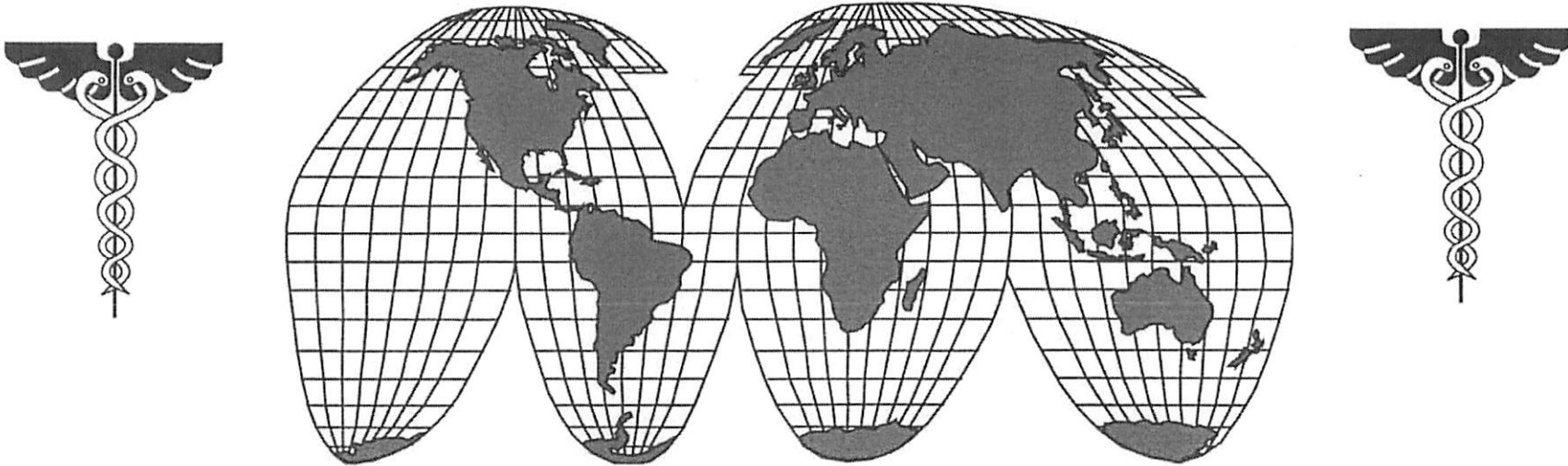


DEFENSE HEALTH PROGRAM



Fiscal Year (FY) 2014 Amended Budget Estimates OVERSEAS CONTINGENCY OPERATIONS REQUEST

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Office of Security Review
Department of Defense

May 2013

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.

13-C-0552

Defense Health Program
Fiscal Year (FY) 2014 Budget Estimates
FY 2014 Overseas Contingency Operations (OCO)
Operation and Maintenance

O-1 Line Item Summary
 (\$ in Thousands)

Major Category: Operations

Sub-Activity Group	Sub-Activity Group Name	FY 2012 Actuals	FY 2013 Request	FY 2014 Estimate
01	In-House Care	652,139	483,326	375,958
02	Private Sector Care	451,847	376,981	382,560
03	Consolidated Health Support	92,396	111,676	132,749
04	Information Management	2,962	4,773	2,238
05	Management Activities	121	660	460
06	Education and Training	16,389	15,370	10,236
07	Base Operations/Communications	1,296	1,112	0
		1,217,150	993,898	904,201

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Budget Activity 1, Operation and Maintenance

Detail by Subactivity Group

I. Description of Operations Supported: These incremental (above baseline) funds provide medical and dental services to active forces, mobilized Reserve Components (RC), and their family members in support of Operation Enduring Freedom (OEF). The Defense Health Program (DHP) baseline budget request does not fund the medical and dental support requirements within the OEF Area of Responsibility (AOR). Overseas Contingency Operations (OCO) funds incremental costs associated with the treatment of combat casualties at Military Treatment Facilities (MTF). Combat casualties require higher resource intensive care (e.g., amputees, burn and rehabilitative care) than routine peacetime patients require. Other DHP operational requirements in support of the OEF includes: Pre/Post deployment processing for personnel, aeromedical transportation of casualties from Germany to the US, and contracted/civilian medical personnel to backfill deployed permanent MTF staff. Additionally, support requirements include command, control, and communication (C3) costs, telemedicine for OEF theater care, public health support, material management control, veterinary support, and bioenvironmental health support that are above the baseline budget. The DHP also provides additional blood units and products for casualties and post deployment health assessments (between 3-6 months after deployment), evaluations, and treatment for all mobilized RC and their family members. OCO funding also provides additional support for the Integrated Disability Evaluation System (iDES) to facilitate integration between the Military Health System (MHS) and the Department of Veterans Affairs resulting in faster processing time for wounded warriors processing through the disability evaluation system.

• **In House Care:**

- Incremental costs for health care for casualties above the baseline budget
- Incremental costs for deployment related prophylactic pharmaceuticals
- Medical and dental care for mobilized RC personnel
- Backfill of deployed permanent medical personnel to support OEF
- Increased personnel for iDES to improve processing times

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- **Private Sector Care**

- Healthcare for mobilized RC and their family members

- **Consolidated Health Support**

- Incremental costs for the Armed Services Blood Program to provide blood products for OEF
- Aeromedical transportation of casualties from Germany to the US
- Military Public Health manpower, supplies, support equipment, and associated requirements specifically identified for the management, direction, and operation of disease prevention and control for OEF
- Incremental support for OEF in epidemiology, medical entomology, drinking water safety, monitoring hazardous waste disposal, food and facility sanitation, deployment health promotion and education, health surveillance, medical intelligence, disease and climate illness training to deploying troops, disease surveillance and control, and injury/high risk mitigation surveillance
- Resources required for the incremental costs for the management, direction and operation of DoD's veterinary missions to support OEF
- Medical laboratories processing and storage of blood samples collected during the pre/post deployment process

- **Information Management**

- Incremental information management support for medical coding and tracking of patients supporting OCO
- Incremental support to electronically collect and store healthcare, public health, bioenvironmental, and health surveillance data on all deployed personnel
- Incremental funding of telemedicine and teleconferencing initiatives to better leverage technology for the delivery of combat health care in theater

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- **Management Activities**

- Medical command, control, and communications in support of OEF
- Medical headquarters planning, analysis, reporting, data collection, and after action reviews to support medical decisions

- **Education and Training**

- Additional trauma training to ensure medical providers, as well as all other medical personnel, receive/retain the necessary skill sets to treat combat trauma injuries
- Training for medical providers and other medical personnel to properly diagnose pre- and post-deployment mental health conditions

- **Research, Development, Test, and Evaluation**

- Transfers from the Joint Improvised Explosive Device Defeat Organization (JIEDDO) for blast recovery monitors, body blood flow monitors, and blast pulse effect monitors (FY 2011 Congressional Special Interest Item)
- One time funding in FY 2012 as a congressional special interest add

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	(\$ in Thousands)		
II. <u>Financial Summary</u>	FY 2012	FY 2013	FY 2014
	<u>Actuals</u>	<u>Request</u>	<u>Estimate</u>
Total DHP OCO	1,217,150	993,898	904,201

	(\$ in Thousands)		
A. Subactivity Group -	FY 2012	FY 2013	FY 2014
In-House Care	<u>Actuals</u>	<u>Request</u>	<u>Estimate</u>
	652,139	483,326	375,958

Narrative Justification: FY 2014 request includes a smaller amount for Temporary End-Strength Army Medical (TEAM) to support 3,000 personnel and their family members. Most of the TEAM requirement (65%) is provided in In-House Care for health care for active duty and their family members. In addition, smaller projections for deployed active and reserve component forces in FY 2014 contribute to a reduction in the overall requirement. There is a decrease in the FY 2014 requirement for Medical Backfill due to a reduction in force deployment and support activities.

The DHP will continue to incur costs associated with supplying pharmaceuticals, pre-deployment individual equipment items (e.g., eyewear and protective mask eyewear inserts) and prophylactic vaccinations as long as there are deployed personnel supporting OEF. Additionally, the DHP funds incremental funding requirements for casualty care activities at amputee centers at San Antonio Military Medical Center, San Antonio, TX; Walter Reed National Military Medical Center; and Naval Medical Center, San Diego, CA, as well as the burn center at Brooke Army Medical Center.

The FY 2014 Request also includes a small amount of OCO funding in this Subactivity Group in support of iDES.

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Impact if not funded: Providing health care for military members (active as well as mobilized RC members) is the mission of the Military Health System. This request is for the funding necessary to continue to provide the additional incremental medical and dental care for the mobilized forces not funded in the baseline budget. Without these additional funds, MTFs would have to reduce care to non-active duty beneficiaries (retirees and family members) resulting in a disengagement of these beneficiaries to the private sector. If funding is not provided to backfill the MTF positions vacated by active duty medical personnel deployed in support of OEF, fewer beneficiaries can be seen in these MTFs thereby shifting health care to the private sector.

	(\$ in Thousands)		
	<u>FY 2012</u> <u>Actuals</u>	<u>FY 2013</u> <u>Request</u>	<u>FY 2014</u> <u>Estimate</u>
B. Subactivity Group - Private Sector Care	451,847	376,981	382,560

Narrative Justification: FY 2014 request includes a smaller amount for TEAM than requested in the FY 2012 and FY 2013 requests. Private Sector Care (PSC) comprises 35% of the TEAM requirement for health care for active duty and their family members. The reasons for the slight increase in FY 2014 are tied to higher usage of the TAMP program by RC personnel.

OCO PSC funding provides mobilized RC personnel and their family members with healthcare, pharmacy, and dental benefits while they are mobilized in support of OCO. Mobilized RC personnel and their family members are eligible for medical and dental care similar to active duty personnel, including access to private sector providers through the TRICARE Managed Care Support Networks. The TRICARE network also provides access to civilian providers for those beneficiaries living in remote locations outside the established network areas. The TRICARE Reserve Select program, offered to RC members who enroll and

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share premiums with the government, is not included in this requirement. Health care coverage includes costs for medical care and pharmaceuticals for RC personnel and their family members, managed care contract administration fees, and RC dental care (funded here and in In-House Care).

Impact if not funded: Providing health care to mobilized RC personnel and their families is congressionally mandated. This is a must pay bill and the cost will incur even without funding. If this occurs, other healthcare requirements will be compromised as funding is shifted from other priorities. This may include curtailing the amount of medical treatment obtained in MTFs for non-active duty personnel, thereby shifting those costs to the private sector care contracts.

	(\$ in Thousands)		
	FY 2012	FY 2013	FY 2014
	<u>Actuals</u>	<u>Request</u>	<u>Estimate</u>
C. Subactivity Group -- Consolidated Health Support	92,396	111,676	132,749

Narrative Justification: The increase in FY 2014 is due to our increased iDES program effort continued from FY 2013. In addition, there has been an an increased requirement at the Soldier Readiness Processing sites for deploying and redeploying troops.

Impact if not funded: Lack of funding for collection, documentation, analysis, feedback, and storage of critical patient medical surveillance data sets would cause medical data integrity issues similar to the Vietnam Conflict Agent Orange exposure tracking and follow-up medical care issues. In addition, the optical fabrication, blood program and aeromedical transport missions would require further internal offsets. This would lead to reduced efficiencies in infrastructure improvements, hiring of civilian personnel, and the delay or cancellation of non-emergency logistic procurements.

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	(\$ in Thousands)		
	FY 2012	FY 2013	FY 2014
	<u>Actuals</u>	<u>Request</u>	<u>Estimate</u>
D. Subactivity Group -- Information Management	2,962	4,773	2,238

Narrative Justification: FY 2014 request decrease in this Subactivity Group reflects reductions in the projected force deployment of active and RC forces, and a shift of requested funding to the In-House Care and Consolidated Health Support Subactivity Groups for proper execution. However, Pre-Post Deployment funding is still required at Soldier Readiness Processing sites, to fund information technology personnel to support the tracking of troop data and deployments and troop withdrawal. Requested funding is also a result of realigning the request into the Subactivity Group where actual execution occurs. For example, Medical Backfill has seen an increase in Information Management /Information Technology (IM/IT) as IM/IT people deploy. The requested funding level also provides resources to continue electronically tracking patients departing the AORs. Patient tracking allows the MHS to know where casualties are as they travel from OEF through or to Germany and CONUS MTFs. This is vital to ensure patients are provided the specialized medical care required and to ensure the MTF's readiness to receive casualties. The MHS also collects, analyzes and stores all OEF public health, bioenvironmental hazard and health surveillance data by using information management contracts to support this capability. Telemedicine and teleconferencing initiatives enable OEF medical personnel to leverage global military healthcare expertise in their treatment of combat casualties before patients depart to CONUS for advanced care. The reduction from FY 2013 to FY 2014 is due to a reduction in force deployments.

Impact if not funded: Without funding for patient tracking, patients may arrive at a hospital that is not properly equipped to care for them. Vital health surveillance data collected within the theaters of operation would not be stored. This data is crucial for investigating future healthcare conditions that possibly resulted from service in OEF.

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Without funding for the incremental costs associated with information management activities, the electronic collection and storage of all casualty health care records would be greatly reduced.

	(\$ in Thousands)		
E. Subactivity Group -- Management Activities	<u>FY 2012</u> <u>Actuals</u>	<u>FY 2013</u> <u>Request</u>	<u>FY 2014</u> <u>Estimate</u>
	121	660	460

Narrative Justification: FY 2014 request reflects a decrease from the FY 2013 request. The DHP will continue providing management activities in support of OEF. The Army Medical Command Operations Center, which provides the Department of the Army with vital information for command and control of medical assets, will remain operational 24 hours a day. The center coordinates the sourcing of operations and rotations, manages medical policy and operational issues, performs reporting functions, and functions as the medical coordinator between theater (OEF) and the U.S. The center integrates all the medical operating systems including hospitalization, evacuation, medical logistics, personnel, dental, and veterinary functions.

Impact if not funded: The Army Medical Command Operations Center hours would be curtailed and staffing would be decreased to support only a normal duty hour function. The backlog of information would cause a tremendous burden with decreased staff support. The DHP would not be able to effectively manage the logistical support for medical units assigned to OEF. If funding is not provided there would be a coordination gap in the movement of supplies, equipment and medical personnel in support of OEF. In addition, the coordination of patient movement between overseas locations to stateside MTFs would be delayed or interrupted.

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	(\$ in Thousands)		
	FY 2012	FY 2013	FY 2014
	<u>Actuals</u>	<u>Request</u>	<u>Estimate</u>
F. Subactivity Group -- Education and Training	16,389	15,370	10,236

Narrative Justification: The decrease in FY 2014 reflects the anticipated drawdown in force deployments supporting OEF. Requested funding is in support of continued Pre-Post Deployment requirements to support OEF based on estimated fill rates for classes military personnel are required to take prior to deployment. In addition, the DHP will continue to provide the additional trauma training to ensure medical providers receive and retain the necessary skill sets to treat combat trauma injuries as well as training to properly diagnose pre/post deployment mental health conditions.

Impact if not funded: Without funding, the proficiency of medical personnel in treating the types of combat injuries that regular day-to-day peacetime healthcare typically does not afford would be greatly diminished. Without pre-deployment training, valuable time in the field would be devoted to elevating medical skills to proper readiness levels. In addition, specialized training to identify and treat pre/post deployment mental illnesses would not be available, therefore causing the possible deployment of non-ready forces.

2014 PB		FY 2012				FY 2013		FY 2013				FY 2014			
Line	Summary	Program	Foreign Currency Adjustment	Price Growth Percent	Amount	Program Growth	Program	Line	Summary	Program	Foreign Currency Adjustment	Price Growth Percent	Amount	Program Growth	Program
308.1	Travel of Persons	8,678	0	1.982%	172	733	9,583	308.1	Travel of Persons	9,583	0	1.889%	181	(1,875)	7,889
399	Total Travel	8,678	0		172	733	9,583	399	Total Travel	9,583	0		181	(1,875)	7,889
401	DLA Energy (Fuel Products)	7	0	14.286%	1	(5)	3	401	DLA Energy (Fuel Products)	3	0	0.000%	0	(3)	0
412	Navy Managed Supplies & Materials	0	0	0.000%	0	41	41	412	Navy Managed Supplies & Materials	41	0	0.000%	0	(41)	0
416	GSA Managed Supplies & Materials	0	0	0.000%	0	148	148	416	GSA Managed Supplies & Materials	148	0	2.027%	3	(151)	0
417	Locally Purchased Managed Supplies and Materials	2,187	0	2.012%	44	(1,518)	713	417	Locally Purchased Managed Supplies and Materials	713	0	1.964%	14	(76)	651
422	DLA Material Supply Chain (Medical)	300	0	2.000%	6	(231)	75	422	DLA Material Supply Chain (Medical)	75	0	0.000%	0	(75)	0
499	Total Supplies and Material	2,494	0		51	(1,565)	980	499	Total Supplies and Material	980	0		17	(346)	651
506	DLA Material Supply Chain (Construction and Equipment)	0	0	0.000%	0	121	121	506	DLA Material Supply Chain (Construction and Equipment)	121	0	0.000%	0	(121)	0
507	GSA Managed Equipment	0	0	0.000%	0	457	457	507	GSA Managed Equipment	457	0	1.751%	8	(465)	0
599	Total Fund Equipment	0	0		0	578	578	599	Total Fund Equipment	578	0		8	(586)	0
633.1	DLA Document Services	265	0	6.415%	17	(224)	58	633	DLA Document Services	58	0	0.000%	0	(4)	54
699	Total Purchases	265	0		17	(224)	58	699	Total Purchases	58	0		0	(4)	54
714	MSC POL Tankership	123	0	-0.813%	(1)	(122)	0	714	MSC POL Tankership	0	0	0.000%	0	0	0
771	Commercial Transportation	6,413	0	1.902%	122	2,685	9,220	771	Commercial Transportation	9,220	0	1.866%	172	(3,272)	6,120
799	Total Transportation	6,536	0		121	2,563	9,220	799	Total Transportation	9,220	0		172	(3,272)	6,120
9XX	Civilian Pay Reimbursed to Host	201,032	0	0.240%	483	(45,380)	156,135	9XX	Civilian Pay Reimbursed to Host	156,135	0	0.875%	1,366	(22,589)	134,912
901	Foreign National Indirect Hire	2,539	0	0.276%	7	2,914	5,460	901	Foreign National Indirect Hire	5,460	0	0.879%	48	3,874	9,382
912	Rent Payments to GSA (SLUC)	23	0	0.000%	0	(21)	2	912	Rent Payments to GSA (SLUC)	2	0	0.000%	0	(2)	0
913	Purchased Utilities (Non-Fund)	26	0	3.846%	1	66	93	913	Purchased Utilities (Non-Fund)	93	0	2.151%	2	(95)	0
914	Purchased Communications (Non-Fund)	237	0	2.110%	5	(174)	68	914	Purchased Communications (Non-Fund)	68	0	1.471%	1	8	77
915	Rents (Non-GSA)	208	0	1.923%	4	246	458	915	Rents (Non-GSA)	458	0	1.965%	9	(269)	198
917	Postal Services (U.S.P.S.)	40	0	2.500%	1	(35)	6	917	Postal Services (U.S.P.S.)	6	0	0.000%	0	(6)	0
920.1	Supplies & Materials (Non-Fund)	116,848	0	3.743%	4,374	(89,532)	31,690	920.1	Supplies & Materials (Non-Fund)	31,690	0	2.812%	891	19,116	51,697
921	Printing & Reproduction	957	0	1.881%	18	(896)	79	921	Printing & Reproduction	79	0	1.266%	1	(72)	8
922	Equipment Maintenance By Contract	445	0	2.022%	9	(354)	100	922	Equipment Maintenance By Contract	100	0	1.000%	1	163	264
923	Facility Sustainment, Restoration, and Modernization By Contract	1,259	0	1.986%	25	(1,120)	164	923	Facility Sustainment, Restoration, and Modernization By Contract	164	0	1.829%	3	89	256
924	Pharmaceutical Drugs	64,191	0	3.999%	2,567	540	67,298	924	Pharmaceutical Drugs	67,298	0	3.899%	2,624	(15,790)	54,132
925	Equipment Purchases (Non-Fund)	11,124	0	3.659%	407	(8,335)	3,196	925	Equipment Purchases (Non-Fund)	3,196	0	2.816%	90	1,215	4,501
932	Management & Professional Support Services	1,716	0	2.040%	35	(1,751)	0	932	Management & Professional Support Services	0	0	0.000%	0	0	0
955	Other Costs (Medical Care)	7,286	0	4.008%	292	35,548	43,126	955	Other Costs (Medical Care)	43,126	0	3.909%	1,686	(39,828)	4,984
960	Other Costs (Interest and Dividends)	2	0	0.000%	0	1	3	960	Other Costs (Interest and Dividends)	3	0	0.000%	0	(3)	0
964	Other Costs (Subsistence and Support of Persons)	2	0	0.000%	0	(2)	0	964	Other Costs (Subsistence and Support of Persons)	0	0	0.000%	0	0	0
986	Medical Care Contracts	753,133	0	4.000%	30,128	(129,301)	653,960	986	Medical Care Contracts	653,960	0	3.900%	25,504	(65,787)	613,677
987.1	Other Intra-Government Purchases	4,363	0	1.994%	87	(1,600)	2,850	987.1	Other Intra-Government Purchases	2,850	0	1.895%	54	0	2,904
989.1	Other Services	30,308	0	1.999%	606	(24,249)	6,665	989.1	Other Services	6,665	0	1.920%	128	3,766	10,559
990	IT Contracts Support Services	3,438	0	1.978%	68	(1,390)	2,126	990	IT Contracts Support Services	2,126	0	1.881%	40	(230)	1,936
999	Total Purchases	1,199,177	0		39,117	(264,815)	973,479	999	Total Purchases	973,479	0		32,448	(116,440)	889,487
9999	Total	1,217,150	0		39,478	(262,730)	993,898	9999	Total	993,898	0		32,826	(122,523)	904,201