

**Defense Health Program
Fiscal Year (FY) 2007 Budget Estimates
Exhibit P-40, Budget Item Justification, Procurement Program**

| BUDGET ITEM JUSTIFICATION SHEET | | | | | | | DATE: February 2006 | | |
|---|--|--|---------|--|----------|----------|---------------------|----------|----------|
| APPROPRIATION / BUDGET ACTIVITY : 97*0130 | | | | P-1 ITEM NOMENCLATURE: Replacement/Modernization | | | | | |
| | | | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
| | | | Actual | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate |
| Quantity | | | | | | | | | |
| Cost (\$ in millions) | | | 357.7 | 390.7 | 381.1 | 379.8 | 346.3 | 360.5 | 364.5 |
| REMARKS | | | | | | | | | |
| <p>The replacement/modernization program element of the DHP's procurement budget funds the acquisition of commercially available equipment, as well as all deployment, implementation and initial training activities for all Tri-Service, standard information systems required to support health care delivery (including dental care), health care training, and other health care activities and programs in 70 hospitals and 1,085 clinics (including medical, dental, and veterinary clinics) worldwide. It provides the procurement and installation of investment equipment for replacement of worn-out, obsolete, or uneconomically repairable equipment and for the acquisition of new technologies.</p> | | | | | | | | | |
| <p>The most significant investments will be in the radiographic, surgical, and information systems functional areas. The driving factors behind these investments are the rapid technological advancements in these areas and the need for DoD's health care delivery system to maintain the standards of care set by the civilian health care sector. The most significant procurement investment in information systems relates to the deployment, implementation and initial training activities and supporting infrastructure cost for health systems such as: Composite Health Care System (CHCS) II, which is the Computerized Patient Record that integrates patient data from different times, providers, and sites of care; the Patient Accounting System (PAS) which will improve data quality, regulatory compliance, and medical claims revenue within the Military Health System (MHS); Enterprise-Wide Scheduling and Registration (EWS-R) which supports medical scheduling, appointments and registrations; and the Executive Information/Decision Support (EI/DS) program which provides decision support information used by managers, clinicians, and analysts to manage the business of health care within the MHS.</p> | | | | | | | | | |
| <p>Financing an adequate equipment acquisition budget is critical in retaining the Department's medical workload in-house and controlling escalating purchased healthcare O&M costs in the private sector. The items supported by this budget are the result of an extensive investment equipment justification process and are necessary to provide properly trained medical department personnel and high quality, cost effective health care services for the eligible beneficiary population.</p> | | | | | | | | | |

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|---|--|--|---------|----------|--|----------|---------------------|----------|----------|--|
| APPROPRIATION / BUDGET ACTIVITY : 97*0130 | | | | | P-1 ITEM NOMENCLATURE: New Facility Outfitting | | | | | |
| | | | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | |
| | | | Actual | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | |
| Quantity | | | | | | | | | | |
| Cost (\$ in millions) | | | 10.6 | 13.2 | 15.2 | 10.8 | 11.1 | 10.5 | 10.9 | |
| <p>REMARKS</p> <p>The new facility outfitting program element of the DHP's procurement budget funds the acquisition and installation of commercially available equipment to furnish new and expanded facilities being completed under military construction projects in support of dental services, health care delivery, health care training, and other health care activities. The items range from dental, surgical, radiographic, and pathologic equipment to medical administrative support equipment. The new facility outfitting program provides critical support to the DHP's military medical construction program.</p> | | | | | | | | | | |