

**Defense Health Program
Operation and Maintenance
Fiscal Year (FY) 2012 Budget Estimates
Consolidated Health Support**

I. Description of Operations Financed: This Budget Activity Group comprises nine functions which support delivery of patient care worldwide:

Examining Activities: Resources required for administering physical examinations and performing evaluations of medical suitability for military service. Includes resources required for Armed Forces Examination and Entrance Stations and the Department of Defense Medical Examination Review Board (DoDMERB).

Other Health Activities: Resources required for organizations and functions that support the provision of health care for Military Health System beneficiaries. Examples include central medical laboratories; medical services squadrons; Navy Medicine Regional Commands; public affairs; and the Women, Infants and Children (WIC) Program.

Military Public/Occupational Health: Resources required for Military Public Health manpower, supplies, permits, certification and licensure fees, support equipment, and the associated requirements specifically identified for management, direction, and operation of disease prevention and control. Examples include epidemiology, medical entomology, drinking water safety, monitoring hazardous waste disposal, food and facility sanitation, wellness/health promotion and education, health surveillance, community health nursing, medical intelligence, disease and climate illness, disease prevention and control, and injury surveillance.

Veterinary Services: Resources required for the management, direction and operation of DoD's worldwide veterinary missions, as well as veterinary support requirements for other specified federal agencies. Includes veterinary care of government owned animals, procedures involving animals in clinical investigation departments, and control of zoonotic and veterinary public health diseases.

Military Unique - Other Medical Activities: Resources required for unique military medical functions and activities that have a relationship to the size of the military population supported and are not included in any other program elements. Examples of programs include physiological training units; drug abuse detection labs; optical repair and fabrication laboratories; pandemic influenza preparedness; medical logistics offices; medical support offices; medical materiel activities; and plans, operation and training offices in military treatment facilities. Beginning in FY 2012, funding will support the remaining missions of the Armed Forces Institute of

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Pathology (Medical Examiner, DNA Registry and Accident Investigation, Legal Medicine, Clinical Lab, and Patient Safety).

Aeromedical Evacuation System: Resources required for the operation and administration of the Aeromedical Evacuation System and the costs associated with intra- and inter-theater patient transportation.

Service Support to Other Health Activities: Support to TRANSCOM.

Armed Forces Institute of Pathology (AFIP): Resources required for manpower, equipment, facilities and the associated operation and maintenance of the AFIP. Due to BRAC, the AFIP is closed as of 1 October 2011 (FY 2012) and funding will move to the Joint Pathology Center and Military Unique/Other Medical Activities to support the remaining missions of AFIP (Medical Examiner, DNA Registry and Accident Investigation, and Legal Medicine, Clinical Lab, and Patient Safety).

Joint Pathology Center (JPC): NDAA 2008, Section 722 directs establishment of the JPC by FY 2012 as the reference center in pathology for the Federal Government. Resources required for manpower, equipment, facilities, and the associated operation and maintenance of the JPC will move from the AFIP.

II. Force Structure Summary: Consolidated Health Support includes a variety of Program Elements supporting such functions as examining activities, military public and occupational health, veterinary services, aeromedical evacuation, and various activities that have a relationship to the size of the military population supported but that are not included in other program elements.

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III. Financial Summary (\$ in Thousands):

	FY 2011							FY 2012 <u>Estimate</u>
	FY 2010 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		Current <u>Appropriation</u>	Current <u>Estimate</u>		
			<u>Amount</u>	<u>Percent</u>				
A. <u>Subactivities:</u>								
1. Examining Activities	72,757	74,290	0	0%	74,290	74,290	77,120	
2. Other Health Activities	474,945	803,380	0	0%	803,380	803,380	840,083	
3. Military Public/Occupational Health	379,368	335,919	0	0%	335,919	335,919	346,696	
4. Veterinary Services	31,772	37,174	0	0%	37,174	37,174	32,745	
5. Military Unique-Other Med Activities	760,548	753,278	0	0%	753,278	753,278	839,467	
6. Aeromedical Evacuation System Service Spt to Other Health Activities-	67,848	51,880	0	0%	51,880	51,880	36,501	
7. TRANSCOM	1,018	1,417	0	0%	1,417	1,417	1,121	
8. Armed Forces Institute of Pathology (AFIP)	78,588	65,145	0	0%	65,145	65,145	0	
9. Joint Pathology Center (JPC)	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>	<u>20,088</u>	
Total	1,866,844	2,122,483	0	0%	2,122,483	2,122,483	2,193,821	

Notes:

1. FY 2010 actuals include \$124.477M for Overseas Contingency Operations (OCO) under the Department of Defense Appropriations Act, FY 2010, Public Law 111-118.
2. FY 2011 President's Budget Request excludes \$128.412M for OCO.
3. FY 2012 Request excludes \$95.994M for OCO.
4. FY 2012 reflects the BRAC directed closure of the Armed Forces Institute of Pathology (AFIP), with funding realigned to the Joint Pathology Center (JPC) and Military Unique/Other Medical Activities to support the remaining missions of AFIP.

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B. <u>Reconciliation Summary:</u>	<u>Change</u>	<u>Change</u>
	<u>FY 2011/2011</u>	<u>FY 2011/2012</u>
Baseline Funding	2,122,483	2,122,483
Congressional Adjustments (Distributed)	0	n/a
Congressional Adjustments (Undistributed)	0	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments (General Provisions)	0	0
Subtotal Appropriated Amount	2,122,483	n/a
OCO and Other Supplemental Appropriations	128,412	n/a
Fact-of-Life Changes	0	n/a
Subtotal Baseline Funding	2,250,895	n/a
Anticipated Supplemental	0	n/a
Reprogrammings	0	n/a
Less: OCO and Other Supplemental Appropriations	-128,412	n/a
Revised Current Estimate	2,122,483	2,122,483
Price Change	n/a	28,236
Functional Transfers	n/a	218
Program Changes	<u>n/a</u>	<u>42,884</u>
Current Estimate	2,122,483	2,193,821

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	(\$ in Thousands)	
C. Reconciliation of Increases and Decreases	<u>Amount</u>	<u>Totals</u>
FY 2011 President's Budget Request		2,122,483
1. Congressional Adjustments		0
a. Distributed Adjustments	0	
b. Undistributed Adjustments	0	
c. Adjustments to meet Congressional Intent	0	
d. General Provisions	0	
FY 2011 Appropriated Amount		2,122,483
2. OCO and Other Supplemental Appropriations		128,412
3. Fact of Life Changes		0
a. Functional Transfers	0	
b. Technical Adjustments	0	
c. Emergent Requirements	0	
FY 2011 Baseline Funding		2,250,895
4. Reprogrammings (Requiring 1415 Actions)		0
a. Increases	0	
b. Decreases	0	
5. Less: OCO and Other Supplemental Appropriations		-128,412
Current Estimate for FY 2011		2,122,483
6. Price Change		28,236
7. Transfers		218
a. Transfers In		42,309
1) Transfer from Warrior Transition Command (WTC) to DHP: Transfer manpower and dollars associated with the US Army WTC from Army (OMA) to the DHP. Includes 90 Civilian FTEs.	42,309	

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<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
b. Transfers Out			-42,091
1) Army Substance Abuse Program (ASAP) Transfer: Transfers Army ASAP responsibilities and resources from the US Army Medical Command (MEDCOM) to the US Army Installation Command (IMCOM). Includes 141 Civilian FTEs.		-28,200	
2) State Directors of Psychological Health Transfer: Transfers funding for the State Directors of Psychological Health program to Army National Guard from the Defense Health Program.		-9,065	
3) Medical Installation Transfers to Commander, Navy Installations Command (CNIC): Transfers resources and responsibility for Class 1 and 2 Real Property, Base Operating Support, Installation Management, and fully funds associated resourcing to Commander, Navy Installations Command (CNIC) from the Defense Health Program for six Bureau of Medicine (BUMED) sites. Includes 3 Civilian FTEs.		-4,664	
4) Transfer from DHP to Army Installation Command (IMCOM): Transfers responsibilities, management, and oversight of garrison operations for the US Army Garrison, Fort Detrick from the US Army Medical Command (MEDCOM) to the US Army Installation Management Command (IMCOM). Includes one Civilian FTE.		-162	
8. Program Increases			149,631
a. Annualization of New FY 2011 Program			0
b. One-Time FY 2012 Costs			0
c. Program Growth in FY 2012			149,631
1) Sustainment of Biodefense Vaccines: Acquisition, storage, and shipment of anthrax and smallpox vaccines to protect and ensure readiness of military personnel.		44,200	
2) Funding Adjustments and Realignment: Includes civilian manpower adjustments, central program transfers and PE realignments to reflect accurate execution.		34,533	

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3)	Pandemic Influenza Medical Materiel and Biosurveillance Readiness: For purchase of vaccine doses, new anti-virals, and Personal Protective Equipment; to store existing anti-virals; and to expand the biosurveillance mission of Pandemic Influenza. FY 2011 Funding Baseline: \$51.5M.	33,300	
4)	Joint Incentive Fund (JIF): National Defense Authorization Act (NDAA) 2010, Section 1706 extends the JIF through September 30, 2015.	15,000	
5)	Hearing Center of Excellence (HCOE): Establish the HCOE and Registry which tracks the diagnosis, surgical intervention/operative procedure, other treatment, and follow up for each case of hearing loss and auditory system injury incurred by a member of the Armed Forces while serving on active duty. Cost includes manpower; facility costs for labs, offices, renovation; outfitting with furniture and equipment; travel; registry support (software, hardware, site support); and research support for studies, office supplies, medical supplies. FY 2011 Funding Baseline: \$4.951M.	7,575	
6)	Readiness Enhancements: Programmatic increases due to increased execution over prior years in the following areas: Armed Services Blood Program, Global Emerging Infectious Disease Surveillance (GEIS), Industrial Hygiene Services, Occupational Health Services, and Force Health Protection items (Avian Flu and Malaria vaccine).	6,255	
7)	Non-Pay Non-Fuel Purchases Inflation: Adjusts the funding for non-pay, non-fuel purchases based on revised rates.	4,297	
8)	Military Entrance Processing Command (MEPCOM): Funds increased cost to sustain adequate level of staff and operations (consults and tests) and life cycle replacement of equipment at Military Entrance Processing Centers. FY 2011 Baseline: \$6.004M.	2,676	

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		(\$ in Thousands)	
		<u>Amount</u>	<u>Totals</u>
C. <u>Reconciliation of Increases and Decreases</u>			
9) Joint Basing Transfer:			
Transfer of Joint Basing Medical Functions between Army and Air Force Defense Health Program Activities. Implements agreements on specific installation support services that MTFs provide at joint-base sites. Includes 10 Civilian FTEs.	804		
10) Secretary of Defense Efficiencies - Civilian Manpower Freeze and Exceptions:			
Adds civilian FTEs and associated funding for the Secretary of Defense approved exceptions to the civilian manpower freeze.			
9. Program Decreases			-106,747
a. One-Time FY 2011 Costs			
b. Annualization of FY 2011 Program Decreases		0	
c. Program Decreases in FY 2012		-106,747	
1) Civilian Pay Raise Adjustment		-24,234	
Adjusts civilian personnel funding to reflect no pay raise for FY 2011 and FY 2012 consistent with direction to freeze Federal pay at the FY 2010 level for the next 2 years.			
2) Budget Activity Group Funding Realignment:		-18,000	
Funding realignment to the Management Activities Budget Activity Group to reflect proper execution of Patient Administration Systems and Biostatistics Activity (PASBA) and Medical Expense Performance Reporting Systems.			
3) Budget Activity Group Funding Realignment:		-12,825	
Funding realignment to the Management Activities Budget Activity Group to reflect proper execution of the Health Insurance Portability and Accountability Act (HIPAA) and Beneficiary Advisory Panel (BAP) programs.			
4) One Less Day Paid:		-3,074	
Adjusts for one less civilian pay day in FY 2012. FY 2011 Funding Baseline: \$802.3M.			

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<u>C. Reconciliation of Increases and Decreases</u>		<u>Amount</u>	<u>Totals</u>
5) Wounded Warrior:		-2,641	
	Realigns funding to multiple Budget Activity Groups (In-House Care and Base Operations and Communications) for Traumatic Brain Injury/Psychological (TBI/PH) to reflect actual execution.		
6) Civilian to Military Conversion Restoral:		-2,289	
	Incremental funding transfer to Service MILPERS accounts to restore military authorizations previously programmed as military to civilian conversions, as required by Section 721 of NDAA 2008.		
7) Secretary of Defense Efficiencies - Reducing Reliance on DoD Service Support Contractors:		-23,110	
	Directs the components to reduce funding used to acquire service support contracts by 10% per year over the next three years from their reported FY 2010 levels. FY 2012 reduction is 20% and FY 2013 reduction is 30%. These efficiencies will have no impact on direct healthcare delivery. FY 2011 Funding Baseline: \$117.168M.		
8) Secretary of Defense Efficiencies - Reports, Studies, Boards and Commissions Review:		-12,620	
	Directs the Components to reduce funding for advisory studies by 25% below the FY 2010 levels. Reductions are based upon self-reported "Advisory and Assistance Service" data from "Studies Analysis and Evaluation" activities. These efficiencies will have no impact on direct healthcare delivery. FY 2011 Funding Baseline: \$24.0M.		
9) Secretary of Defense Efficiencies - TRICARE Management Activity (TMA) - Baseline Review:		-7,883	
	Directs TMA to streamline operations by consolidating activities into a follow-on Military Health System Support Activity consisting of four divisions: 1) Uniformed Services University of the Health Sciences (USUHS), 2) TRICARE health plan, 3) Health Management Support, and 4) Shared Services. Direction will reduce redundancy, capitalize shared services efficiencies, and better align similar missions across the enterprise. As a result, beginning in FY 2012,		

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C. Reconciliation of Increases and Decreases

Amount Totals

24 Civilian FTEs and 364 Contractor positions will be eliminated. FY 2011 DHP Contract Services Funding Baseline: \$3,005.6M.

10) Secretary of Defense Efficiencies - DFAS Baseline Review to Eliminate Civilian Personnel Positions: -71
Reduced payments to DFAS due to DFAS elimination of multiple positions beginning in FY 2012 to reduce personnel and budget costs without impacting mission accomplishment.

FY 2012 Budget Request

2,193,821

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change FY 2010/2011</u>	<u>Change FY 2011/2012</u>
Active Duty Force Structure	1,425,000	1,432,400	1,408,300	7,400	-24,100
MEPS Workload (000's)	333	387	387	54	0
Spectacles/Inserts fabricated (000's)	1,723	1,766	1,816	43	50
Veterinary Lab procedures (000's)	185	220	260	35	40

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V. Personnel Summary

	<u>FY 2010</u>	<u>FY 2010</u>	<u>FY 2012</u>	<u>Change</u> <u>FY 2010/FY 2011</u>	<u>Change</u> <u>FY 2011/FY 2012</u>
<u>Active Military End Strength (E/S)</u>					
Officer	2,781	2,879	2,902	98	23
Enlisted	<u>6,376</u>	<u>6,608</u>	<u>6,595</u>	<u>232</u>	<u>-13</u>
Total Military	9,157	9,487	9,497	330	10
<u>Active Military Average Strength(A/S)</u>					
Officer	2,642	2,830	2,891	188	61
Enlisted	<u>5,990</u>	<u>6,492</u>	<u>6,602</u>	<u>502</u>	<u>110</u>
Total Military	8,632	9,322	9,493	690	171
<u>Civilian FTEs</u>					
U.S. Direct Hire	7,527	9,052	9,009	1,525	-43
Foreign National Direct Hire	<u>135</u>	<u>131</u>	<u>110</u>	<u>-4</u>	<u>-21</u>
Total Direct Hire	7,662	9,183	9,119	1,521	-64
Foreign National Indirect Hire	<u>461</u>	<u>462</u>	<u>457</u>	<u>1</u>	<u>-5</u>
Total Civilian	8,123	9,645	9,576	1,522	-69
Average Civilian Salary (\$000's)	82.133	83.184	82.480		
<u>Contractor FTEs (Total)</u>	1,820	1,733	1,625	-87	-108

VI. Outyear Summary: N/A

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