

**Defense Health Program
Fiscal Year (FY) 2013 Budget Estimates
Operation and Maintenance
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, the Joint Task Force - National Capital Area and TRICARE Management Activity personnel identified as management headquarters 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. The funding and responsibilities of this program in the Management Activities Budget Activity Group end in FY 2011 and are realigned to Information Management/Information Technology Budget Activity Group beginning in FY 2012.

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 MHS, 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):

FY 2012

	FY 2011	Budget	Congressional Action		Current	Current	FY 2013
			Amount	Percent			
<u>A. Subactivities</u>	<u>Actuals</u>	<u>Request</u>				<u>Estimate</u>	<u>Estimate</u>
1. Management Headquarters	122,678	114,295	0	0%	114,295	114,295	140,148
2. TRICARE Management Activity	180,143	197,807	-1,000	-1%	196,807	196,807	191,973
3. BMMP Domain Management & Systems Integration	<u>2,401</u>	<u>0</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	305,222	312,102	-1,000	-0.3%	311,102	311,102	332,121

Notes:

1. FY 2011 actuals includes \$0.287M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriation Act, FY 2011, Public Law 112-10.
2. FY 2012 current estimate excludes \$0.751M for OCO under the Consolidated Appropriations Act, 2012 (Division A), Public Law 112-74.
3. FY 2013 estimate excludes \$0.660M for OCO.

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B. <u>Reconciliation Summary:</u>	Change <u>FY 2012/2012</u>	Change <u>FY 2012/2013</u>
Baseline Funding	312,102	311,102
Congressional Adjustments (Distributed)	-5,000	n/a
Congressional Adjustments (Undistributed)	0	n/a
Adjustments to Meet Congressional Intent	0	n/a
Congressional Adjustments (General Provisions)	4,000	n/a
Subtotal Appropriated Amount	311,102	n/a
OCO and Other Supplemental Appropriations	751	n/a
Fact-of-Life Changes	0	n/a
Subtotal Baseline Funding	311,853	n/a
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-751	n/a
Revised Current Estimate	311,102	311,102
Price Change	n/a	3,319
Functional Transfers	n/a	-6,936
Program Changes	<u>n/a</u>	<u>24,636</u>
Current Estimate	311,102	332,121

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C. <u>Reconciliation of Increases and Decreases:</u>	<u>Amount</u>	<u>Totals</u>
FY 2012 President's Budget Request		312,102
1. Congressional Adjustments		-1,000
a. Distributed Adjustments		
1) Reduction to Strategic Communications	-3,000	
2) Contract Savings from Website Consolidation	-2,000	
b. Undistributed Adjustments		0
c. Adjustment to Meet Congressional Intent		0
d. General Provisions		4,000
Additional funding to support Fisher Houses	4,000	
FY 2012 Appropriated Amount		311,102
2. OCO and Other Supplemental Appropriations		751
3. Fact-of-Life Changes		0
a. Functional Transfers	0	
b. Technical Adjustments	0	
c. Emergent Requirements	0	
FY 2012 Baseline Funding		311,853
4. Reprogrammings (requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: OCO and Other Supplemental Appropriation		-751
Current Estimate for FY 2012		311,102
6. Price Change		3,319
7. Transfers		-6,936
a. Transfers In	0	
b. Transfers Out	-6,936	
1) Transfers the Computer/Electronics Accommodation Program (CAP) from the TRICARE Management Activity (TMA) to the Defense Human Resource Activity (DHRA).		

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C. <u>Reconciliation of Increases and Decreases:</u>	Amount	Totals
8. Program Increases		31,733
a. Annualization of New FY 2012 Program.	0	
b. One-Time FY 2013 Costs	0	
c. Program Growth in FY 2013	31,733	
1) Patient Administration Systems and Biostatistics Activity (PASBA) and Medical Expense Performance Reporting System (MEPRS): Completes the realignment of funds from the Consolidated Health Support Budget Activity Group for the balance of the Patient Administration Systems and Biostatistics Activity (PASBA) and Medical Expense Performance Reporting System (MEPRS) programs to reflect actual execution. FY 2012 Funding Baseline: \$18.4M.	24,341	
2) Civilian Personnel Reprogramming: Captures changes in civilian program execution by realigning resources from the Base Operations and Communications Budget Activity Group to the Management Activities Budget Activity Group for proper execution.	6,796	
3) One Additional Civilian Paid Day in FY 2013: Adjusts for one additional civilian paid day in FY 2013. FY 2012 Civilian Pay Funding Baseline: \$155.0M.	596	
9. Program Decreases		-7,097
a. One-time FY 2012 Costs	0	
b. Annualization of FY 2012 Program Decreases	0	
c. Program Decreases in FY 2013	-7,097	
1) Secretary of Defense Efficiency - Reducing Reliance on DoD Service Support Contractors: Reduction reflects the incremental amount for DOD efficiency to reduce reliance on service support contractors. This efficiency will have no impact on direct health care delivery. FY 2012 Management Activities Contract Services Funding Baseline: \$105.7M.	-6,867	
2) Secretary of Defense Efficiency - Reduces Civilian Senior Executive Staff (SES): Reduction in funding for one full-time equivalent civilian SES. This efficiency will have no impact on direct health. FY 2012 Management Activities Funding Baseline: \$155.0M.	-230	
FY 2013 Budget Request		332,121

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IV. Performance Criteria and Evaluation Summary: Refer to Personnel Summary in Section V.

V. Personnel Summary:

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Change FY 2011/2012</u>	<u>Change FY 2012/2013</u>
<u>Active Military End Strength (E/S)</u>					
Officer	550	547	563	-3	16
Enlisted	<u>211</u>	<u>212</u>	<u>219</u>	<u>1</u>	<u>7</u>
Total Military	761	759	782	-2	23
<u>Active Military Average Strength (A/S)</u>					
Officer	541	549	555	8	6
Enlisted	<u>213</u>	<u>212</u>	<u>216</u>	<u>-1</u>	<u>4</u>
Total Military	754	761	771	7	10
<u>Civilian FTEs ¹</u>					
US Direct Hire	1,419	1,335	1,408	-84	73
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	1,419	1,335	1,408	-84	73
Foreign National Indirect Hire	<u>5</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>
Total Civilians	1,424	1,340	1,413	-84	73
(Reimbursable Included Above - memo)	<u>0</u>	<u>0</u>	<u>0</u>	0	0
Average Civilian Salary (\$000's)	117.383	115.672	115.208	-1.712	-0.464
<u>Contractor FTEs (Total)</u>	702	639	591	-63	-48

¹ Narrative Explanation of Changes in Civilian Personnel (FY 2012-2013): Realignment of funding from the Base Operations and Communications Budget Activity Group to the Management Activities Budget Activity to purchase additional FTEs for proper execution.

VI. Outyear Summary: N/A

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