

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
In-House Care OP-5 Exhibit

I. Description of Operations Financed:

This Budget Activity Group provides for the delivery of medical and dental care plus pharmaceuticals received by Department of Defense eligible beneficiaries in Military Treatment Facilities and Dental Treatment Facilities in the Continental United States (CONUS) and Outside the Continental United States (OCONUS). This program includes the following:

Care in Department of Defense Medical Centers, Hospitals and Clinics - Includes resources for the provision of healthcare in DoD-owned and operated CONUS and OCONUS Military Treatment Facilities which are staffed and equipped to provide inpatient care for both surgical and medical patients and/or outpatient care for ambulatory patients.

Dental Care - Includes resources for providing dental care and services in CONUS and OCONUS to authorized personnel through the operation of hospital departments of dentistry and installation dental clinics, and the operation of Regional Dental Activities.

Pharmaceuticals - Includes pharmaceuticals specifically identified and provided by Pharmacy Services in DoD owned and operated CONUS and OCONUS facilities. Excludes the cost of operating Pharmacy Services in the Military Treatment Facilities.

II. Force Structure Summary:

The In-House Care Budget Activity Group includes staffing in Military Treatment Facilities to provide the full range of inpatient and ambulatory medical and dental care services. In addition to medical and dental care, this Budget Activity Group also includes medical center laboratories, substance abuse programs, facility on-the-job training/education programs and federal health care sharing agreements. This Budget Activity Group excludes operation of management headquarters, deployable medical and dental units and health care resources devoted exclusively to teaching organizations.

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III. Financial Summary (\$ in Thousands):

	FY 2023							FY 2024 Request
	FY 2022 Actuals	Budget Request	Congressional Action			Current Enacted		
			Amount	Percent	Appropriated			
A. BA Subactivities								
1. MEDCENs, Hospitals & Clinics (CONUS)	\$6,926,523	\$7,125,193	\$-29,625	-0.42%	\$7,095,568	\$7,095,568	\$7,273,270	
2. MEDCENs, Hospitals & Clinics (OCONUS)	\$565,348	\$525,857	\$32,016	6.09%	\$557,873	\$557,873	\$492,902	
3. Pharmaceuticals (CONUS)	\$1,253,499	\$1,592,708	\$0	0.00%	\$1,592,708	\$1,592,708	\$1,612,200	
4. Pharmaceuticals (OCONUS)	\$122,201	\$158,432	\$0	0.00%	\$158,432	\$158,432	\$158,701	
5. Dental Care (CONUS)	\$461,459	\$465,615	\$8,642	1.86%	\$474,257	\$474,257	\$467,875	
6. Dental Care (OCONUS)	\$46,917	\$39,138	\$1,197	3.06%	\$40,335	\$40,335	\$39,394	
Total	\$9,375,947	\$9,906,943	\$12,230	0.12%	\$9,919,173	\$9,919,173	\$10,044,342	

Notes:

1. FY 2022 actuals includes:
 - \$39,309K in Overseas Operations Costs execution
 - \$686K Ukraine Supplemental funding
2. FY 2022 actuals **excludes**:
 - \$140,000K reprogrammed to Private Sector Care for COVID-19 requirement
 - \$1,829,400 (O&M only) for DoD MERHCF receipts
3. FY 2023 estimate includes:
 - \$28,235K for Overseas Operations Costs in the enacted budget
 - \$14,100K Ukraine Supplemental funding
4. FY 2023 estimate **excludes** anticipated DoD MERHCF receipts of \$1,883,900K (O&M only).
5. FY 2024 estimate includes \$34,495K for Overseas Operations Costs in the budget request.
6. FY 2024 estimate **excludes** anticipated DoD MERHCF receipts of \$1,757,900K (O&M only).

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

<u>B. Reconciliation Summary</u>	<u>Change FY 2023/FY 2023</u>	<u>Change FY 2023/FY 2024</u>
BASELINE FUNDING	\$9,906,943	\$9,919,173
Congressional Adjustments (Distributed)	35,616	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	-23,386	
SUBTOTAL APPROPRIATED AMOUNT	9,919,173	
Fact-of-Life Changes (2023 to 2023 Only)	0	
SUBTOTAL BASELINE FUNDING	9,919,173	
Supplemental	0	
Reprogrammings	0	
Price Changes		430,589
Functional Transfers		-52,209
Program Changes		-253,211
CURRENT ESTIMATE	9,919,173	10,044,342
Less: Supplemental	0	
NORMALIZED CURRENT ESTIMATE	\$9,919,173	\$10,044,342

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

FY 2023 President's Budget Request (Amended, if applicable)	\$9,906,943
1. Congressional Adjustments	\$12,230
a) Distributed Adjustments	\$35,616
1) a. Cost Index Increase:	\$115,800
2) b. Telehealth for Military Children and Families:	\$15,000
3) c. Ukraine Supplemental (Division M):	\$14,100
4) d. Medical Care Contracts Historic Overestimation:	\$-79,203
5) e. Overestimated Growth:	\$-21,683
6) f. Baseline Adjustment:	\$-8,398
b) Undistributed Adjustments	\$0
c) Adjustments to Meet Congressional Intent.....	\$0
d) General Provisions.....	\$-23,386
1) a. Favorable Foreign Currency:	\$-23,386
 FY 2023 Appropriated Amount	 \$9,919,173

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

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 2023 Baseline Funding.....	\$9,919,173
4. Reprogrammings (Requiring 1415 Actions)	\$0
a) Increases.....	\$0
b) Decreases	\$0
Revised FY 2023 Estimate.....	\$9,919,173
5. Less: Item 2, Supplemental Appropriation and Item 4, Reprogrammings.....	\$0
a) Less: Supplemental Funding.....	\$0
FY 2023 Normalized Current Estimate	\$9,919,173
6. Price Change	\$430,589
7. Functional Transfers	\$-52,209

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

a) Transfers In\$3,606

1) Initial Entry Training Reception Battalion Medical Support:\$3,606

Transfers civilian pay funds, full time equivalents and associated programmatic resources (+\$3,606K; +18 FTEs) to the Defense Health Agency from the Department of the Army for the Initial Entry Training (IET) Reception Battalion Medical Support function. Initial Entry Training Reception Battalion Medical Support is a Defense Health Program readiness issue that directly aligns to Soldier Readiness. Army Medical Command has determined that the Army Medical Senior Leaders within the Defense Health Agency will manage and execute this program.

b) Transfers Out\$-55,815

1) Medical Readiness Transfer to the Military Departments:\$-55,815

The Defense Health Agency continues the transfer of the Medical Readiness activities, which occur outside of the Military Treatment Facilities to the Military Departments.

a. The Defense Health Agency will transfer (-\$12,023K; -30 FTES) to the Department of the Army Military Human Resources Support Staff in support of Medical Readiness Functions (-\$2,616K; -30 FTEs) and non-pay support of the Army Records Processing Center (ARPC) contract (-\$9,407K).

b. The Defense Health Agency will transfer (-\$43,792K; -29 FTES) to the Department of the Air Force the following programs: Early Development Intervention Services (-\$4,817K; -6 FTEs); National Capital Region Special Mission Auxiliary Medical Function (-\$1,449K; -9 FTEs); Aeromedical Evacuation/Patient Movement and Force Development functions (-\$623K; -14 FTEs). Additionally, transfers Medical Readiness support contracts for Flight and Operational Medicine, Human Performance, Medical Readiness Training/Operations, Operational Consultation, in support of the School of Aerospace Medicine (-\$36,903K).

8. Program Increases\$48,326

a) Annualization of New FY 2023 Program\$0

b) One-Time FY 2024 Increases\$0

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

c) Program Growth in FY 2024.....	\$48,326
<p>1) a. Executive Order Minimum Wage Adjustment for Federal Contractors:.....\$46,201 Funding to address the estimated impacts of Executive Order (E.O.) 14026, Increasing the Minimum Wage for Federal Contractors, dated April 27, 2021. E.O. 14026, Section 4(a) requires the Department of Labor to implement regulations to increase the minimum wage to \$15 per hour by January 30, 2022, on contracts covered by the Fair Labor Standards Act, the Service Contract Act (SCA), or the Davis Bacon Act (DBA). The In-House Care Budget Activity Group increase was applied to housekeeping, medical assistant, and medical clerk contracts. The FY 2023 In-House Care baseline funding is \$9,919,173K. The FY 2023 In-House Care baseline contractor staffing is 14,515 CMEs.</p>	
<p>2) b. Anomalous Health Incidents:.....\$2,125 Additional funding for Anomalous Health Incidents. 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. Funding increases medical care contracts in the MEDCENs, Hospitals and Clinics (CONUS) program element. The FY 2023 Anomalous Health Incidents program baseline funding is \$21,242K.</p>	
<p>3) c. Overseas Operations Costs Accounted for in the Base:\$0 Overseas Operations Costs of \$34,495K for non-enduring activities is included in the FY 2024 In-House Care baseline request. This funding directly supports pre/post deployment activities such as medical records reviews, hearing and vision exams, medical evaluations, pharmaceutical immunizations and behavioral health screening for all deploying and returning soldiers. Funding also supports backfill of deployed personnel with medical staff to sustain the delivery of patient care in Military Medical Treatment Facilities (MTFs). The FY 2023 In-House Care Overseas Operations Costs baseline funding is \$28,235K.</p>	
9. Program Decreases	\$-301,537
a) Annualization of FY 2023 Program Decreases	\$0
b) One-Time FY 2023 Increases	\$-15,000

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1) a. Telehealth for Military Children and Families:\$-15,000
Adjustment to reverse one-time Telehealth for Military Children and Families funding increase which was issued to the Defense Health Agency to improve access to care through telehealth opportunities. Adjustment decreases medical care contracts funding in the MEDCENs, Hospitals and Clinics (CONUS) program element. The FY 2023 MEDCENs, Hospitals and Clinics (CONUS) program element baseline funding is \$7,095,568K.

c) Program Decreases in FY 2024\$-286,537

1) a. Reduced Pharmaceutical Requirements:.....\$-200,000
Reduce requirements in Direct Care Pharmaceuticals due to decline in Military Treatment Facility (MTF) Pharmacy utilization observed since FY 2020. MTF Pharmacy utilization has not rebounded significantly since the COVID-19 outbreak. Requirements have been adjusted downward to meet current utilization rates. The FY 2023 CONUS Pharmaceuticals baseline is \$1,592,708K.

2) b. Reduced requirement for COVID-19:.....\$-72,308
The FY 2024 reduction in COVID funding assumes that future outbreaks in COVID variants will be less severe due to increased vaccination/natural immunity, requiring less hospitalization costs and more outpatient care. COVID-19 funding within the DHP will source diagnostic tests and COVID-19 booster vaccines in the Direct care System. The FY 2023 In-House Care baseline funding is \$9,919,173K.

3) c. Corporate Dental System:\$-14,229
Realigns the Corporate Dental System contract dollars from In-House Care, Dental Care (CONUS) program element to Information Management/Information Technology (IM/IT). The Corporate Dental System is a single IT platform for all Services to document dental readiness and dental care across the Army, Navy, and Air Force. Realignment supports the DHA's effort to consolidate the management and administration of all IM/IT systems within the Information Management/Information Technology Budget Activity Group. The FY 2023 In-House Care, Dental Care (CONUS) baseline funding is \$474,257K. The FY 2023 In-House Care, Dental Care (CONUS) baseline contractor staffing is 917 CMEs.

FY 2024 Budget Request\$10,044,342

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2022</u> <u>Actuals</u>	<u>FY 2023</u> <u>Enacted</u>	<u>FY 2024</u> <u>Request</u>	<u>FY 2022-2023</u> <u>Change</u>	<u>FY 2023-2024</u> <u>Change</u>
<u>Population - Eligible Beneficiaries, CONUS</u>					
Active Duty	1,380,219	1,368,677	1,378,739	-11,542	10,062
Active Duty Family Members	1,737,389	1,724,235	1,736,087	-13,154	11,852
Retirees	1,018,489	1,018,059	1,016,122	-430	-1,937
Family Members of Retirees	2,390,867	2,389,181	2,386,163	-1,686	-3,018
Subtotal Eligible	6,526,964	6,500,152	6,517,111	-26,812	16,959
Medicare Eligible Beneficiaries	2,423,420	2,446,649	2,471,010	23,229	24,361
Total Eligible Beneficiaries	8,950,384	8,946,801	8,988,121	-3,583	41,320
<u>Population - Eligible Beneficiaries, OCONUS</u>					
Active Duty	191,999	190,346	191,536	-1,653	1,190
Active Duty Family Members	123,876	122,754	123,383	-1,122	629
Retirees	26,639	26,599	26,529	-40	-70
Family Members of Retirees	101,088	100,916	100,695	-172	-221
Subtotal Eligible	443,602	440,615	442,143	-2,987	1,528
Medicare Eligible Beneficiaries	95,196	96,209	97,253	1,013	1,044
Total Eligible Beneficiaries	538,798	536,824	539,396	-1,974	2,572
<u>Population - Eligible Beneficiaries, Worldwide</u>					
Active Duty	1,572,218	1,559,023	1,570,275	-13,195	11,252
Active Duty Family Members	1,861,265	1,846,989	1,859,470	-14,276	12,481
Retirees	1,045,128	1,044,659	1,042,651	-469	-2,008
Family Members of Retirees	2,491,955	2,490,098	2,486,858	-1,857	-3,240
Subtotal Eligible	6,970,566	6,940,769	6,959,254	-29,797	18,485
<u>Medicare Eligible Beneficiaries:</u>					
Active Duty Family Members	4,249	4,197	4,228	-52	31
Guard/Reserve Family Members	1,396	1,412	1,412	16	0
Eligible Retirees	1,222,425	1,237,850	1,253,102	15,425	15,252
Eligible Family Members of Retirees	784,640	794,498	804,313	9,858	9,815
Survivors	503,638	502,633	502,936	-1,005	303
Others	2,268	2,268	2,268	0	0
Total Medicare Eligible Beneficiaries	2,518,616	2,542,858	2,568,259	24,242	25,401
Total Eligible Beneficiaries	9,489,182	9,483,627	9,527,513	-5,555	43,886

Notes:

1. The FY 2023 and FY 2024 estimates are projected numbers of MHS eligible beneficiaries and are based on (a) future Budget End Strengths of Active Duty and Active Guard/Reserve members and (b) the DoD's Actuary's projection of retirees.
2. The US "Medicare Eligible Beneficiaries" are: Active Duty Family Members, Guard/Reserve Family Members, Eligible Retirees, Eligible Family Members of Retirees, Inactive Guard/Reserve, Inactive Guard/Reserve Family Members, Survivors, and Others.
3. The Worldwide "Eligible Family Members of Retirees" are Family Members of Retirees, Inactive Guard/Reserves, and Inactive Guard/Reserve Family Members.

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	<u>FY 2022</u> <u>Actuals</u>	<u>FY 2023</u> <u>Enacted</u>	<u>FY 2024</u> <u>Request</u>	<u>FY 2022-2023</u> <u>Change</u>	<u>FY 2023-2024</u> <u>Change</u>
<u>Enrollees - Direct Care</u>					
TRICARE Region - East	1,596,359	1,588,310	1,580,810	-8,049	-7,500
TRICARE Region - West	905,814	907,612	904,810	1,798	-2,802
TRICARE Region - Europe	121,855	121,855	122,015	0	160
TRICARE Region - Pacific	127,539	127,780	128,018	241	238
TRICARE Region - Latin America	4,566	4,533	4,508	-33	-25
Alaska	51,309	51,285	51,270	-24	-15
Sub-Total CONUS Regions	<u>2,553,482</u>	<u>2,547,207</u>	<u>2,536,890</u>	<u>-6,275</u>	<u>-10,317</u>
Sub-Total OCONUS Regions	<u>253,960</u>	<u>254,168</u>	<u>254,541</u>	<u>208</u>	<u>373</u>
Total Direct Care Enrollees	<u>2,807,442</u>	<u>2,801,375</u>	<u>2,791,431</u>	<u>-6,067</u>	<u>-9,944</u>

Notes:

1. The FY 2023 estimate is derived from the review of the weighted moving average, improved staffing and efficiency efforts for key Ready Medical Force sites.
2. The FY 2024 estimate is based on the smoothed weighted moving average of FY 2023 estimates.

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	<u>FY 2022 Actuals</u>	<u>FY 2023 Enacted</u>	<u>FY 2024 Request</u>	<u>FY 2022-2023 Change</u>	<u>FY 2023-2024 Change</u>
<u>Direct Care System Workload (from M2 and Business Planning Tool)</u>					
Inpatient Admissions, Non-Weighted (SIDR Dispositions-All)	134,442	133,527	132,551	-915	-976
Inpatient Admissions, Weighted (MS-DRG RWPs, Non Mental Health)	104,796	104,156	103,449	-640	-707
Inpatient Admissions, Occupied Bed Days (Mental Health Only)	68,770	68,688	68,405	-82	-283
Average Length of Stay (ALL Bed Days/All Dispositions)	2	2	2		0
Ambulatory Visits, Non-Weighted (Encounters, CAPER)	31,032,285	31,013,853	30,989,587	-18,432	-24,266
Ambulatory Visits, Weighted (Adj Provider Aggregate RVUs, CAPER)	64,365,082	64,372,868	64,371,957	7,786	-911
Number of Outpatient Pharmacy Prescriptions (30-Day equivalents)	31,328,462	30,263,275	29,234,305	-1,065,187	-1,028,970

Notes:

1. The FY 2023 estimates were updated after the President's Budget enactment. These figures are based on current data and trends analysis used in the forecasts for the FY 2024 estimates.
2. The FY 2023 and FY 2024 estimates use a centrally weighted moving average at the Parent Military Treatment Facility and Healthcare Product/Service Line Level.
3. A trend in increasing RVU per encounter estimates are contributing to disproportionate decreases in encounters to workload.
4. The FY 2022 to FY 2023 and FY 2023 to FY 2024 decreased pharmacy prescriptions (30-Day equivalents) is due to more patients being seen in the Private Sector Care and filling prescriptions in Mail Order and Retail following patient preference and behavior induced by the COVID-19 pandemic.
5. There are data quality improvements with increasing knowledge of MHS GENESIS systems. Workload and encounter estimates reflect these data quality improvements. As data continues to mature, estimates can change.

Exclusions:

1. The TRICARE for Life (TFL) eligible beneficiary encounters are an estimate. FY 2022 ambulatory encounters observe that 10 - 11 percent of the encounters are eligible TFL beneficiaries. Estimates include a 10% reduction in encounters for the TFL population.
2. Excluded workload from Military Service Line Unit Assets.

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2022 Actuals</u>	<u>FY 2023 Enacted</u>	<u>FY 2024 Request</u>	<u>FY 2022-2023 Change</u>	<u>FY 2023-2024 Change</u>
<u>Dental Workload (Dental Weighted Values (DWVs)(from Components)</u>					
CONUS	11,289,654	11,307,188	11,335,912	17,534	28,724
OCONUS	1,879,878	1,875,890	1,874,287	-3,988	-1,603
Total DWVs	13,169,532	13,183,078	13,210,199	13,546	27,121
<u>CONUS</u>					
Active Duty	10,663,878	10,678,763	10,702,333	14,885	23,570
Non-Active Duty	625,776	625,776	625,776	0	0
Total CONUS	11,289,654	11,304,539	11,328,109	14,885	23,570
<u>OCONUS</u>					
Active Duty	1,484,162	1,480,191	1,478,121	-3,971	-2,070
Non-Active Duty	395,716	395,716	395,716	0	0
Total OCONUS	1,879,878	1,875,907	1,873,837	-3,971	-2,070

Notes:

1. The FY 2023 estimates were updated after the President's Budget enactment. These figures reflect the current data and trends analysis used in the forecasts for the FY 2024 estimates.
2. The FY 2023 estimates are derived from the review of a weighted moving average, calculated at the Parent Facility, with the workload for non-Active Duty held steady.
3. The FY 2024 estimates are based on the smoothed weighted moving average of FY 2023 estimates, with the workload for non-Active Duty held steady.
4. The average Dental Weighted Value per encounter continues to trend up, particularly for Active Duty beneficiaries, increasing from 2.8 to 3.5, attributed to a post-COVID-19 recovery, with multiple procedures performed during dental visits.

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V. Personnel Summary:

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Change FY 2022/ FY 2023</u>	<u>Change FY 2023/ FY 2024</u>
Active Military End Strength (E/S) (Total)	48,124	51,927	53,038	3,803	1,111
Officer	17,434	18,329	18,534	895	205
Enlisted	30,690	33,598	34,504	2,908	906
Active Military Average Strength (A/S) (Total)	48,640	50,026	52,483	1,386	2,457
Officer	17,064	17,882	18,432	818	550
Enlisted	31,576	32,144	34,051	568	1,907
Civilian FTEs (Total)	45,870	44,792	44,727	-1,078	-65
U.S. Direct Hire	42,967	43,088	43,024	121	-64
Foreign National Direct Hire	1,445	812	811	-633	-1
Total Direct Hire	44,412	43,900	43,835	-512	-65
Foreign National Indirect Hire	1,458	892	892	-566	0
Average Annual Civilian Salary (\$ in thousands)	110.1	114.4	120.1	4.3	5.7
Contractor FTEs (Total)	14,512	14,515	14,450	3	-65

Personnel Summary Explanations:

Explanation of changes in Active Military End Strength: The net increase from FY 2022 to FY 2023 (+3,803) reflects the following changes by Component: Army (+478): for transfer of the following programs to the Department of the Army: In-Military Treatment Facility (MTF) Army Readiness Programs (-237); Defense-Wide Review Army Readiness (-39); Public Health Command and Regional Dental Command (-17); Army technical correction to align Agency controls with Service controls in the CAPE manpower system (-1); and FY 2022 execution adjustments and FY 2023 Next Generation Resources Management System (NGRMS) program element sync (+772). Navy (+3,416): for transfer of Navy BUMED resources to the Department of the Navy for the following programs: Medical Sealift Command (-73); Research and Development Lab (-20); CVN Carrier Support (-10); Medical Headquarters (-1); as well as continued technical adjustments for the revised drawdown reductions, including restoral (+3,905) and FY 2022 execution adjustments, and FY 2023 NGRMS program element sync (-385). Air Force (-91): for transfer of non-MTF resources to the Department of the Air Force (-72) as well as execution adjustments and FY 2023 NGRMS program

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V. Personnel Summary: (Cont.)

element sync (-19). The net increase from FY 2023 to FY 2024 (+1,111) reflects the following changes by Component: Army (+1,425): for Medical End Strength restoral (+2,602) and NGRMS program element sync (-1,177). Navy (-258): for Medical End Strength Restoral (+1,822), the restoral of planned end strength reductions of Mental Health professionals at Medical Treatment Facilities (+75), transfer to the Department of the Navy for Research and Development (-4), Unit Deployment Program (-2), and NGRMS program element sync (-2,149). Air Force: (-56): for transfer to the Department of the Air Force for National Capital Region Special Mission Auxiliary (-26) and Program Corrections (-30).

Explanation of changes in Civilian FTEs: The net decrease from FY 2022 to FY 2023 (-1,078) reflects FY 2022 execution adjustments (-23: Army +3,496, Directed Care Financial Management -614, and Defense Health Agency -2,905), based on FY 2022 actual FTE execution, and the following changes by component: Direct Health Agency (+107): Transfer of the Army's Deployment Health Program to Defense Health Agency. Navy (+116): realigning IM/IT resources to Health Information Technology (-8); and Navy internal realignment to other Bags (+124). Air Force (+86): Internal realignment from other BAGs. Army (-1,364): Transfer of the following programs to the Department of the Army: 1) In-Medical Treatment Facility Readiness Programs (-483); 2) FTE only transfer for Family Advocacy Program (-326); 3) Army Medical Readiness (-29); 4) Readiness Functions of the Army Medicine Regional Dental Commands (-26); realigning IM/IT resources to Health Information Technology (-281); and internal realignments to other BAGs (-219). The net decrease from FY 2023 to FY 2024 (-65) reflects the following changes: Transfer to the Department of the Air Force (-29) for Early Development Intervention Services (-6), National Capital Region Special Mission Auxiliary Function (-9), and Defense-Wide Review directed medical readiness activities outside the Military Treatment Facilities (-14); Transfer to the Department of the Army (-54) for In-Dental Treatment Facilities Commander's Support Staff to Army (-30), and Womack Medical Center Readiness Clean-Up (-24); and Transfer to the Defense Health Agency from the Department of the Army for the Initial Entry Training Reception Battalion Medical Support (+18).

Explanation of changes in Contractor FTEs: The increase from FY2022 to FY2023 (+3) reflects execution adjustments based on actual FY 2022 execution in the MEDCENS, Hospitals and, Clinics OCONUS (+48), MEDCENS, Hospitals, Clinics CONUS (-33), and Dental Care CONUS (-9), as well as Enterprise-wide DHP Reform Management efforts to shape the DHP workforce within MEDCENS, Hospitals, Clinics CONUS (+27), Dental Care CONUS (+33), and MEDCENS, Hospitals and, Clinics OCONUS (-63). The net decrease from FY 2023 to FY 2024 (-65) accounts for the Dental Care CONUS (+13) program element attributed to Enterprise-wide DHP Reform Management efforts to shape the DHP workforce and in the MEDCENS, Hospitals, Clinics CONUS (-78) program element attributed to contract dollars transferred to the Military Departments.

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
In-House Care OP-5 Exhibit

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

	FY 2022 Program	Change from FY 2022 to FY 2023		FY 2023 Program	Change from FY 2023 to FY 2024		FY 2024 Program
		Price Growth	Program Growth		Price Growth	Program Growth	
101 EXEC, GEN'L & SPEC SCHEDS	4,867,390	201,023	-140,531	4,927,882	247,774	-6,210	5,169,446
103 WAGE BOARD	107,791	4,452	-6	112,237	5,643	-2,224	115,656
104 FN DIRECT HIRE (FNDH)	33,241	1,373	-2	34,612	1,740	-1,422	34,930
105 SEPARATION LIABILITY (FNDH)	1,255	52	-1,307	0	0	0	0
107 VOLUNTARY SEP INCENTIVES	842	35	-524	353	18	-18	353
0199 TOTAL CIVILIAN PERSONNEL COMPENSATION	5,010,519	206,935	-142,370	5,075,084	255,175	-9,874	5,320,385
308 TRAVEL OF PERSONS	79,874	1,677	-10,708	70,843	1,559	-97	72,305
0399 TOTAL TRAVEL	79,874	1,677	-10,708	70,843	1,559	-97	72,305
401 DLA ENERGY (FUEL PRODUCTS)	325	-24	1	302	-35	-43	224
416 GSA SUPPLIES & MATERIALS	897	19	-161	755	15	-2	768
417 LOCAL PURCH SUPPLIES & MAT	5,085	107	-112	5,080	102	-2	5,180
422 DLA MAT SUPPLY CHAIN (MEDICAL)	3,094	20	-208	2,906	180	-195	2,891
0499 TOTAL DEFENSE WORKING CAPITAL FUND SUPPLIES AND MATERIALS	9,401	122	-480	9,043	262	-242	9,063
771 COMMERCIAL TRANSPORT	7,845	165	-444	7,566	151	-171	7,546
0799 TOTAL TRANSPORTATION	7,845	165	-444	7,566	151	-171	7,546
901 FOREIGN NATIONAL INDIRECT HIRE (FNIH)	41,022	1,694	5,649	48,365	2,432	-1,114	49,683
912 RENTAL PAYMENTS TO GSA (SLUC)	20	0	8	28	1	0	29
913 PURCHASED UTILITIES (NON-FUND)	1	0	-1	0	0	0	0
914 PURCHASED COMMUNICATIONS (NON-FUND)	745	16	0	761	17	-22	756
915 RENTS (NON-GSA)	15,471	325	-1,412	14,384	316	-27	14,673
917 POSTAL SERVICES (U.S.P.S)	1,239	26	-80	1,185	26	-2	1,209
920 SUPPLIES & MATERIALS (NON-FUND)	464,789	9,761	-36,721	437,829	9,632	-1	447,460
921 PRINTING & REPRODUCTION	4,498	94	-122	4,470	98	-96	4,472
922 EQUIPMENT MAINTENANCE BY CONTRACT	139,906	2,938	-8,438	134,406	2,957	-3,080	134,283
923 FACILITIES SUST, REST, & MOD BY CONTRACT	98,477	2,068	-1,660	98,885	2,175	-1,693	99,367

**Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
In-House Care OP-5 Exhibit**

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

	FY 2022 Program	Change from FY 2022 to FY 2023		FY 2023 Program	Change from FY 2023 to FY 2024		FY 2024 Program
		Price Growth	Program Growth		Price Growth	Program Growth	
924 PHARMACEUTICAL DRUGS	1,381,426	71,834	277,756	1,731,016	70,972	-200,000	1,601,988
925 EQUIPMENT PURCHASES (NON-FUND)	249,260	5,234	92,323	346,817	7,630	-1,746	352,701
932 MGT PROF SUPPORT SVCS	13,955	293	-1,138	13,110	288		13,398
933 STUDIES, ANALYSIS & EVAL	5,266	111	393	5,770	127	-99	5,798
955 OTHER COSTS (MEDICAL CARE)	267,242	13,897	-14,634	266,505	10,927	-7,552	269,880
960 OTHER COSTS (INTEREST AND DIVIDENDS)	0	0	1	1	0		1
964 OTHER COSTS (SUBSISTENCE AND SUPPORT OF PERSONS)	2,594	54	-61	2,587	57	-4	2,640
986 MEDICAL CARE CONTRACTS	1,483,740	77,154	-9,561	1,551,333	63,605	-76,522	1,538,416
987 OTHER INTRA-GOVT PURCH	28,996	609	-1,229	28,376	624	-595	28,405
988 GRANTS	4,524	95	-162	4,457	98	-326	4,229
989 OTHER SERVICES	51,827	1,088	-555	52,360	1,152	-1,566	51,946
990 IT CONTRACT SUPPORT SERVICES	13,310	280	402	13,992	308	-591	13,709
0999 TOTAL OTHER PURCHASES	4,268,308	187,571	300,758	4,756,637	173,442	-295,036	4,635,043
9999 GRAND TOTAL	9,375,947	396,470	146,756	9,919,173	430,589	-305,420	10,044,342