

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

I. Description of Operations Financed:

This Budget Activity Group represents approximately one percent of the Defense Health Program budget. It covers the Defense Health Agency's Medical Headquarters and its functions supporting Military Health System's 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, including the cost of operating the DHA and centrally managed requirements supporting the delivery of healthcare services.

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

II. Force Structure Summary:

Management Activities include resources necessary to support headquarters functions outlined in DoD Instruction 5100.73, Major Department of Defense Headquarters Activities. Within the Military Health System, this covers the costs of operating the acquisition, administration, audiovisual, audit, cost analysis, data automation, financial management, information, public affairs, legal and legislative affairs, logistics, management analysis, personnel and organization, and security programs at the Defense Health Agency.

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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								
Defense Health Agency	\$266,406	\$253,495	\$0	0.00%	\$253,495	\$253,495	\$260,471	
Management Headquarters	<u>\$62,868</u>	<u>\$85,183</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$85,183</u>	<u>\$85,183</u>	<u>\$86,975</u>	
Total	\$329,274	\$338,678	\$0	0.00%	\$338,678	\$338,678	\$347,446	

Notes:

1. FY 2022 Actuals includes \$2,967K reprogrammed from Management Activities for unfunded requirements.

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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	\$338,678	\$338,678
Congressional Adjustments (Distributed)	0	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	0	
SUBTOTAL APPROPRIATED AMOUNT	338,678	
Fact-of-Life Changes (2023 to 2023 Only)	0	
SUBTOTAL BASELINE FUNDING	338,678	
Supplemental	0	
Reprogrammings	0	
Price Changes		15,697
Functional Transfers		-463
Program Changes		-6,466
CURRENT ESTIMATE	338,678	347,446
Less: Supplemental	0	
NORMALIZED CURRENT ESTIMATE	\$338,678	\$347,446

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

FY 2023 President's Budget Request (Amended, if applicable)	\$338,678
1. Congressional Adjustments	\$0
a) Distributed Adjustments	\$0
b) Undistributed Adjustments	\$0
c) Adjustments to Meet Congressional Intent.....	\$0
d) General Provisions	\$0
FY 2023 Appropriated Amount	\$338,678
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	\$338,678
4. Reprogrammings (Requiring 1415 Actions)	\$0

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

a) Increases	\$0
b) Decreases	\$0
Revised FY 2023 Estimate	\$338,678
5. Less: Item 2, Supplemental Appropriation and Item 4, Reprogrammings	\$0
a) Less: Supplemental Funding	\$0
FY 2023 Normalized Current Estimate	\$338,678
6. Price Change	\$15,697
7. Functional Transfers	\$-463
a) Transfers In	\$0
b) Transfers Out	\$-463
1) Medical Readiness Centralized Contracts Transfer to the Department of the Air Force:	\$-463
Transfers funds (-\$463K) from the Defense Health Agency to the Department of the Air Force for Air Force Medical Readiness Headquarters contract support for Flight and Operational Medicine, Human Performance, Medical Readiness Training/ Operations, Operational Consultation, and School of Aerospace Medicine.	
8. Program Increases	\$0
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	\$0
9. Program Decreases	\$-6,466
a) Annualization of FY 2023 Program Decreases	\$0
b) One-Time FY 2023 Increases	\$0
c) Program Decreases in FY 2024	\$-6,466
1) Defense Health Program Reform Management:	\$-6,466
Reduces Management Activities contract funding through Military Health System-wide efforts to consolidate contracts, increase contract standardization, leverage market buying power, and use nationwide contracting sources. The Defense Health Agency conducted a comprehensive review of contract requirements in category management. This review resulted in decreases for the Management Headquarters and Defense Health Agency program elements. The FY 2023 Management Activities baseline funding is \$338,678K. The FY 2023 baseline contractor staffing for Management Activities is 330 CMEs.	
FY 2024 Budget Request	\$347,446

IV. Performance Criteria and Evaluation Summary:

Refer to the Personnel Summary in Section V.

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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)	693	768	768	75	0
Officer	471	531	533	60	2
Enlisted	222	237	235	15	-2
Active Military Average Strength (A/S) (Total)	648	731	768	83	37
Officer	434	501	532	67	31
Enlisted	214	230	236	16	6
Civilian FTEs (Total)	1,384	1,529	1,529	145	0
U.S. Direct Hire	1,381	1,524	1,524	143	0
Total Direct Hire	1,381	1,524	1,524	143	0
Foreign National Indirect Hire	3	5	5	2	0
Average Annual Civilian Salary (\$ in thousands)	195.1	185.9	195.2	-9.3	9.3
Contractor FTEs (Total)	330	330	328	0	-2

Personnel Summary Explanations:

Explanation of changes in Active Military End Strength: The net increase from FY 2022 to FY 2023 (+75) reflects execution adjustments and FY 2023 internal realignments in the Next Generation Resource Management System (NGRMS) (+26: Army -19, Navy -2, and Air Force +47), the addition of the Army's first Reserve Officer (+1), the transfer of the Armed Forces Pest Management Board (AFPM) per 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 Department of Navy (-3) and the technical adjustment made by the military departments for the revised drawdown reductions (+2; Navy +1 and 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. The net change from FY 2023 to FY 2024 (0) reflects the FY 2024 internal realignments in NGRMS (Navy Enlisted -2 and Navy Officer +2).

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V. Personnel Summary: (Cont.)

Explanation of changes in Civilian FTEs: The net increase from FY 2022 to FY 2023 (+145) reflects execution adjustments (+290 DHA-Comptroller), 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 FTEs from Navy medicine (-108). There is no change from FY 2023 to FY 2024.

Explanation of changes in Contractor FTEs: There were no changes from FY 2022 to FY 2023. The change from FY 2023 to FY 2024 (-2) is due to the transfer of centralized contract dollars to the military departments (-2).

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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	268,077	11,072	2,765	281,914	14,175	0	296,089
103 WAGE BOARD	1,619	67	0	1,686	85	0	1,771
110 UNEMPLOYMENT COMPENSATION	6,892	285	0	7,177	361	0	7,538
0199 TOTAL CIVILIAN PERSONNEL COMPENSATION	276,588	11,424	2,765	290,777	14,621	0	305,398
308 TRAVEL OF PERSONS	2,763	58		2,821	62		2,883
0399 TOTAL TRAVEL	2,763	58	0	2,821	62	0	2,883
771 COMMERCIAL TRANSPORT	51	1		52	1		53
0799 TOTAL TRANSPORTATION	51	1	0	52	1	0	53
901 FOREIGN NATIONAL INDIRECT HIRE (FNIH)	332	14	221	567	29	0	596
917 POSTAL SERVICES (U.S.P.S)	3	0		3	0		3
920 SUPPLIES & MATERIALS (NON-FUND)	43	1	0	44	1	0	45
923 FACILITIES SUST, REST, & MOD BY CONTRACT	1	0	-1	0	0	0	0
925 EQUIPMENT PURCHASES (NON-FUND)	380	8	0	388	9	0	397
932 MGT PROF SUPPORT SVCS	27,287	573	-3,368	24,492	539	-3,878	21,153
933 STUDIES, ANALYSIS & EVAL	1,278	27	-158	1,147	25	-182	990
955 OTHER COSTS (MEDICAL CARE)	251	13		264	11	0	275
959 OTHER COSTS (INSURANCE CLAIMS/INDMNTIES)	74	2	-76	0	0	0	0
960 OTHER COSTS (INTEREST AND DIVIDENDS)	21	0	-21	0	0	0	0
964 OTHER COSTS (SUBSISTENCE AND SUPPORT OF PERSONS)	11	0	-11	0	0	0	0
987 OTHER INTRA-GOVT PURCH	9,514	200	-1,174	8,540	188	-1,352	7,376
989 OTHER SERVICES	10,492	220	-1,295	9,417	207	-1,491	8,133
990 IT CONTRACT SUPPORT SERVICES	185	4	-23	166	4	-26	144
0999 TOTAL OTHER PURCHASES	49,872	1,062	-5,906	45,028	1,013	-6,929	39,112
9999 GRAND TOTAL	329,274	12,545	-3,141	338,678	15,697	-6,929	347,446