

**Defense Health Program
Fiscal Year (FY) 2007 Budget Estimates
Operation and Maintenance
Exhibit OP-5, Management Activities**

I. Description of Operations Financed: This Sub-Activity Group is comprised of military department is medical command 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.

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, Pilots, 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. Sub-Activity Group

	FY 2005 <u>Actual</u>	FY 2006		Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>		
1. Management Headquarters	69,663	55,435	54,880	54,880	56,613
2. TRICARE Management Activity	172,086	171,522	171,954	175,074	178,351
3. BMMP Domain Management & Systems Integration	<u>2,402</u>	<u>2,425</u>	<u>2,401</u>	<u>2,401</u>	<u>2,424</u>
Total	244,151	229,382	229,235	232,355	237,388

Note:

FY 2005 actuals include \$.004 million for Hurricane Katrina/Tsunami (Public Laws 108-324,109-61,109-62) supplemental funding

B. Reconciliation Summary:

	Change <u>FY 2006/2006</u>	Change <u>FY 2006/2007</u>
Baseline Funding	229,382	232,355
Congressional Adjustments (Distributed)	-146	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	229,235	232,355
Fact-of-Life Changes	3,120	n/a
Subtotal Baseline Funding	232,355	232,355
Anticipated Supplemental	0	0
Reprogrammings	0	n/a
Price Change	n/a	4,950
Functional Transfers	n/a	0
Program Changes	n/a	83
Current Estimate	232,355	237,388

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<u>C. Reconciliation of Increases and Decreases:</u>	<u>Amount</u>	(\$ in Thousands)	<u>Total</u>
FY 2006 President's Budget Request			229,382
1. Congressional Adjustments			-146
a. Distributed Adjustments		-146	
1) Fisher House	2,200		
2) 1% Congressional Reduction	-2,346		
b. Undistributed Adjustments		0	
c. Adjustments to meet Congressional Intent		0	
d. General Provisions		0	
FY 2006 Appropriated Amount			229,236
2. War-Related and Disaster Supplemental Appropriations			0
3. Fact of Life Changes			3,120
a. Functional Transfers		0	
1) Transfers In			
2) Transfers Out			
b. Technical Adjustments		3,120	
1) Increases			
a) Realigns financial statement audit contract funding from In-House Care and Education and Training Budget Activity Groups for proper execution	3,120		
2) Decreases			
c. Emergent Requirements		0	
1) Program Increases			
a) One-Time Costs	0		
b) Program Growth	0		
2) Program Reductions			
a) One-Time Costs	0		
b) Program Decreases	0		
Baseline Funding			232,356

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	<u>Amount</u>	(\$ in Thousands)
C. Reconciliation of Increases and Decreases:		<u>Total</u>
4. Reprogrammings (Requiring 1415 Actions)		0
a. Increases		0
b. Decreases		0
Revised FY 2006 Current Estimate		232,356
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations, and Item 4, Reprogrammings		0
Normalized Current Estimate for FY2006		232,356
6. Price Change		4,950
7. Transfers		0
a. Transfers In		0
b. Transfers Out		0
8. Program Increases		2,457
a. Annualization of New FY 2006 Program		0
b. One-Time FY 2007 Costs		2,396
1) Reverse 1% Congressional Reduction	2,396	
c. Program Growth in FY 2007		61
1) Transfers MILPERS funding from Service Components to the DHP O&M account to implement military to civilian position conversions remaining.	61	
9. Program Decreases		-2,375
a. One-Time FY 2007 Costs		-2,247
1) Reverse Fisher House	-2,247	
b. Annualization of FY 2006 Program Decreases		0
c. Program Decreases in FY 2007		-128
1) Decrease in operating authority related to Defense Finance and Accounting Service Midrange Financial Improvement Plan	-39	
2) Reflect decrease in personnel travel requirements	-89	
FY 2007 Budget Request		237,388

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IV. Performance Criteria and Evaluation:

V. Personnel Summary:

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2006/2007</u>
Active Military End Strength (E/S)				
Officer	570	566	566	0
Enlisted	<u>228</u>	<u>216</u>	<u>216</u>	<u>0</u>
Total Military	798	782	782	0
Civilian End Strength				
US Direct Hire	819	873	873	0
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	819	873	873	0
Foreign National Indirect Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Civilians	819	873	873	0
(Reimbursable Included Above - memo)	0	0	0	0
Active Military Average Strength (A/S)				
Officer	583	568	566	-2
Enlisted	<u>232</u>	<u>222</u>	<u>216</u>	<u>-6</u>
Total Military	815	790	782	-8
Civilian FTEs				
US Direct Hire	789	865	865	0
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	789	865	865	0
Foreign National Indirect Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Civilians	789	865	865	0
(Reimbursable Included Above - memo)	0	0	0	0
Annual Civilian Workyear Cost (\$000's)	76,773	82,908	84,929	
Average Civilian Salary (\$000's)	97.304	95.847	98.184	

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