

**VOLUME 12, CHAPTER 21 “FINANCIAL MANAGEMENT FOR DEFENSE HEALTH PROGRAM RESOURCES”**

**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [June 2015](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
Title	Revised title of the chapter from “Accounting for Defense Health Program Resources” to “Financial Management for Defense Health Program Resources” to more accurately reflect the chapter content.	Revision
1.1 (2101)	Updated references and reorganized sections to comply with Department of Defense Financial Management Regulation Revision Standard Operating Procedures to include the addition of an “Authoritative Guidance” paragraph.	Revision Addition
Table 1	This revision incorporates and cancels Appendix A.	Cancellation

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## CHAPTER 21

**FINANCIAL MANAGEMENT FOR DEFENSE HEALTH PROGRAM RESOURCES****\*1.0 GENERAL (2101)****1.1. Overview (210101)**

1.1.1. The annual [Defense Health Program](#) (DHP) appropriation funds all elements of the DHP, including annual Operations and Maintenance, multi-year Research, Development, Test and Evaluation, and multi-year Procurement. The applicable [U.S. Department of Treasury \(Treasury\) Federal Account Fund Symbol and Titles \(FAST\)](#) is 097X0130.

1.1.2. The Department of Defense (DoD) Components execute the DHP through direct allotment to performing installations/activities for all DHP costs, except for military medical personnel costs paid centrally from the applicable Military Personnel appropriation.

1.1.3. Civilian medical personnel end strength and full-time equivalents are retained by the applicable DoD Components. [Each](#) DoD installation/activity must direct cite its own DHP operating account for payment of medical civilian personnel.

1.1.4. DoD policy applicable to budget formulation and congressional justification (including presentation formats) for the DHP is found in Volume 2B, Chapter 12, section [1204](#), “Defense Health Program.”

**1.2 Purpose (210102)**

This chapter prescribes the financial management policies and procedures necessary to account for DHP resources.

**1.3 Authoritative Guidance (210103)**

The financial management and related requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.3.1. Title 31, United States Code, section 1514 ([31 U.S.C. § 1514](#)), “Administrative division of apportionments”;

1.3.2. [Office of Management and Budget \(OMB\) Circular A-11](#), section 150 and Appendix H “Administrative Control of Funds”;

1.3.3. Treasury FAST Book;

1.3.4. [DoD Directive \(DoDD\) 5136.01](#), “Assistant Secretary of Defense for Health Affairs (ASD (HA))”;

1.3.5. [DoDD 5136.13](#), “Defense Health Agency”; and

1.3.6. [DoD Manual 8910.01, Volume 1](#), “DoD Information Collections Manual: Procedures for DoD Internal Information Collections.”

## 2.0 RESPONSIBILITIES (2102)

### 2.1 Office of the Assistant Secretary of Defense (Health Affairs) (210201)

The Office of the Assistant Secretary of Defense (Health Affairs) allocates total obligation authority to the headquarters level of each DoD Component Medical Command to fund the DHP at respective installations/activities. The following activities are also funded on a direct basis from the DHP appropriations:

2.1.1. Defense Health Agency (DHA),

2.1.2. Uniformed Services University of the Health Sciences,

2.1.3. DHA, Contract Resource Management.

### 2.2 Head of Performing DoD Component (210202)

The Head of each performing DoD Component Medical Command, or designee, must:

2.2.1. Provide DHP allotments to performing installations/activities within that Component.

2.2.2. Receive installation/activity level monthly execution reports and summarize those reports for submission to each Defense Finance and Accounting Service (DFAS) site. Each DFAS site **must** submit their data to DFAS-Indianapolis (DFAS-IN), Other Defense Organizations, Audited Financial Statements and Budget Execution Division for consolidation.

2.2.3. Ensure adequate funding in the DHP operating appropriation for medical civilian personnel payroll costs.

2.2.4. Maintain full responsibility for the operation and execution of appropriate Centrally Managed **Accounts** (CMA) or open allotments to provide for emergency care of active duty military personnel and fund the CMAs from the DHP authority made available to them. [For additional information regarding CMAs, see Volume 14, Chapter 1, paragraph 010207.](#)

2.2.5. Require Military Treatment Facilities to establish and maintain programs for reimbursable operations consisting of the Third-Party Collections program, Medical Services Accounts program, and Medical Affirmative Claims programs to collect the reasonable charges for medical services provided to Uniform Services beneficiaries and non-beneficiaries. Programs will be established per DHA-Procedures Manual (PM) 6015.01, “Military Treatment Facility Uniform Business Office Manual” which is available on the [DHA Publications](#) home page.

2.2.6. Ensure Service Medical Components [comply](#) with the Standard Financial Information Structure (SFIS) [and Standard Line of Accounting \(SLOA\)](#) as the common business language that enables budgeting, performance-based management and the generation of financial statements in accordance with Volume 1, Chapter 4. SFIS is a comprehensive data structure that supports budgeting, financial accounting, cost/performance, and external reporting needs across the DoD.

### 2.3 Performing Installation/Activity (210203)

The performing installation/activity must:

2.3.1. Direct cite the DHP allotment received from its Component headquarters to fund all transactions in support of the DHP.

2.3.2. Continue to provide personnel and other support for the DHP.

2.3.3. Maintain monthly and year-to-date DHP civilian end strength and full-time equivalent utilization data and transmit such data to the Component headquarters and DFAS-IN Departmental Reports, Budget Execution and Financial Statement Division, as appropriate, in conjunction with monthly execution reports.

2.3.4. Maintain detailed accounting records and data integrity, including the capability to provide data, in accordance with the requirements detailed in [DHA PM 6010.1 Volumes 1 and 2](#), “Medical Expense and Performance Reporting System for Fixed Military Medical and Dental Treatment Facilities.”

2.3.5. Ensure the Budget Activity Group (BAG) and corresponding Program Element (PE) structure, unique to the DHP, is maintained within accounting systems. The BAG and PE structure for the DHP Budget Activity 1, Operations & Maintenance, is provided at [Table 1](#). The PE definitions are included in the [Future Years Defense Program Structure Handbook \(FYDP\) Appendix E](#) that is maintained by the Office of Cost Assessment and Program Evaluation.

\*Table 1: DHP Budget Activity 1, Operation and Maintenance, BAG and Corresponding PE Structure

<b>BAG</b>	<b>BAG Title</b>	<b>Program Element</b>	<b>Description</b>
1	In-house Care	0807700	Defense Medical Centers, Hospitals and Medical Clinics – Continental United States (CONUS)
		0807900	Defense Medical Centers, Hospitals and Medical Clinics – Outside the Continental United States (OCONUS)
		0807701	Pharmaceuticals – CONUS
		0807901	Pharmaceuticals – OCONUS
		0807715	Dental Care Activities – CONUS
		0807915	Dental Care Activities – OCONUS
2	Private Sector Care	0807702	Pharmaceuticals – Purchased Health Care
		0807703	Pharmaceuticals – National Retail Pharmacy
		0807723	TRICARE Managed Care support Contracts
		0807738	Military Treatment Facilities (MTF) enrollees – Purchased Care
		0807741	Dental – Purchased Care
		0807742	Uniformed Services Family Health Program
		0807743	Supplemental Care – Health Care
		0807745	Supplemental Care - Dental
		0807747	Continuing Health Education/ Capitalization of Assets Program
		0807749	Overseas Purchased Health Care
		0807751	Miscellaneous Purchased Health Care
		0807752	Miscellaneous Support Activities
3	Consolidated Health Support	0801720	Examining Activities
		0807714	Other Health Activities
		0807705	Military Public/Occupational Health
		0807760	Veterinary Services
		0807724	Military Unique Requirements – Other Medical
		0807725	Aeromedical Evacuation System
		0807730	Service Support to Other Health Activities - TRANSCOM
		0807785	Armed Forces Institute of Pathology
		0807786	Joint Pathology Center
0903300	Support to Federal Advisory Committee Act (FACA) Advisory Board Activities		

Table 1. DHP Budget Activity 1, Operation and Maintenance, BAG and Corresponding PE Structure (Continued)

<b>BAG</b>	<b>BAG Title</b>	<b>Program Element</b>	<b>Description</b>
4	Information Management/ Information Technology (IM/IT)	0807744	Theater Medical Information Program – Joint (TMIP-J)
		0807746	Joint Operational Medicine Information System (JOMIS)
		0807758	Cybersecurity
		0807759	Desktop to Datacenter (D2D)
		0807781	Non-Central IM/IT
		0807783	DHP IM/IT
		0807793	MHS Tri-Service IM/IT (Central)
		0807784	Information Technology Development - Integrated Electronic Health Record
		0807787	Information Technology Deployment and Sustainment-DoD Healthcare Management System Modernization
		0807788	DoD Medical Information Exchange and Interoperability
5	Management Activities	0807798	Management Activities (Components)
		0807704	Defense Health Agency
6	Education and Training	0806722	Armed Forces Health Professions Scholarship Program
		0806721	Uniformed Services University of the Health Sciences
		0806761	Other Education and Training
7	Base Operations/ Communications	0806276	Facilities Restoration and Modernization (RM) – CONUS
		0806376	Facilities RM – OCONUS
		0806278	Facilities Sustainment – CONUS
		0806378	Facilities Sustainment – OCONUS
		0807779	Facilities Operations, Health Care – CONUS
		0807979	Facilities Operations, Health Care – OCONUS
		0807795	Base Communications – CONUS
		0807995	Base Communications – OCONUS
		0807796	Base Operations – CONUS
		0807996	Base Operations – OCONUS
		0807753	Environmental Conservation
		0807754	Pollution Prevention
		0807756	Environmental Compliance
		0807790	Visual Information Systems
0808093	Demolition/Disposal of Excess Facilities		