

DEFENSE HEALTH PROGRAM
Operation and Maintenance
Fiscal Year (FY) 2009 Budget Estimates
Management Activities

I. Description of Operations Financed: This Budget Activity Group is comprised of Services Medical Headquarters and TRICARE Management Activity (TMA) functions supporting Military Health System (MHS) worldwide patient care delivery.

Management Headquarters: Resources required for the U.S. Army Medical Command, the Navy Bureau of Medicine and Surgery, the Command Surgeon's staff at Air Force Major Commands, and TRICARE Management Activity personnel identified as management headquarter staff that coordinate and oversee the provision of health care within the Military Health System.

TRICARE Management Activity: Resources required for the operation of the TRICARE Management Activity. These operating costs support delivery of patient care worldwide for members of the Armed Forces, family members, and others entitled to DoD health care. This also includes the TRICARE Regional Offices (TROs), the Military Medical Support Office (MMSO), and the Pharmacoeconomic Center (PEC).

Business Management Modernization Program: The Domain structure consists of: Accounting and Finance, Strategic Planning and Budgeting, Human Resource Management, Logistics, Technical Infrastructure, Acquisition, and Installations and Environment. The Domains will perform such functions as Portfolio Management, Business Process Re-engineering, Pilot programs, and Process Coordination amongst the Domains, Services, and Agencies.

II. Force Structure Summary: Management Headquarters includes resources necessary to support headquarters functions outlined in DoD Directive 5100.73, Major Department of Defense Headquarters Activities. Within the Military Health System, this includes the cost of operating the TRICARE Management Activity, U.S. Army Medical Command, the Navy Bureau of Medicine and Surgery, and the Command Surgeons staff at Air Force Major Commands.

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III. Financial Summary (\$ in thousands)

A. <u>Sub-Activity Group</u>	FY 2008						
	FY 2007 <u>Actuals</u> ¹	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u> ²	FY 2009 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
1. Management Headquarters	75,713	63,521		0%	63,521	63,521	66,248
2. TRICARE Management Activity	179,966	202,856	10,000	5%	212,856	212,856	199,874
3. BMMP Domain Management & Systems Integration	<u>2,411</u>	<u>2,424</u>	<u>0</u>	<u>0%</u>	<u>2,424</u>	<u>2,424</u>	<u>2,423</u>
Total	258,090	268,801	10,000	4%	278,801	278,801	268,545

Notes(\$ in Thousands):

¹FY 2007 actuals include \$7,598 in O&M funding from Public Law 110-28 - U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, to address the Global War on Terror and other related expenses as follows:

-P.L. 110-28 Title I, Supplemental Appropriations for Defense, International Affairs, and Other Security-Related Needs - Provides \$1,623 in DHP O&M for the Global War on Terror.

-P.L. 110-28 Title III, Additional Defense, International Affairs, and Homeland Security - Provides \$5,975 in DHP O&M for other related expenses.

²FY 2008 Current Estimate does not include \$863 in funding from P.L. 110-161 Consolidated Appropriations Act, 2008, Division L, Supplemental Appropriations, Defense, Title V, Other Department of Defense Programs.

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<u>B. Reconciliation Summary</u>	<u>Change</u> <u>FY 2008/FY 2008</u>	<u>Change</u> <u>FY 2008/FY 2009</u>
Baseline Funding	268,801	278,801
Congressional Adjustments (Distributed)	10,000	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	0	n/a
Subtotal Appropriated Amount	278,801	n/a
Fact-of-Life Changes (CY to CY Only)	0	n/a
Subtotal Baseline Funding	278,801	n/a
Anticipated Supplemental	863	n/a
Reprogrammings	0	n/a
Price Change	0	6,662
Functional Transfers	n/a	0
Program Changes	n/a	-16,918
Current Estimate	279,664	268,545
Less: Wartime Supplemental	-863	0
Normalized Current Estimate	278,801	268,545

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2008 President's Budget Request		268,801
1. Congressional Adjustments		10,000
a. Distributed Adjustments		10,000
1) Fisher House	10,000	
b. Undistributed Adjustments		0
c. Adjustments to meet Congressional Intent		0
d. General Provisions		0
FY 2008 Appropriated Amount		278,801
2. Fact of Life Changes		0
a. Functional Transfers		0
b. Technical Adjustments		0
c. Emergent Requirements		0
FY 2008 Baseline Funding		278,801
3. Reprogrammings/Supplementals		863
a. Anticipated War-Related and Disaster Supplemental Appropriations		863
1) P.L. 110-161 Consolidated Appropriations Act, 2008, Title V, Division L, Supplemental Appropriations for Operation Enduring Freedom and for other purposes \$863 of the \$575,701 additional amount for Defense Health Program O&M.	863	
b. Reprogramming Actions		
Revised FY 2008 Estimate		279,664
4. Less: War-Related and/or Disaster Supplemental Appropriations.		-863
Normalized Current Estimate for FY 2008		278,801

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C. Reconciliation of Increases and Decreases

5. Price Change			6,662
6. Functional Transfers			0
a. Transfers In		0	
b. Transfers Out		0	
7. Program Increases			1,286
a. Annualization of New FY 2008 Program		0	
b. One-Time FY 2009 Increases		0	
c. Program Growth in FY 2009		1,286	
1) Conversion of military positions to civilians.	1,237		
2) Realigns funding from Consolidated Health Support to reflect proper program execution.	49		
8. Program Decreases			-18,204
a. Annualization of FY 2008 Program Decreases		0	
b. One-Time FY 2008 Increases		-10,239	
1) Reverses Congressional increase for the Fisher House.	-10,239		
c. Program Decreases in FY 2009		-7,965	
1) Realigns funding to Information Management to reflect actual execution of civilian personnel and contracts.	-7,171		
2) Adjustments supporting Office of Management and Budget economic assumptions revising nonpay and nonfuel inflation.	-750		
3) Realigns funding to Base Operations/Communications Budget Activity Group to reflect headquarters leases, rents and other base operations support functions.	-44		
FY 2009 Budget Request			268,545

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2007/FY 2008/FY 2008/2009</u>		
None			n/a	n/a	n/a	n/a

V. Personnel Summary

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2007/ FY 2008</u>	<u>FY 2008/ FY 2009</u>
<u>Active Military End Strength (E/S) (Total)</u>	792	766	753	-26	-13
Officer	580	551	540	-29	-11
Enlisted	212	215	213	3	-2
<u>Active Military Average Strength(A/S)(Total)</u>	807	779	760	-28	-20
Officer	591	566	546	-25	-20
Enlisted	216	214	214	-3	1
<u>Civilian FTEs (Total)</u>	757	1,123	1,010	366	-113
U.S. Direct Hire	757	1,118	1,005	361	-113
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	757	1,118	1,005	361	-113
Foreign National Indirect Hire	0	5	5	5	0
Memo: Military Technician Included	0	0	0	0	0
Memo: Reimbursable Civilians Included	0	0	0	0	0
<u>Average Annual Civilian Salary (\$000)</u>	106	103	113		

VI. OP 32 Line Items as Applicable (Dollars in thousands - see next page):