2022 to FY 2023 is based on increase in requirements within Consolidated Health Support including medical backfill personnel.

Impact if not funded: MTFs will use existing Consolidated Health Support baseline funding for the aeromedical transportation of wounded warriors at the expense of other Military Public/Occupational Health requirements within Consolidated Health Support.