

Subject: Defense Health Program 2015 Prior Approval Request		DoD Serial Number: FY 15-21 PA
Appropriation Title: Various Appropriations		Includes Transfer? Yes

Component Serial Number:	<i>(Amounts in Thousands of Dollars)</i>							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This action is being submitted for prior approval because it uses general transfer authority, exceeds established reprogramming thresholds and affects a congressional special interest item. This reprogramming action provides funding in support of higher priority items, based on unforeseen military requirements, than those for which originally appropriated; and are determined to be necessary in the national interest. They meet all administrative and legal requirements, and none of the items have previously been denied by the Congress.

This reprogramming action transfers or realigns \$278.349 million among the Defense Health Program (DHP) Fiscal Year (FY) 2015 appropriations. This reprogramming uses \$72.688 million of general transfer authority pursuant to section 8005 division C of Public Law 113-235, the Department of Defense (DoD) Appropriations Act, 2015; and section 1001 of Public Law 113-291, the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for FY 2015

<u>FY 2015 REPROGRAMMING INCREASE:</u>		<u>+278,349</u>	<u>+240,549</u>
<u>Defense Health Program, 15/15</u>		<u>+278,349</u>	<u>+240,549</u>
<u>Budget Activity 01: Operation and Maintenance</u>			
	30,168,454	30,199,487	
(Private Sector Care)		<u>+278,349</u>	30,477,836
		<u>+240,549</u>	29,978,938

Explanation: Funds are required for the Private Sector Care budget activity group to finance unexpected cost increases in the retail pharmacy program due to an increased demand for expensive compound pharmaceuticals. This is a congressional special interest item. This is a base budget requirement.

<u>FY 2015 REPROGRAMMING DECREASES:</u>		<u>-278,349</u>	<u>-240,549</u>
<u>Defense Health Program, 15/15</u>		<u>-205,661</u>	<u>-167,861</u>
<u>Budget Activity 01: Operation and Maintenance</u>			
	30,168,454	30,477,836	
(In-House Care)		<u>-61,242</u>	30,272,175
(Consolidated Health Support)		<u>-51,519</u>	30,309,975
(Information Management/Information Technology)		<u>-2,100</u>	
(Management Activities)		<u>-33,300</u>	
(Education and Training)		<u>-9,700</u>	
(Base Operations)		<u>-47,800</u>	<u>-10,000</u>

HAC Denied \$37.8 million

Approved (Signature and Date)

Michael McCord

June 9, 2015

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<p>Explanation: Funds are available from the following sources:</p> <ul style="list-style-type: none"> • \$-61.242 million from the In-House Care budget activity group, as a result of reduced civilian pay (\$-10.242 million/118 FTEs), due to lingering delays in hiring medical employees as a result of limited recruitment for the first 3 months of FY 2015 while operating under Continuing Resolution and compounded by the residual impacts of limited recruiting in FY 2014 while operating under Continuing Resolution for the first 4 months and preceded by sequestration in FY 2013; an additional \$-51.0 million as a result of a delay in the requirement to fund the Initial Outfitting and Transition project requirements associated with the medical facilities at Camp Humphreys, Korea. This is a congressional special interest item. This is base budget funding. • \$-51.519 million from the Consolidated Health Support budget activity group, as a result of reduced civilian pay (\$-41.519 million/436 FTEs) due to lingering delays in hiring employees as a result of limited recruitment for the first 3 months of FY 2015 while operating under Continuing Resolution and compounded by the residual impacts of limited recruiting in FY 2014 while operating under continuing Resolution for the first 4 months and preceded by sequestration in FY 2013; and a lower amount of funding applied to contracts than the budgeted amount as a result of the interim measure of extending expiring contracts for 3-4 months when new 12 month contracts could not be completed in time to sustain mission requirements (\$-10.0 million). This is base budget funding. • \$-2.1 million from the Information Management/Information Technology budget activity group due to a reduced requirement for information technology contracts. This is base budget funding. • \$-33.3 million from the Management Activities budget activity group, as a result of reduced civilian pay (\$-5.0 million/34 FTEs) due to lingering delays in hiring employees as a result of limited recruitment for the first 3 months of FY 2015 while operating under Continuing Resolution and compounded by the residual impacts of limited recruiting in FY 2014 while operating under Continuing Resolution for the first 4 months and preceded by sequestration in FY 2013; and a decrease in the requirement for contracts less than the amount budgeted (\$-28.3 million). This is base budget funding. • \$-9.7 million from the Education and Training budget activity group due to a reduced requirement for the Health Professions Scholarship Program as a result of discounted tuition rates negotiated with civilian colleges and universities that educate health care providers in the Military Health System. This is base budget funding. • \$-47.8 million from the Base Operations budget activity group due to reduced civilian pay (\$-10.0 million/97 FTEs) due to lingering delays in hiring employees as a result of limited recruitment for the first 3 months of FY 2015 while operating under Continuing Resolution and compounded by the residual impacts of limited recruiting in FY 2014 while operating under Continuing Resolution for the first 4 months and preceded by sequestration in FY 2013; and by deferring some low priority facility restoration and modernization projects to FY 2016 (\$-37.8M). This is base budget funding. 									

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Defense Health Program, 15/16						<u>-2,888</u>			
<u>Budget Activity 02: Research, Development, Test, and Evaluation</u>									
		1,732,536		1,749,003		-2,888		1,746,115	
<u>Explanation:</u> Funds are available from information technology research engineering and development contracts due to the contracts being less than budgeted. This is base budget funding.									
Defense Health Program, 15/17						<u>-69,800</u>			
<u>Budget Activity 03: Procurement</u>									
		308,413		308,413		-69,800		238,613	
<u>Explanation:</u> Funds are available due to a reduction in FY 2015 medical equipment replacement/refresh requirements and decrease in purchasing costs as the result of the Defense Health Agency Medical Logistics Shared Service developing a consolidated purchasing plan for the replacement of medical equipment. This is base budget funding.									