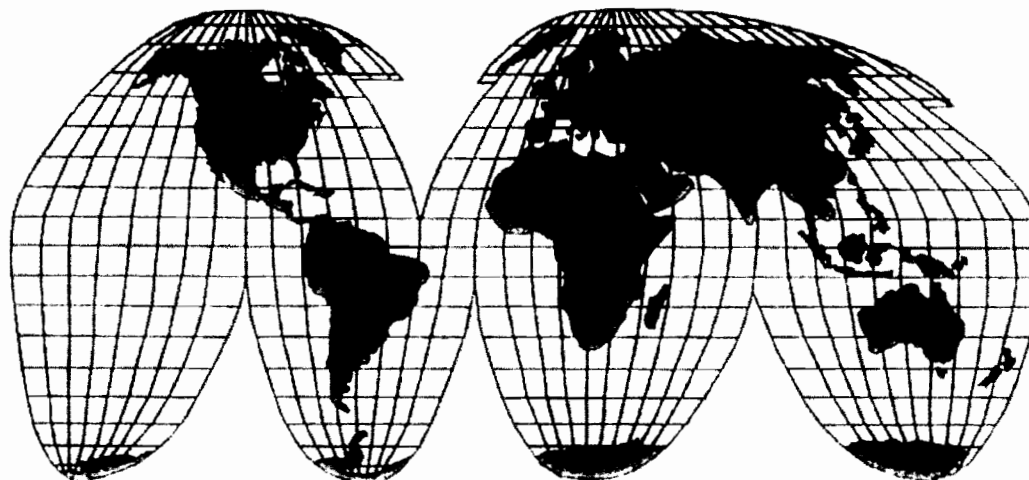


DEFENSE HEALTH PROGRAM



Fiscal Year (FY) 2015 Amended Budget Estimates OVERSEAS CONTINGENCY OPERATIONS REQUEST

Preparation of the Defense-Wide Overseas Contingency Operations budget, excluding revolving funds, cost the Department of Defense a total of approximately \$188,463 in FY 2014.

June 2014

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.

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Department of Defense
OFFICE OF PUBLIC AFFAIRS AND SECURITY REVIEW

14-C-0748

Defense Health Program
Fiscal Year (FY) 2015 Amended Budget Estimates
FY 2015 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 2013 Actuals	FY 2014 Enacted	FY 2015 Request
01	In-House Care	444,772	375,958	65,902
02	Private Sector Care	376,981	377,060	214,259
03	Consolidated Health Support	128,964	132,749	15,311
04	Information Management	2,601	2,238	0
05	Management Activities	48	460	0
06	Education and Training	12,627	10,236	5,059
07	Base Operations/Communications	29	0	0
		966,022	898,701	300,531

**Defense Health Program
Fiscal Year (FY) 2015 Amended Budget Estimates
Operation and Maintenance
FY 2015 Overseas Contingency Operations (OCO)**

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 U.S., 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, and bioenvironmental health support that are above the baseline budget. The DHP also post deployment health assessments (between 3-6 months after deployment), evaluations, and treatment for all mobilized RC and their family members.

• **In House Care:**

- Incremental costs for health care for casualties above the baseline budget
- Incremental costs for deployment related prophylactic pharmaceuticals
- Backfill of deployed permanent medical personnel to support OEF

• **Private Sector Care**

- Healthcare for mobilized RC and their family members

• **Consolidated Health Support**

- Aeromedical transportation of casualties from Germany to the U.S.

**Defense Health Program
 Fiscal Year (FY) 2015 Amended Budget Estimates
 Operation and Maintenance
 FY 2015 Overseas Contingency Operations (OCO)**

- 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
- **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

	(\$ in Thousands)		
II. <u>Financial Summary</u>	FY 2013	FY 2014	FY 2015
	<u>Actuals</u>	<u>Enacted</u>	<u>Request</u>
Total DHP OCO	966,022	898,701	300,531

**Defense Health Program
Fiscal Year (FY) 2015 Amended Budget Estimates
Operation and Maintenance
FY 2015 Overseas Contingency Operations (OCO)**

	(\$ in Thousands)		
	FY 2013	FY 2014	FY 2015
	<u>Actuals</u>	<u>Enacted</u>	<u>Request</u>
A. Subactivity Group - In-House Care	444,772	375,958	65,902

Narrative Justification: FY 2015 request is less as it assumes an In-Country troop presence in Afghanistan of 9,800 troops. In addition, smaller projections for deployed active and reserve component forces in FY 2015 contribute to a reduction in the overall requirement. There is a decrease in the FY 2015 requirement for Medical Backfill due to a reduction in force deployment and support activities.

As long as there are deployed personnel supporting OEF, 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. 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.

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.

Defense Health Program
Fiscal Year (FY) 2015 Amended Budget Estimates
Operation and Maintenance
FY 2015 Overseas Contingency Operations (OCO)

	(\$ in Thousands)		
	FY 2013 <u>Actuals</u>	FY 2014 <u>Enacted</u>	FY 2015 <u>Request</u>
B. Subactivity Group - Private Sector Care	376,981	377,060	214,259

Narrative Justification: FY 2015 request is less as it assumes a smaller number of mobilizations.

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 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.

DEFENSE HEALTH PROGRAM
 FISCAL YEAR (FY) 2015 AMENDED BUDGET ESTIMATES
 OPERATION AND MAINTENANCE - OCO
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

Line	Summary	FY 2013		Price Growth		Program Growth	FY 2014	
		Program	Foreign Currency Adjustment	Percent	Amount		Program	Line
308.1	Travel of Persons	6,862	0	1.891%	126	1,101	7,889	308.1
399	Total Travel	6,862	0		126	1,101	7,889	399
401	DLA Energy (Fuel Products)	3	0	0.000%	0	0	0	401
416	GSA Managed Supplies & Materials	3	0	0.000%	0	0	0	416
417	Locally Purchased Managed Supplies and Materials	18	0	0.000%	0	633	651	417
422	DLA Material Supply Chain (Medical)	97	0	0.000%	0	0	0	422
499	Total Supplies and Materiel	121	0		0	530	651	499
507	GSA Managed Equipment	18	0	0.000%	0	0	0	507
599	Total Fund Equipment	18	0		0	0	0	599
633.1	DLA Document Services	0	0	0.000%	0	54	54	633.1
699	Total Purchases	0	0		0	54	54	699
706	AMC Channel Passenger	323	0	1.858%	6	0	0	706
771	Commercial Transportation	3,979	0	1.885%	75	2,066	6,120	771
799	Total Transportation	4,302	0		81	1,737	6,120	799
9XX	Civilian Pay Reimbursed to Host	140,892	0	0.750%	1,058	7,110	134,912	9XX
901	Foreign National Indirect Hire (FNIH)	0	0	0.000%	0	9,382	9,382	901
912	Rent Payments to GSA (SLUC)	53	0	1.887%	1	0	0	912
913	Purchased Utilities (Non-Fund)	137	0	1.480%	2	0	0	913
914	Purchased Communications (Non-Fund)	2	0	0.000%	0	75	77	914
915	Rents (Non-GSA)	131	0	2.290%	3	64	198	915
920.1	Supplies & Materials (Non-Fund)	57,232	0	3.418%	1,956	0	51,697	920.1
921	Printing & Reproduction	355	0	1.972%	7	0	8	921
922	Equipment Maintenance By Contract	1,404	0	1.923%	27	0	264	922
923	Facility Sustainment, Restoration, and Modernization By Contr.	961	0	1.977%	19	0	256	923
924	Pharmaceutical Drugs	80,845	0	3.899%	3,152	0	53,517	924
925	Equipment Purchases (Non-Fund)	2,862	0	2.706%	78	1,541	4,501	925
932	Management & Professional Support Services	150	0	2.000%	3	0	0	932
955	Other Costs (Medical Care)	24,217	0	3.902%	945	0	4,984	955
964	Subsistence and Support of Persons	15	0	0.000%	0	0	0	964
986	Medical Care Contracts	611,763	0	3.900%	23,858	0	608,792	986
987.1	Other Intra-Government Purchases	5,100	0	1.902%	97	0	2,904	987.1
989.1	Other Services	27,199	0	1.897%	518	10,559	10,559	989.1
990	IT Contracts Support Services	1,581	0	1.898%	30	0	1,936	990
999	Total Purchases	954,919	0		31,750	102,682	883,987	999
9999	Total	966,022	0		31,957	199,378	898,701	9999

DEFENSE HEALTH PROGRAM
 FISCAL YEAR (FY) 2015 AMENDED BUDGET ESTIMATES
 OPERATION AND MAINTENANCE - OCO
 SUMMARY OF PRICE AND PROGRAM CHANGE
 (\$ in Thousands)

Line	Summary	FY 2014		Price Growth		Program Growth	FY 2015	
		Program	Foreign Currency Adjustment	Percent	Amount		Program	Program
308.1	Travel of Persons	7,889	0	1.787%	141	0	2,620	308.1
399	Total Travel	7,889	0		141	0	2,620	399
401	DLA Energy (Fuel Products)	0	0	0.000%	0	0	0	401
416	GSA Managed Supplies & Materials	0	0	0.000%	0	0	0	416
417	Locally Purchased Managed Supplies and Materials	651	0	1.843%	12	0	189	417
422	DLA Material Supply Chain (Medical)	0	0	0.000%	0	0	0	422
499	Total Supplies and Materiel	651	0		12	0	189	499
507	GSA Managed Equipment	0	0	0.000%	0	0	0	507
599	Total Fund Equipment	0	0		0	0	0	599
633.1	DLA Document Services	54	0	5.556%	3	0	0	633.1
699	Total Purchases	54	0		3	0	0	699
706	AMC Channel Passenger	0	0	0.000%	0	0	0	706
771	Commercial Transportation	6,120	0	1.797%	110	0	812	771
799	Total Transportation	6,120	0		110	0	812	799
9XX	Civilian Pay Reimbursed to Host	134,912	0	0.999%	1,348	0	12,348	9XX
901	Foreign National Indirect Hire (FNIH)	9,382	0	1.002%	94	0	0	901
912	Rent Payments to GSA (SLUC)	0	0	0.000%	0	0	0	912
913	Purchased Utilities (Non-Fund)	0	0	0.000%	0	0	0	913
914	Purchased Communications (Non-Fund)	77	0	1.299%	1	0	36	914
915	Rents (Non-GSA)	198	0	2.020%	4	0	0	915
920.1	Supplies & Materials (Non-Fund)	51,697	0	3.170%	1,639	0	5,999	920.1
921	Printing & Reproduction	8	0	0.000%	0	43	51	921
922	Equipment Maintenance By Contract	264	0	1.894%	5	0	235	922
923	Facility Sustainment, Restoration, and Modernization By Contract	256	0	1.953%	5	0	240	923
924	Pharmaceutical Drugs	53,517	0	3.698%	1,979	0	39,985	924
925	Equipment Purchases (Non-Fund)	4,501	0	2.910%	131	0	1,633	925
932	Management & Professional Support Services	0	0	0.000%	0	0	0	932
955	Other Costs (Medical Care)	4,984	0	3.712%	185	0	2,505	955
964	Subsistence and Support of Persons	0	0	0.000%	0	0	0	964
986	Medical Care Contracts	608,792	0	3.700%	22,526	0	230,466	986
987.1	Other Intra-Government Purchases	2,904	0	1.825%	53	0	777	987.1
989.1	Other Services	10,559	0	1.799%	190	0	2,613	989.1
990	IT Contracts Support Services	1,936	0	1.808%	35	0	0	990
999	Total Purchases	883,987	0		28,195	615,272	296,910	999
9999	Total	898,701	0		28,461	626,611	300,531	9999