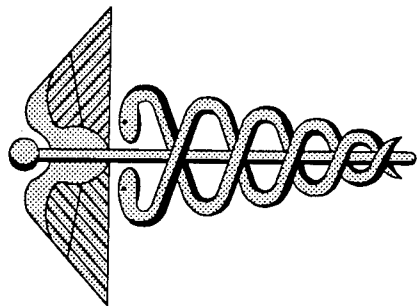
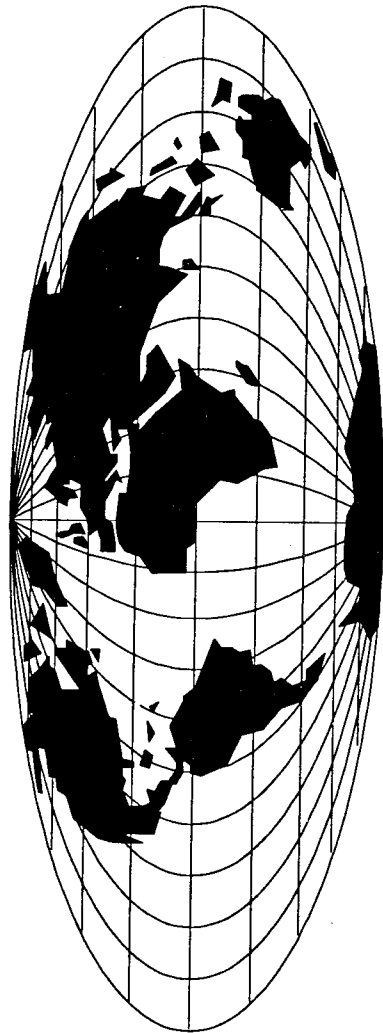
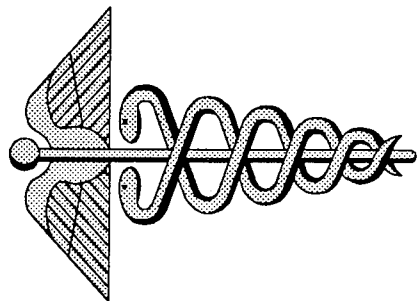


DEFENSE HEALTH PROGRAM

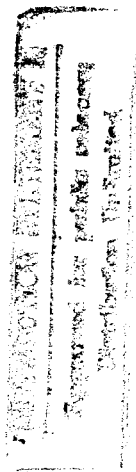
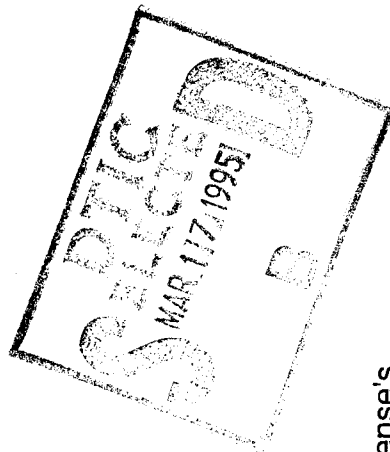


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Justification of O&M Estimates

Fiscal Years 1996/1997
Volume 1

The Defense Health Program spans the globe to support the Department of Defense's most important resource--active and retired military members and their families.



**DEFENSE HEALTH PROGRAM, VOLUME I
JUSTIFICATION OF O&M ESTIMATES
FY 1996/1997 BIENNIAL BUDGET ESTIMATES**

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**DEFENSE HEALTH PROGRAM, VOLUME I
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See ADA 276 575

Dist A	Avail and/or Special
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Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Summary of Requirements by Program Decision Unit
Budget Activity and Activity Group
 (\$000s)

<u>Defense Health Program</u>	FY 1994 Actuals	FY 1995 Estimate	FY 1996 Estimate	FY 1997 Estimate
Direct Patient Care	3,453,467	3,480,572	3,454,685	3,174,003
Patient Care Support	956,692	951,415	943,792	916,942
CHAMPUS	3,393,903	3,555,600	3,840,100	3,959,600
Care in Non-Defense Facilities	453,226	488,151	496,997	506,531
Education and Training	165,445	168,253	172,246	181,452
Base Operations	864,410	890,627	914,005	937,581
USUHS	<u>57,067</u>	<u>56,552</u>	<u>43,700</u>	<u>44,400</u>
Subtotal	9,344,210	9,591,170	9,865,525	9,720,509
Procurement	<u>273,637</u>	<u>329,589</u>	<u>288,033</u>	<u>298,486</u>
Total	9,617,847	9,920,759	10,153,558	10,018,995

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Direct Hire Personnel, Summary**

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
Total number of full-time permanent positions (End Strength)	41,622	44,726	41,511	41,511
Total compensable workyears:				
Full-time equivalent employment				
U.S. Direct Hires	46,156	45,706	43,473	41,593
Foreign Nationals	972	518	512	519
Total Direct Hires	<u>47,128</u>	<u>46,224</u>	<u>43,985</u>	<u>42,112</u>
Disadvantaged Employment	0	0	0	0
Total Full-time equivalent employment	<u>47,128</u>	<u>46,224</u>	<u>43,985</u>	<u>42,112</u>
Full-time equivalent of overtime and holiday hours (Workyears)				
Average ES salary	\$37,130	\$38,290	\$39,350	\$39,640
Average GM salary	0	0	0	0
Average GS grade				
Average GS salary	\$37,390	\$38,210	\$39,070	\$39,950
Average salary of ungraded positions				

Data reflects direct and reimbursable civilian personnel.

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Direct Hire Civilian Employment

	FY 1994		FY 1995		FY 1996		FY 1997	
	End Strength	Work Years	End Strength	Work Years	End Strength	Work Years	End Strength	Work Years
Direct Hire Civilians								
Full-time Permanent	41,622	45,238	44,726	44,540	41,511	42,568	41,511	40,746
Other	5,348	1,890	1,022	1,684	1,729	1,417	484	1,366
Total Direct Hire	46,970	47,128	45,748	46,224	43,240	43,985	41,995	42,112
Disadvantaged Employment	0	0	0	0	0	0	0	0
Foreign National Separation Liability	0	0	0	0	0	0	0	0
Severance Pay/Unemployment Compensation	0	0	0	0	0	0	0	0
Total	46,970	47,128	45,748	46,224	43,240	43,985	41,995	42,112
		\$1,674,349		\$1,687,888		\$1,646,913		\$1,611,056
		\$69,956		\$63,816		\$54,819		\$54,022
		\$1,744,305		\$1,751,704		\$1,701,732		\$1,665,078
		\$0		\$0		\$0		\$0
		\$275		\$845		\$831		\$851
		\$1,476		\$14,301		\$16,487		\$13,280
		\$1,746,056		\$1,766,850		\$1,719,050		\$1,679,209

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Indirect Hire Civilian Employment

	FY 1994		FY 1995		FY 1996		FY 1997	
	End Strength	Work Years	End Strength	Work Years	End Strength	Work Years	End Strength	Work Years
Detail by Major Force Program								
Budget Activity 4	1,529	1,564	1,938	1,653	1,969	1,960	2,021	1,991
Foreign National Separation Liability	0	0	0	0	0	0	0	0
Total Indirect Hire	1,529	\$39,408	1,938	\$53,915	1,969	\$60,550	2,021	\$62,112
		\$137		\$837		\$652		\$667
		\$39,545		\$54,752		\$61,202		\$62,779

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

I. Description of Operations Financed: The Department of Defense (DoD) has two interwoven medical missions: (a) to provide, and be ready to provide, medical services and support to the armed forces during military operations, and (b) to provide medical services and support to members of the armed forces, their dependents, and other beneficiaries entitled to DoD health care. The Defense Health Program (DHP) appropriation funding provides support for worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, specialized services for the training of medical personnel, and occupational and industrial health care. Included are the costs associated with the Civilian Health and Medical Program of the Uniform Services (CHAMPUS) which provides for the health care of eligible active duty dependents, retired members and their dependents, and the eligible surviving dependents of deceased active duty and retired members. The DHP provides funding for acquisition of capital expense equipment in support of military medical treatment facilities, training facilities, and programs.

The remaining portion of the DHP appropriation funds procurement of capital equipment in support of the DoD health care program in military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded or altered health care facilities being constructed under major military construction programs: equipment for modernization and replacement of worn-out, obsolete, or economically repairable items; equipment in support of CHAMPUS and medical treatment facility information processing requirements; and equipment supporting programs such as pollution control, clinical investigation, and occupational/environmental health.

All of these activities are under the direction and control of the Assistant Secretary of Defense (Health Affairs) (ASD(HA)). The ASD(HA), as the DoD officer responsible for the effective execution of the Department's mission works through the Secretaries of the Military Departments to accomplish the Department's medical mission. The Assistant Secretary's responsibilities include developing a unified medical program and budget, and developing policies that will allow the Department to perform its medical mission effectively.

II. Force Structure Summary: The Department of Defense accomplishes its world wide mission by using the Defense Health Program (DHP) appropriation to support the eligible beneficiary population through a system of 124 hospitals and 504 clinics (FY 1996), and includes a workforce of 104,484 military and 45,209 civilian personnel. This represents a decrease from FY 1995 which consisted of a system of 127 hospitals and 504 clinics, and a workforce of 105,849 military and 47,686 civilian personnel. The number of hospitals remain constant at 124 in the budget years FY 1996 and 1997. The civilian personnel workforce reflects a reduction of 4 percent each year. Within the DHP, the reduction of civilian and military end strength will be offset by decreased requirements from overall downsizing, contractor managed care personnel, and purchasing care under TRICARE support contracts.

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

III. Financial Summary (\$ in Thousands):

This submission includes Operation and Maintenance (O&M) and Procurement funds. The overall resource requirements for FY 1996 and 1997 were based on the DHP's capitation-based financing model in conjunction with input from the three Military Departments and the three DHP field activities. Capitation is one of the major components of the Department's managed care strategy. One of the unique aspects of the DHP's capitation model is that it considers all resources (i.e., both Operation and Maintenance funds and Military Personnel funds) used to produce the Department's health care services for eligible beneficiaries. A summary of the DHP's total per capita costs are as follows:

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY 1994-95</u>	<u>Change FY 1995-96</u>	<u>Change FY 1996-97</u>
O & M	\$ 1,095	\$ 1,152	\$ 1,206	\$ 1,194	+\$57 (+4.1%)	+\$54 (+3.8%)	-\$12 (-1.0%)
MILPERS ^{1/}	\$ 592	\$ 619	\$ 619	\$ 628	+\$27 (+4.5%)	\$ 0 (0%)	+\$9 (+1.4%)
Total	\$1,687	\$1,771	\$1,825	\$1,822	+\$84 (+4.9%)	+\$54 (+3.1%)	-\$3 (-0.2%)

^{1/} Military personnel costs and end strength are included in the Military Departments and are not part of DHP appropriation.

The provision of health care in the DHP depends upon both O&M funds and military labor. A per capita decline in either resource component (i.e. O&M and MILPERS), if not offset by an increase in the other component, reduces the DHP's ability to provide a consistent level of health care services to eligible DOD beneficiaries.

The financial requirements set forth in this budget consider the effects of force structure downsizing, and Base Realignment and Closure plans. Other than major mission changes, there are three main factors that influence DHP funding requirements: (1) general inflation, (2) health services prices, or medical specific inflation, and (3) population composition and changes.

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

In this budget, the impact of the first two factors are reflected in the price growth estimates of \$369 million in FY 1996 and \$438 million in FY 1997. The impact of the third factor (i.e. population changes) is in the DHP's capitation model and is reflected as program decreases. The FY 1996-1997 Biennial Budget was prepared utilizing a completely new Program Element (PE) structure of 33 PEs which enables the DHP to present health care resource requirements more effectively and with greater visibility of key programs. The new PE structure improves and facilitates integration with the DHP's capitation model; however, the restructuring of PEs from FY 1994 to FY 1995 and the outyears does not facilitate detailed comparisons with prior year expenditures by PE.

A. Defense Health Program

	<u>FY 1995</u>				FY 1996	FY 1997
	<u>FY 1994</u>	<u>Budget</u>	<u>Appropriated</u>	<u>Current</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>Actuals</u>	<u>Request</u>		<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Defense Health Program						
Direct Patient Care	3,453,467	3,098,704	3,056,769	3,480,572	3,454,685	3,174,003
Patient Care Support	956,692	917,891	899,191	951,415	943,792	916,942
CHAMPUS	3,393,903	3,959,200	3,959,200	3,555,600	3,840,100	3,959,600
Care in Non-Defense Facilities	453,226	613,087	643,087	488,151	496,997	506,531
Education and Training	165,445	210,669	210,159	168,253	172,246	181,452
Base Operations	864,410	772,933	772,468	890,627	914,005	937,581
USUHS	<u>57,067</u>	<u>40,847</u>	<u>50,457</u>	<u>56,552</u>	<u>43,700</u>	<u>44,400</u>
Total	9,344,210	9,613,331	9,591,331	9,591,170	9,865,525	9,720,509

B. Reconciliation Summary

	<u>Change</u>	<u>Change</u>	<u>Change</u>
	<u>FY 1995/1995</u>	<u>FY 1995/1996</u>	<u>FY 1996/1997</u>
Baseline Funding	9,613,331	9,591,170	9,865,525
Congressional Adjustments	-22,161	0	0
Foreign Currency Adjustment	0	11,631	0
Price Changes	0	368,685	437,779
Functional Transfers	0	-18,906	-1,018
Program Changes	0	-87,055	-581,777
Current Estimate	9,591,170	9,865,525	9,720,509

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

C. OP-32 Line Item: Not provided at the appropriation level because the DHP appropriation includes Procurement funds in addition to O&M funds. See Exhibit OP-32.

D. Reconciliation: See Appendix I to Exhibit OP-5 Part 1.

IV. Performance Criteria and Evaluation: See PB-11

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimate
Operation and Maintenance**

V. Personnel Summary:

	FY1994	FY1995	FY1996	FY1997	Change FY1995/96	Change FY1996/97
<u>Active Military End Strength (Total)</u>						
Officer	36,018	36,857	36,167	36,183	-690	16
Enlisted	<u>70,281</u>	<u>68,986</u>	<u>68,317</u>	<u>68,298</u>	<u>-669</u>	<u>-19</u>
Total Military	106,299	105,843	104,484	104,481	-1,359	-3
<u>Civilian End Strength (Total)</u>						
U.S. Direct Hire	46,097	45,106	42,719	41,469	-2,387	-1,250
Foreign National Direct Hire	<u>873</u>	<u>532</u>	<u>534</u>	<u>539</u>	<u>2</u>	<u>5</u>
Total Direct Hire	46,970	45,638	43,253	42,008	-2,385	-1,245
Foreign National Indirect Hire	<u>1,529</u>	<u>1,938</u>	<u>1,969</u>	<u>2,021</u>	<u>31</u>	<u>52</u>
Total Civilians	48,499	47,576	45,222	44,029	-2,354	-1,193
<u>Active Military Workyears (Total)</u>						
Officer	37,604	36,439	36,512	36,176	73	-336
Enlisted	<u>73,261</u>	<u>69,639</u>	<u>68,657</u>	<u>68,309</u>	<u>-982</u>	<u>-348</u>
Total Military	110,865	106,078	105,169	104,485	-909	-684
<u>Civilian Workyears (Total)</u>						
U.S. Direct Hire	46,156	45,706	43,473	41,593	-2,233	-1,880
Foreign National Direct Hire	<u>972</u>	<u>518</u>	<u>512</u>	<u>519</u>	<u>-6</u>	<u>7</u>
Total Direct Hire	47,128	46,224	43,985	42,112	-2,239	-1,873
Foreign National Indirect Hire	<u>1,564</u>	<u>1,653</u>	<u>1,960</u>	<u>1,991</u>	<u>307</u>	<u>31</u>
Total Civilians	48,692	47,877	45,945	44,103	-1,932	-1,842

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

1. FY 1995 President's Budget Request

2. Congressional Adjustments:

- a. Underexecution of civilian end strength
- b. Head and Neck Injury
- c. Gulf War Syndrome
- d. Civilian Pay Raise
- e. Computer Assisted Minimally Invasive System
- f. Uncompensated Care
- g. Nurse Practitioner Program
- h. Zinc Cadmium Sulfide
- i. Renal Institute of the Pacific
- j. Pacific Island Referral Project
- k. Disaster Management Training Program
- l. American Red Cross
- m. Pediatric Emergency Medical
- n. Military Nursing Research
- o. Brown Tree Snakes
- p. Hospital Maintenance
- q. Plattsburgh AFB Hospital
- r. Overseas Dental Program
- s. USUHS
- t. HPSP Scholarships
- u. Information Systems Reduction
- v. Unspecified Reduction

(Dollars in Thousands)

\$9,613,331

-22,161

-67,600
+1,000
+2,200
+300
+6,000
+2,000
+2,000
+1,000
+2,000
+2,500
+1,000
+14,500
(350)
+5,000
+1,000
+5,000
+3,000
+7,000
+610
-510
-10,000
-161

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

<u>Reconciliation of Increases and Decreases (Cont'd)</u>	(Dollars in Thousands)
3. FY 1995 Appropriated Amount	9,691,170
4. Price Growth	+368,685
Increase represents application of 5.0 percent inflation index for medical care costs and 3.0 percent for general inflation, for a composite rate for the Defense Health Program of 3.84 percent.	
5. Foreign Currency Adjustment	+11,631
6. Functional Program Transfers:	-18,906
a. Transfers Out	
DEERS Program Transfer	-18,200
Transfer of the Defense Eligibility Enrollment System (DEERS) Program to the Defense Manpower Data Center	
Joint Healthcare Manpower Engineering Team (JHMET)	
Transfer to JHMET program to the Air Force	-706
7. Program Increases (FY 1996):	+515,589
a. One more paid day (civilian personnel)	+6,508
b. Overseas Dental Program	+18,000

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases (Cont'd)

(Dollars in Thousands)

FY 1996 cost of FY 1995 congressional expansion of dental care for family members of active duty personnel stationed in areas where contract dental program is not available.

c. Clinical Escalation, Research and Review Activities (CERRA) +13,600

CERRA combines all prior special efforts related to the illnesses associated with the deployment of military personnel. Although the program initially will be concerned with the Persian Gulf War deployment, it is intended to cover pre-deployment and post-deployment health care including follow up studies for all other deployments.

d. Health Professions Scholarship Program/Financial Assistance Program (HPSP/FAP) +280

Increase required for change in the mix of scholarships.

e. OCHAMPUS Handbook and Policy Manuals +1,077

Funds the printing and reproduction costs of the OCHAMPUS Handbook provided to beneficiaries and Policy Manuals reflecting the conversion from the standard CHAMPUS program to Managed Care.

f. Management Support Services Contracts +254

Funds the contract support services required for the development of bid price adjustment criteria and provider certifications associated with the Managed Care Support Contracts.

g. Equipment Purchases (OCHAMPUS) +157

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases (Cont'd) (Dollars in Thousands)

Increase needed to purchase office furniture and other equipment in support of the Source Selection Evaluation boards convened to review the regional Managed Care Support Contract proposals.

- h. Increase in MCS costs to assume OCHAMPUS responsibilities +7,828
- i. One time costs - MCS Implementation +411,000

Increase required for contract start-up, transition/phaseout and the buyout of the pipeline of standard CHAMPUS claims as the MCS contracts are implemented.

- j. Benefit costs - MCS Contracts +49,154

Increase required for costs associated with on-going and new Managed Care Support contracts in FY 1996. This increase to the MCS program is offset by a decrease to the requirement for standard CHAMPUS.

- k. Minor Construction/Maintenance and Repair +7,731

Increase required for additional projects to meet fire, life/safety, and accreditation requirements and to support a plant replacement value of 2.5 percent for medical facilities; 2.0 percent for troop housing and dining facilities; 1.5 percent for training and other personnel support facilities and 1.0 percent for remaining facility inventory.

8. Program Decreases (FY 1996):

- a. One-time FY 1995 Congressional Increases -47,901

CAMIS -6,164

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases (Cont'd)

(Dollars in Thousands)

Uncompensated Care	-2,055
Plattsburgh AFB Hospital	-3,082
American Red Cross	-14,896
Zinc Cadmium Sulfide	-1,027
Pacific Island Referral	-2,568
Renal Institute of the Pacific	-2,055
Brown Tree Snakes	-1,030
Head and Neck	-1,030
Disaster Management	-1,030
USUHS	-628
Nurse Practitioner	-2,060
Nurse Research	-5,150
Maintenance of Real Property (Bassett AH; NH Guam)	-5,126

b. Fort Bragg Mental Health Demonstration -9,400

A September 1994 evaluation indicated that this demonstration was not cost-effective. Project participants showed no greater improvement to their mental health while the cost per client was 150 percent more expensive than standard CHAMPUS mental health. Consequently, the FY 1996/FY 1997 President's Budget reflects the decision to eliminate the project, beginning in FY 1996.

c. Reduction in Military Health Services System (MHSS) users -93,393

MHSS users are projected to decrease by 2.7 percent, resulting in decreased Defense Health Program requirements in approximately the same proportion.

d. Patient Care Support -30,853

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases (Cont'd) (Dollars in Thousands)

Decrease reflects reduced requirements associated with 3.5 percent decrease in the active duty population due to the force structure drawdown. Included in this total is a decrease in Air Force Aeromedical Evaluation Contractor Logistics Support totaling \$2.04 million.

e. Specialized Skill Training -5,105

Decrease in specialized skill training resulting from the 6 percent reduction in certified military health care professional end strengths in FY 1996.

f. Emergency Medical Care for Active Duty Members -16,793

Reduction reflects a decline in the active duty population eligible for emergency medical care.

g. Managed Care Support (MCS) Implementation -8,070

Savings in the OCHAMPUS program as a result of the Managed Care Support Contracts assuming responsibility for certain oversight contracts. Reduction also reflects reduced costs for National Claims Processing and Fiscal Intermediary Change Orders as a result of MCS implementation.

h. Non-GSA Rents -204

One time cost reduction associated with changing from commercially leased, custom designed software to government owned software.

i. OCHAMPUS Equipment Maintenance -416

Reduced equipment maintenance costs resulting from "on-call maintenance contracts versus extended warranty and, one time supply and transportation costs.

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases (Cont'd)

(Dollars in Thousands)

<p>j. Impact of MCS contract Implementation</p> <p>Reflects decreased requirements for Standard CHAMPUS Benefits as the MCS contracts are implemented. The Fiscal Intermediary claims processing costs will also decrease.</p>	-270,554
<p>k. One-time FY 1995 costs for MCS Contracts</p> <p>Reduction for the one-time costs for three Managed Care Support contracts and pipeline costs for one MCS contract in FY 1995.</p>	-92,400
<p>l. USUHS Closure</p> <p>Decrease in travel, transportation, utilities, printing, other services, supplies and equipment due to phased closure of USUHS.</p>	-4,494
<p>m. Base Realignment and Closure</p> <p>Reflects reduced requirements as a result of closure of Vincenza Army Field Hospital, Orlando and Oakland Naval Hospitals, and March Air Force Hospital.</p>	-5,423
<p>n. Base Realignment and Closure</p> <p>Estimated savings from the closure of the Army facility at Fort Ord, the Navy facilities at Orlando and Oakland, and Air Force facilities at Castle, Griffis, Plattsburgh, and K.I. Sawyer.</p>	-15,997
<p>o. Base Operations Support</p>	-1,641

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Operation and Maintenance**

<u>Reconciliation of Increases and Decreases (Cont'd)</u>	(Dollars in Thousands)
Decrease reflects reduced level of effort associated with decreases in population supported and related facility infrastructure changes due to force structure downsizing.	
9. FY 1996 Budget Request	+9,865,525
10. Price Growth (FY 1997)	+437,875
Increase represents application of 5.2 percent inflation index for medical care costs and 3.0 percent for general inflation, for a composite rate for the Defense Health Program of 4.44 percent.	
11. Functional Transfer (FY 1997)	-1,018
a. Environment Compliance	-1,000
Reduced amount to be transferred from Navy for Environmental Compliance program.	
b. Joint Health Manpower Engineering Team (JHMET)	-18
Transferred to the Air Force.	
12. Program Increases (FY 1997)	+1,573,150
a. HPSP/FAP	+280
Increase required for change in the mix of scholarships.	

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases (Cont'd)

(Dollars in Thousands)

b. OCHAMPUS - rental of software related to MCS contracts	+97
c. Transfer of Oversight Contracts from OCHAMPUS	+14,645
Increased requirements in CHAMPUS program related to decreased responsibility for funding oversight contracts in OCHAMPUS.	
d. One time requirement for pipeline buyout	+448,000
One time FY 1997 requirement for the buyout of standard CHAMPUS claims related to the implementation of three regional MCS contracts.	
e. MCS Contracts--Benefit Costs	+1,105,827
Increase required for the benefit costs associated with on-going and new Managed Care Support contracts in FY 1997. This increase is offset by a decrease to the standard CHAMPUS benefits program.	
f. Maintenance and Repair	+3,779
Increase in Maintenance and Repair due to increases in the Plant Replacement Value of Defense Health facilities.	
g. Base Communications	+522
13. Program Decreases (FY 1997)	
a. Reduction in Military Health Services System (MHSS) users	-2,155,023
	-383,404

**Defense Health Program Appropriation
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Reconciliation of Increases and Decreases (Cont'd) (Dollars in Thousands)

MHSS users are projected to decrease by 1.1 percent, resulting in decreased Defense Health Program requirements in approximately the same proportion.

b. Uniform Benefit Savings -17,000

Savings reflect projected savings to the Defense Health Program from implementation of Uniform HMO Benefit.

c. Patient Care Support -18,823

Decrease reflects reduced requirements associated with 3.5 percent decrease in the active duty population due to the force structure drawdown. Included in this total is a decrease in Air Force Aeromedical Evaluation Contractor Logistics Support totaling \$2.04 million.

d. Composite Health Care System (CHCS) -38,865

Decrease related to the reduced level of effort following the accelerated deployment of (CHCS) in FY 1996.

e. Specialized Skill Training -838

Decrease in specialized skill training resulting from the 6 percent reduction in certified military health care professional end strengths in FY 1997.

f. Emergency Medical Care for Active Duty Members -16,568

Reduction reflects a decline in the active duty population eligible for emergency medical care.

g. Managed Care Support Implementation -15,098

**Defense Health Program Appropriation
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<u>Reconciliation of Increases and Decreases (Cont'd)</u>	(Dollars in Thousands)
Continued transfer of OCHAMPUS functions to MCS contract responsibilities.	
h. Printing and Reproduction Costs (OCHAMPUS)	-1,138
Reduction in one-time FY 1996 cost to print the OCHAMPUS manual and handbooks.	
i. MCS Source Selection Evaluation Boards Support Requirements	-937
Reduction in one-time FY 1996 costs to support MCS source selection.	
j. Standard CHAMPUS	-1,200,987
Decreased requirements for standard CHAMPUS benefits as Managed Care Support Contracts are implemented.	
k. MCS Start-up and Pipeline Costs	-432,800
Reduction in FY 1997 for the one-time FY 1996 start-up and pipeline buyout costs attributed to six contracts.	
l. USUHS phased closure	-556
Decreased FY 1997 costs as USUHS closes.	
m. Base Realignment and Closure	-21,024

Reflects anticipated personnel and infrastructure reductions as a result of closure of Oakland Naval Hospital and March Air Force Hospital.

**Defense Health Program Appropriation
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Reconciliation of Increases and Decreases (Cont'd) (Dollars in Thousands)

n. Base Operations Support -942

Decreases in facility infrastructure changes due to force downsizing.

o. Fort Bragg Mental Health Clinic Discontinuation -3,500

Reflects the phased discontinuation of the Fort Bragg Mental Health Demonstration.

p. Dental Care in CONUS -2,533

The CONUS Dental Program Element decrease reflects the change in eligible population and the level of dental work required for active duty personnel who now represent a larger portion of total CONUS dental workload.

14. FY 1997 President's Budget \$9,720,509

Defense Health Program Appropriation
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 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1994 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1995 Program
LINE Defense Health Program						
301 Per Diem	76789	1	0.00	0	-65	76725
302 Other Travel Costs	62195	5	2.80	1741	-1066	62875
303 MAC Passenger	5441	0	2.28	124	51	5616
307 Leased Vehicles	2443	0	2.78	68	65	2576
399 Total Travel	146868	6		1933	-1015	147792
401 DFSC Fuel	28294	0	-12.40	-3508	295	25081
402 Service Fund Fuel	157	0	-12.10	-19	157	295
411 Army Sup & Mat	29600	122	8.00	2377	-1011	31088
412 Navy Sup & Mat	104885	0	22.67	23774	-26940	101719
414 AF Sup & Mat	1490	1	-9.93	-148	2	1345
415 DLA Sup & Mat	57565	0	3.20	1842	-2393	57014
416 GSA Sup & Mat	9291	0	2.81	261	-199	9352
417 Local Proc Sup & Mat	526967	0	2.80	14754	-674	541047
499 Total Sup & Mat	758249	123		39333	-30762	766943
502 Army Fund Equipt	1130	0	8.05	91	4	1225
503 Navy Fund Equipt	2263	0	22.14	501	-1661	1103
505 AF Fund Equipt	23393	0	-9.90	-2317	14	21090
506 DLA Fund Equipt	2106	0	3.23	68	15	2189
507 GSA Fund Equipt	4485	0	2.80	125	212	4823
599 Total Fund Equipt	33377	0		-1532	-1417	30429
602 Army Depot Cmd Maint	165	0	15.76	26	-191	0
611 Naval Surface War Ctr	0	0	3.10	0	0	0
615 Data Automat Ctr Navy	220	0	1.36	3	-15	208
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

624 Other MSC Purchases	0	0	2.80	0	0	0	0
630 Naval Rsch Lab	0	0	2.80	0	0	0	0
631 Naval Civil Engrn Ctr	447	0	5.82	26	-378	95	0
633 Naval Pub & Prnt Svc	8251	0	16.00	1320	-531	9040	0
635 Naval Pub Wks Ctr	74207	0	0.20	148	3168	77523	0
637 Naval Shipyards	1967	0	18.71	368	-1517	818	0
651 Airlift Svcs Trng & Ops	19824	0	2.80	555	-92	20287	0
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0	0
663 Laundry & Dry Clean	1576	0	0.00	0	-7	1569	0
671 Communications Svc	5159	0	2.79	144	-388	4915	0
673 Def Finance & Acct Svc	5164	0	20.80	1074	-2148	4090	0
679 Cost Reimbursible Svc	825	0	2.79	23	-823	25	0
699 Total Purchases	117805	0		3687	-2922	118570	0
701 MAC Cargo	0	0	2.80	0	0	0	0
702 MAC SAAM	0	0	15.00	0	0	0	0
703 JCS Exercises	0	0	2.80	0	0	0	0
711 MSC Cargo	0	0	-24.20	0	0	0	0
721 MTMC Port Handling	0	0	9.50	0	0	0	0
725 MTMC Other	6	0	0.00	0	0	6	0
731 Commercial Air	918	0	2.72	25	1	944	0
741 Commercial Ships	82	0	2.44	2	68	152	0
751 Commercial Land	924	6	2.80	26	-25	931	0
761 Other Transportation	3175	0	2.84	90	-115	3150	0
799 Total Transportation	5105	6		143	-71	5183	0
9XX Civ Pay Reimburs Host	1744305	493	2.40	41876	-35270	1751404	0
901 Foreign Nat Ind Hire	39408	2777	2.40	1012	10718	53915	0
902 Separation Liability	1888	98	2.37	47	13950	15983	0
912 Rental Pay to GSA	8683	0	2.81	244	37	8964	0
913 Purchased Utilities	80452	621	2.80	2270	-4708	78635	0
914 Purchased Communica	35135	186	2.80	989	-4531	31779	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents non GSA	24033	810	2.80	695	-1031	24507
916 Disability Comp	4708	0	2.80	132	-123	4717
917 Postal Svcs	2126	0	6.21	132	-157	2101
920 Supplies & Mat	637711	913	4.73	30180	-6554	662250
921 Printing & Reproduct	10353	10	2.80	290	-493	10160
922 Equipt Maint Contract	80388	57	2.80	2251	5626	88322
923 Facility Maint Contract	90677	1762	2.80	2589	2854	97882
925 Equipt Purchases	97304	345	4.50	4393	2714	104756
926 Overseas Purchases	1429	178	2.80	45	-229	1423
930 Other Depot Maint	34141	0	2.80	956	-488	34609
931 Contract Consultants	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	4442	0	2.79	124	-627	3939
933 Studies Analysis Eval	15053	0	2.80	421	-5147	10327
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	704	0	2.84	20	33	757
985 DoD Counter Drug	7	0	0.00	0	-7	0
987 Other Intra-Govt	8744	0	2.80	245	-1302	7687
988 Grants	12294	0	2.81	345	37	12676
989 Other Contracts	4950528	14249	4.86	241152	-89303	5116626
998 Other Costs*	398293	7	3.81	15184	-14649	398835
999 Total Purchases	8282806	22506	4.16	345592	-128651	8522253
9999 TOTAL	9344210	22641	4.15	389157	-164838	9591170

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINE Defense Health Program						
301 Per Diem	76725	0	0.00	0	-477	76247
302 Other Travel Costs	62875	0	3.00	1884	-761	63998
303 MAC Passenger	5616	0	3.01	169	204	5989
307 Leased Vehicles	2576	0	3.03	78	-13	2641
399 Total Travel	147792	0		2131	-1047	148875
401 DFSC Fuel	25081	0	5.60	1404	187	26672
402 Service Fund Fuel	295	0	5.76	17	-6	306
411 Army Sup & Mat	31088	0	5.30	1648	235	32972
412 Navy Sup & Mat	101719	0	-22.50	-22887	21009	99841
414 AF Sup & Mat	1345	0	-16.50	-222	588	1711
415 DLA Sup & Mat	57014	0	0.60	342	-9715	47642
416 GSA Sup & Mat	9352	0	2.99	280	-3039	6593
417 Local Proc Sup & Mat	541047	0	3.00	16231	-24955	532323
499 Total Sup & Mat	766943	0		-3187	-15696	748060
502 Army Fund Equip	1225	0	5.31	65	32	1322
503 Navy Fund Equip	1103	0	-22.58	-249	174	1028
505 AF Fund Equip	21090	0	-16.50	-3480	577	18187
506 DLA Fund Equip	2189	0	0.55	12	467	2668
507 GSA Fund Equip	4823	0	3.01	145	833	5801
599 Total Fund Equip	30429	0		-3507	2084	29005
602 Army Depot Cmd Maint	0	0	15.60	0	0	0
611 Naval Surface War Ctr	0	0	16.10	0	0	0
615 Data Automat Ctr Navy	208	0	-0.48	-1	-10	197
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

624 Other MSC Purchases	0	0	2.80	0	0	0	0
630 Naval Rsch Lab	0	0	2.80	0	0	0	0
631 Naval Civil Engrn Ctr	95	3	3.16	0	2	100	0
633 Naval Pub & Pmt Svc	9040	-615	-6.80	0	1888	10314	0
635 Naval Pub Wks Ctr	77523	777	1.00	0	-679	77621	0
637 Naval Shipyards	818	152	18.58	0	-397	573	0
651 Airlift Svcs Trng & Ops	20287	608	3.00	0	74	20969	0
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0	0
663 Laundry & Dry Clean	1569	0	0.00	0	25	1594	0
671 Communications Svc	4915	135	2.75	0	-16	5034	0
673 Def Finance & Acct Svc	4090	-809	-19.78	0	-3281	-0	0
679 Cost Reimbursible Svc	25	1	4.00	0	0	26	0
699 Total Purchases	118570	251		0	-2393	116428	0
701 MAC Cargo	0	0	2.80	0	0	0	0
702 MAC SAAM	0	0	15.00	0	0	0	0
703 JCS Exercises	0	0	2.80	0	0	0	0
711 MSC Cargo	0	0	-24.20	0	0	0	0
721 MTMC Port Handling	0	0	9.50	0	0	0	0
725 MTMC Other	6	0	0.00	0	0	6	0
731 Commercial Air	944	28	2.97	0	-6	966	0
741 Commercial Ships	152	4	2.63	0	0	156	0
751 Commercial Land	931	28	3.01	0	-7	952	0
761 Other Transportation	3150	95	3.02	0	-88	3157	0
799 Total Transportation	5183	155		0	-100	5238	0
9XX Civ Pay Reimburs Host	1751404	40289	2.30	0	-90261	1701732	0
901 Foreign Nat Ind Hire	53915	3171	2.30	0	2151	60550	0
902 Separation Liability	15983	24	2.31	0	1594	17970	0
912 Rental Pay to GSA	8964	0	2.99	0	22	9254	0
913 Purchased Utilities	78635	16	3.00	0	-1560	79450	0
914 Purchased Communica	31779	22	3.00	0	5360	38115	0

Defense Health Program Appropriation
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 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents non GSA	24507	338	3.00	745	-1133	24458
916 Disability Comp	4717	0	3.01	142	-163	4696
917 Postal Svcs	2101	0	2.48	52	-203	1950
920 Supplies & Mat	662250	297	5.03	33314	193	695297
921 Printing & Reproduct	10160	0	3.01	306	913	11379
922 Equipt Maint Contract	88322	59	3.00	2651	3554	94586
923 Facility Maint Contract	97882	795	3.00	2961	-17126	84511
925 Equipt Purchases	104756	146	4.73	4964	-6321	103545
926 Overseas Purchases	1423	61	3.03	45	418	1947
930 Other Depot Maint	34609	0	3.00	1038	-2125	33522
931 Contract Consultants	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	3939	0	3.00	118	-16	4041
933 Studies Analysis Eval	10327	0	2.99	309	-586	10050
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	757	0	3.04	23	-13	767
985 DoD Counter Drug	0	0	2.80	0	0	0
987 Other Intra-Govt	7687	0	3.01	231	-278	7640
988 Grants	12676	0	3.01	381	-12490	567
989 Other Contracts	5116626	6702	5.15	263817	82457	5470058
998 Other Costs*	398835	0	4.06	16193	-53194	361834
999 Total Purchases	8522253	11631	4.37	372842	-88808	8817919
9999 TOTAL	9591170	11631	3.84	368685	-105961	9865525

Defense Health Program Appropriation
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 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
LINE Defense Health Program						
301 Per Diem	76247	0	0.00	0	-4482	71765
302 Other Travel Costs	63998	0	3.00	1922	-4286	61634
303 MAC Passenger	5989	0	3.01	180	-353	5816
307 Leased Vehicles	2641	0	2.99	79	-5	2715
399 Total Travel	148875	0		2181	-9125	141931
401 DFSC Fuel	26672	0	1.30	347	1338	28356
402 Service Fund Fuel	306	0	1.31	4	14	324
411 Army Sup & Mat	32972	0	4.20	1385	-6323	28034
412 Navy Sup & Mat	99841	0	11.80	11781	-35461	76162
414 AF Sup & Mat	1711	0	5.32	91	-709	1093
415 DLA Sup & Mat	47642	0	-1.00	-477	-5764	41401
416 GSA Sup & Mat	6593	0	3.00	198	-948	5843
417 Local Proc Sup & Mat	532323	0	3.00	15970	-14125	534168
499 Total Sup & Mat	748060	0	3.92	29299	-61978	715381
502 Army Fund Equipt	1322	0	4.16	55	51	1428
503 Navy Fund Equipt	1028	0	11.87	122	11	1161
505 AF Fund Equipt	18187	0	5.30	963	-5800	13350
506 DLA Fund Equipt	2668	0	-0.97	-26	-404	2238
507 GSA Fund Equipt	5801	0	3.00	174	-1189	4786
599 Total Fund Equipt	29005	0	4.44	1288	-7331	22962
602 Army Depot Cmd Maint	0	0	15.60	0	0	0
611 Naval Surface War Ctr	0	0	16.10	0	0	0
615 Data Automat Ctr Navy	197	0	7.61	15	-25	187
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0

Defense Health Program Appropriation
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 (Dollars in Thousands)

624 Other MSC Purchases	0	0	2.80	0	0	0	0
630 Naval Rsch Lab	0	0	2.80	0	0	0	0
631 Naval Civil Engrn Ctr	100	0	4.00	4	1	105	
633 Naval Pub & Pmt Svc	10314	0	9.80	1011	588	11912	
635 Naval Pub Wks Ctr	77621	0	2.80	2173	-2458	77336	
637 Naval Shipyards	573	0	4.89	28	17	618	
651 Airlift Svcs Trng & Ops	20969	0	3.00	629	-41	21557	
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0	
663 Laundry & Dry Clean	1594	0	0.00	0	0	1594	
671 Communications Svc	5034	0	3.00	151	-160	5025	
673 Def Finance & Acct Svc	-0	0	-20.80	0	-0	-1	
679 Cost Reimbursible Svc	26	0	3.85	1	0	27	
699 Total Purchases	116428	0	3.45	4012	-2079	118361	
701 MAC Cargo	0	0	2.80	0	0	0	
702 MAC SAAM	0	0	15.00	0	0	0	
703 JCS Exercises	0	0	2.80	0	0	0	
711 MSC Cargo	0	0	-24.20	0	0	0	
721 MTMC Port Handling	0	0	9.50	0	0	0	
725 MTMC Other	6	0	0.00	0	0	7	
731 Commercial Air	966	0	3.00	29	-3	993	
741 Commercial Ships	156	0	2.56	4	0	160	
751 Commercial Land	952	0	2.94	28	-3	977	
761 Other Transportation	3157	0	3.01	95	-24	3228	
799 Total Transportation	5238	0	2.98	156	-30	5363	
9XX Civ Pay Reimburs Host	1701732	0	2.93	49861	-86515	1665078	
901 Foreign Nat Ind Hire	60550	0	2.93	1775	-213	62112	
902 Separation Liability	17970	0	2.93	527	-3699	14798	
912 Rental Pay to GSA	9254	0	2.99	277	23	9554	
913 Purchased Utilities	79450	0	3.00	2383	1242	83075	
914 Purchased Communica	38115	0	3.00	1143	-514	38744	

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents non GSA	24458	0	3.01	735	-223	24969
916 Disability Comp	4696	0	3.00	141	-119	4718
917 Postal Svs	1950	0	0.00	0	-89	1861
920 Supplies & Mat	695297	0	5.01	34856	-33631	696524
921 Printing & Reproduct	11379	0	3.00	341	-1260	10460
922 Equipt Maint Contract	94586	0	3.00	2837	788	98211
923 Facility Maint Contract	84511	0	3.00	2536	-1806	85241
925 Equipt Purchases	103545	0	4.83	4999	315	108859
926 Overseas Purchases	1947	0	2.98	58	-518	1487
930 Other Depot Maint	33522	0	3.00	1006	-2280	32249
931 Contract Consultants	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	4041	0	2.99	121	9	4171
933 Studies Analysis Eval	10050	0	3.00	301	-401	9950
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	767	0	3.00	23	-1	789
985 DoD Counter Drug	0	0	2.80	0	0	0
987 Other Intra-Govt	7640	0	3.00	229	-170	7699
988 Grants	567	0	3.00	17	-172	412
989 Other Contracts	5470058	0	5.15	281705	-303978	5447786
998 Other Costs*	361834	0	4.14	14972	-69041	307765
999 Total Purchases	8817919	0	4.55	400843	-502252	8716511
9999 TOTAL	9865525	0	4.44	437779	-582795	9720509

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Detail By Sub-Activity Group: Direct Patient Care

I. Description of Operations Financed: This Sub-Activity Group provides for the delivery of patient care worldwide. This includes two broad functional areas: (1) Care in Defense Medical Centers, Station Hospitals and Medical Clinics, and (2) Dental Care Activities, in the Continental United States (CONUS) and Outside the Continental United States (OCONUS) respectively.

II. Force Structure Summary: **Defense Medical Centers / Hospitals / Clinics** represent the costs of providing medical care in DOD-owned and operated medical centers, station hospitals, medical clinics, subordinate aid stations, and PRIMUS/NAVCARE clinics which are staffed and equipped to provide the full range of inpatient and ambulatory health care services. Includes medical center laboratories, alcohol treatment, clinical investigation activities and on-the-job training/education programs conducted at these facilities, federal sharing agreements, supplemental and cooperative care costs specifically identified to health care services received in a **non-defense** facility as a result of a referral or prearranged agreement. Excludes operation of management headquarters for TRICARE Lead Agents, dental activities, deployable medical units and other health care resources devoted exclusively to teaching. **Dental Care Activities** represent the costs of providing dental services through operation of hospital departments of dentistry, installation dental clinics, and Regional Dental Activities (laboratories). Excludes provision of dental services by units organic to Operating Forces units and deployable dental units operating in an active combat zone.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	FY 1994 <u>Actuals</u>	Budget <u>Request</u>	FY 1995		FY 1996 <u>Estimate</u>	FY 1997 <u>Estimate</u>
			Appropriation	Current <u>Estimate</u>		
MEDCENs / Hospitals / Clinics (CONUS)	3,062,708	2,706,329	2,658,394	3,082,197	3,035,259	2,747,975
MEDCENs / Hospitals / Clinics (OCONUS)	235,131	233,444	233,444	233,444	232,605	235,353
Dental Care Activities (CONUS)	129,105	132,718	131,718	131,718	134,787	137,720
Dental Care Activities (OCONUS)	<u>26,523</u>	<u>26,213</u>	<u>33,213</u>	<u>33,213</u>	<u>52,034</u>	<u>52,955</u>
Total	3,453,467	3,098,704	3,056,769	3,480,572	3,454,685	3,174,003

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

III. Financial Summary (O&M--\$ in thousands--Continued):

B. Reconciliation Summary

	<u>Change FY 1995/1995</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	3,098,704	3,480,572	3,454,685
Congressional Adjustments	-41,935	N/A	N/A
Price Change	0	+102,209	+140,187
Transfers In/Out	423,803	0	0
Program Changes	0	-128,096	-420,869
Current Estimate	3,480,572	3,454,685	3,174,003

C. Reconciliation of Increases and Decreases

1. FY 1995 President's Budget Request	\$3,098,704
2. Congressional adjustments (FY1995 President's Budget/FY 1995 Appropriated)	-41,935
Civilian Pay Raise	\$300
Computer Assisted Minimally Invasive Surgery (CAMIS)	6,000
Uncompensated Civilian Care	2,000
Zinc Cadmium Sulfide Study	1,000
Red Cross Emergency Communications	14,500
Pacific Island Referral	2,500
Renal Institute of the Pacific	2,000
Plattsburgh AFB Hospital	3,000
Overseas Dental Program	7,000
Civilian End-Strength Reduction	-50,235
Congressionally directed increase to USTF funding*	-30,000

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III. Financial Summary (O&M--\$ in thousands--Continued):

*Based on Congressional direction, Uniformed Services Treatment Facilities (USTF) funding is increased by \$30 million in the Care in Non-Defense Facilities sub-activity group. This program change results in an offsetting reduction in the direct health services provided in the Direct Patient Care sub-activity group because this Congressional mandate did not include a funding increase.

3. FY95 Appropriated Amount		\$3,056,769
4. Transfers In/Out		+423,803
Transfers within the DHP O&M appropriation due to restructure of the Program Elements		
PRIMUS NAVCARE and Supplemental	+ \$154,936	
Care transferred from Care in Non-Defense Facilities		
Continuing Health Education (CHE)	+41,906	
transferred from Education and Training		
Revised CHAMPUS estimate	+285,280	
Occupational Health, Information Technology and Military		
Unique transferred to Patient Care Support	-52,224	
Head and Neck transferred to USUHS	-6,095	
5. FY95 Current Estimate		\$3,480,572
6. Price Growth		+\$102,209

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III. Financial Summary (O&M--\$ in thousands--Continued):

- 7. Program Increases
 - a. One more paid day
 Adjusts program for one more paid day in FY96. +\$4,570
 - b. Overseas Dental +\$18,000

The increase in the Overseas Dental Program will annualize the FY95 Congressional increase and assure access to dental care for family members of active duty personnel stationed in areas where the Delta Dental Plan is not available.

Total Program Increases +\$22,570

- 8. Program Decreases
 - a. One time FY95 Congressional increases not included in FY96. -\$31,847

Discontinuation of one time FY95 Congressional increases.

CAMIS	-\$6,164
Uncompensated Civilian Care	-2,055
Plattsburg AFB Hospital	-3,082
Red Cross Emergency Communications	-14,896
Zinc Cadmium Sulfide	-1,027
Pacific Island Referral	-2,568
Renal Institute of the Pacific	-2,055

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III. Financial Summary (O&M--\$ in thousands--Continued):

b. Phased discontinuation of the Fort Bragg Mental Health Demonstration. -\$9,400

The decision to discontinue the Fort Bragg Mental Health Demonstration was based on a September 1994 evaluation of the project's effectiveness. The evaluation found that while the demonstration improved access to mental health services, demonstration participants showed no greater improvement to their mental health than participants at the comparison site. Further, the cost per client was over 150 percent more expensive than at the comparison site.

c. Medical Centers / Hospitals / Clinics (CONUS) -\$85,664

This program decrease reflects the reduced level of effort associated in part with a 1.5 percent decrease in eligible MHSS beneficiaries within CONUS.

d. BRAC Decrement -\$15,997

The Base Realignment and Closure (BRAC) decrease stems from estimated savings related to the closure of medical facilities during the FY95 to FY96 period. Savings stem from the closure of the Army facility at Fort Ord, the Navy facilities at Orlando and Oakland, and Air Force facilities at Castle, Griffis, Plattsburgh, and K.I. Sawyer.

e. Medical Centers / Hospitals / Clinics (OCONUS) -\$7,224

The program decrease for OCONUS Medical Centers and Hospitals (-3.1 percent from FY95 to FY96) is somewhat less than the population decrease (-4.3 percent for the same period) due to temporary impact of phasing out fixed cost requirements. Geographic dispersion and readiness requirements also account for the difference in the FY96 requirement.

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III. Financial Summary (O&M--\$ in thousands--Continued):

f. Dental CONUS

-\$534

The CONUS Dental Program Element decrease reflects the change in eligible population (from FY95 to FY96 the population decrease is -3.3 percent) and the level of dental work required for active duty personnel who now represent a larger portion of total CONUS dental workload.

Total Program Decreases

-\$150,666

9. FY 1996 Budget Request

\$3,454,685

10. Price Growth

+ \$140,187

11. Program Decreases

a. Phased discontinuation of the Fort Bragg Mental Health Demonstration.

-\$3,500

The decision to discontinue the Fort Bragg Mental Health Demonstration was based on a September 1994 evaluation of the project's effectiveness. The evaluation found that while the demonstration improved access to mental health services, demonstration participants showed no greater improvement to their mental health than participants at the comparison site. Further, the cost per client was over 150 percent more expensive than at the comparison site.

b. Medical Centers/Hospitals/Clinics (CONUS)

Savings will accrue in CONUS Medical Centers and Hospitals as we continue to phase in implementation of the HMO Option A benefit.

-\$17,000

**Defense Health Program Appropriation
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III. Financial Summary (O&M--\$ in thousands--Continued):

The CONUS Direct Care Program decreases by 12.8 percent while the projected beneficiary population declines by less than one percent during the same time period. The Department is committed to maintaining the health care benefit for eligible beneficiaries, through significant economies and efficiencies combined with aggressive management actions to further improve the cost effectiveness of the direct care system.

-376,720

c. BRAC Decrement

-\$14,432

The Base Realignment and Closure (BRAC) decrease stems from estimated savings related to the closure of the Navy medical facility at Oakland and the Air Force facility at March Air Force Base during the FY96 to FY97 period.

d Medical Centers/Hospitals/Clinics (OCONUS)

-\$6,684

The temporary funding for fixed costs referred to in FY96 is not necessary in FY97, and thus the funding decrement (-2.9 percent) exceeds the rate of population decrease (-1.4 percent) during FY97.

e. Dental CONUS

-\$2,533

The CONUS Dental Program Element decrease reflects the change in eligible population (e.g., from FY96 to FY97 the population declines by -1.8 percent) and the level of dental work required for active duty personnel who now represent a larger portion of total CONUS dental workload.

Total Program Decreases

-\$420,869

12. FY 1997 Budget Request

\$3,174,003

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95-96</u>	<u>Change FY96-97</u>
<u>Direct Medical Care Program</u>						
Hospitals/Medical Centers	132	127	124	124	-3	-0
Medical Clinics	520	504	510	508	+6	-2
Dispositions	704,232	690,536	681,307	597,238	-9,229	-84,069
Average Length of Stay	4.1	4.0	4.0	4.0	0	0
Occupied Bed Days	2,864,684	2,802,212	2,760,173	2,409,290	-42,039	-350,883
Inpatient Work Units	770,939	755,607	745,713	653,800	-9,894	-91,913
Ambulatory Work Units	1,214,019	1,191,854	1,173,080	1,030,036	-18,774	-143,044
Medical Work Units	1,984,958	1,947,461	1,918,793	1,683,835	-28,668	-234,958
Ambulatory Visits	46,189,193	45,201,950	44,567,657	39,211,619	-634,293	-5,356,038
<u>Eligible Population (Average Manyears)</u>						
Active Duty Personnel (1)	1,834,176	1,740,367	1,679,197	1,649,217	-61,170	-29,980
Dependents of Active Duty Personnel (2)	2,588,352	2,446,395	2,346,737	2,299,314	-99,658	-47,423
CHAMPUS Eligible Retirees	1,147,655	1,126,365	1,108,793	1,097,167	-17,572	-11,626
CHAMPUS Eligible Dependents of Retirees	1,869,583	1,859,482	1,834,191	1,828,624	-25,291	-5,567
Medicare Eligible Beneficiaries	<u>1,091,976</u>	<u>1,156,055</u>	<u>1,215,088</u>	<u>1,269,516</u>	<u>+59,033</u>	<u>+54,428</u>
Total Population	8,531,742	8,328,664	8,184,006	8,143,838	-144,658	-40,168

(1) Includes Active Guard/Reserve entitled to medical benefit.

(2) Includes Dependents of Active Guard/Reserve entitled to medical benefit.

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IV. Performance Criteria and Evaluation Summary: Direct Patient Care (continued)

The workload data displayed on the previous page reflects traditional performance criteria used for the direct care system of medical treatment facilities. A more comprehensive performance measure for the Defense Health Program (DHP) is the cost of health care services per eligible beneficiary man-year, integrating multiple workload factors and the cost of all resources into a single measure.

The total DHP cost per capita, O&M cost per capita, and military personnel cost per capita reflected in this budget, based on projected beneficiary man-years, are as follows:

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY 1994-95</u>	<u>Change FY 1995-96</u>	<u>Change FY 1996-97</u>
O & M	\$ 1,095	\$ 1,152	\$ 1,206	\$ 1,194	+\$57 (+5.2%)	+\$54 (+4.7%)	-\$12 (-1.0%)
MILPERS ^{1/}	\$ 592	\$ 619	\$ 619	\$ 628	+\$27 (+4.5%)	\$ 0 (0%)	+\$9 (+1.4%)
Total	\$1,687	\$1,771	\$1,825	\$1,822	+\$84 (+4.9%)	+\$54 (+3.1%)	-\$3 (-0.2%)

^{1/} Military personnel costs and end strength are included in the budget submissions of the three Military Departments and are not part of DHP appropriation.

The DHP's ability to provide high quality, cost effective health care services to eligible beneficiaries requires the availability of two major resource components: O&M funds and military personnel labor. Per capita declines in either resource component must be offset with an increase in the other component to ensure a consistent level of health care services to eligible DoD beneficiaries. The DHP budget only addresses O&M funds and military personnel labor is included the budgets of the three Military Departments. However, the DHP capitation financing model includes both O&M funds and military personnel labor because that is the most rational way to evaluate the ability of the DHP to meet its mission requirements. DHP per capita funding changes in FY 1996 and FY 1997 are less than normal inflation and will require increased economies and efficiencies combined with aggressive management actions to maintain a consistent level of high quality, cost effective health care services to eligible DoD beneficiaries.

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V. Personnel Summary: Direct Patient Care

	<u>FY1994</u>	<u>FY1995</u>	<u>FY1996</u>	<u>FY1997</u>	<u>Change FY1995/96</u>	<u>Change FY1996/97</u>
<u>Active Military End Strength (Total)</u>						
Officer	25,883	26,308	25,002	25,134	-1,306	132
Enlisted	<u>53,595</u>	<u>52,394</u>	<u>51,933</u>	<u>51,853</u>	<u>-461</u>	<u>-80</u>
Total Military	79,478	78,702	76,935	76,987	-1,767	52
<u>Civilian End Strength (Total)</u>						
U.S. Direct Hire	33,327	32,396	30,006	28,980	-2,390	-1,026
Foreign National Direct Hire	<u>732</u>	<u>391</u>	<u>379</u>	<u>384</u>	<u>-12</u>	<u>5</u>
Total Direct Hire	34,059	32,787	30,385	29,364	-2,402	-1,021
Foreign National Indirect Hire	<u>957</u>	<u>1,347</u>	<u>1,379</u>	<u>1,432</u>	<u>32</u>	<u>53</u>
Total Civilians	35,016	34,134	31,764	30,796	-2,370	-968
<u>Active Military Workyears (Total)</u>						
Officer	27,015	26,095	25,654	25,068	-441	-586
Enlisted	<u>55,223</u>	<u>52,999</u>	<u>52,168</u>	<u>51,893</u>	<u>-831</u>	<u>-275</u>
Total Military	82,238	79,094	77,822	76,961	-1,272	-861
<u>Civilian Workyears (Total)</u>						
U.S. Direct Hire	33,181	32,925	30,862	29,232	-2,063	-1,630
Foreign National Direct Hire	<u>831</u>	<u>379</u>	<u>368</u>	<u>380</u>	<u>-11</u>	<u>12</u>
Total Direct Hire	34,012	33,304	31,230	29,612	-2,074	-1,618
Foreign National Indirect Hire	<u>986</u>	<u>1,067</u>	<u>1,357</u>	<u>1,406</u>	<u>290</u>	<u>49</u>
Total Civilians	34,998	34,371	32,587	31,018	-1,784	-1,569

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LINE	FY1994 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1995 Program
LINE Direct Patient Care						
301 Per Diem	30926	0	0.00	0	1033	31959
302 Other Travel Costs	19212	0	2.80	538	-36	19714
303 MAC Passenger	1236	0	2.30	28	22	1286
307 Leased Vehicles	190	0	2.80	5	0	195
399 Total Travel	51564	0		571	1019	53154
401 DFSC Fuel	370	0	-12.40	-46	-35	289
402 Service Fund Fuel	74	0	-12.40	-9	143	208
411 Army Sup & Mat	25343	122	8.00	2037	-991	26511
412 Navy Sup & Mat	99121	0	22.70	22500	-25947	95674
414 AF Sup & Mat	666	1	-9.90	-66	-1	600
415 DLA Sup & Mat	52189	0	3.20	1670	-2107	51752
416 GSA Sup & Mat	7712	0	2.80	216	-202	7726
417 Local Proc Sup & Mat	507322	0	2.80	14205	-1252	520275
499 Total Sup & Mat	692797	123		40507	-30393	703034
502 Army Fund Equipt	477	0	8.00	38	0	515
503 Navy Fund Equipt	1864	0	22.10	412	-1589	687
505 AF Fund Equipt	21441	0	-9.90	-2123	15	19333
506 DLA Fund Equipt	1803	0	3.20	58	9	1870
507 GSA Fund Equipt	2929	0	2.80	82	219	3230
599 Total Fund Equipt	28514	0		-1533	-1345	25636
602 Army Depot Cmd Maint	0	0	15.60	0	0	0
611 Naval Surface War Ctr	0	0	16.10	0	0	0
615 Data Automat Ctr Navy	196	0	1.40	3	-14	185
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0

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624 Other MSC Purchases	0	0	2.80	0	0	0	0
630 Naval Rsch Lab	0	0	1.90	0	0	0	0
631 Naval Civil Engrnr Ctr	35	0	6.00	2	0	37	0
633 Naval Pub & Prnt Svc	1269	0	16.00	203	-390	1082	0
635 Naval Pub Wks Ctr	9972	0	0.20	20	845	10837	0
637 Naval Shipyards	16	0	18.70	3	-18	1	0
651 Airlift Svcs Trng & Ops	0	0	2.80	0	13	13	0
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0	0
663 Laundry & Dry Clean	1576	0	0.00	0	-7	1569	0
671 Communications Svc	131	0	2.50	3	1	135	0
673 Def Finance & Acct Svc	0	0	20.80	0	0	0	0
679 Cost Reimbursible Svc	0	0	2.80	0	0	0	0
699 Total Purchases	13195	0		234	430	13859	0
701 MAC Cargo	0	0	2.80	0	0	0	0
702 MAC SAAM	0	0	15.00	0	0	0	0
703 JCS Exercises	0	0	2.80	0	0	0	0
711 MSC Cargo	0	0	-24.20	0	0	0	0
721 MTMC Port Handling	0	0	9.50	0	0	0	0
725 MTMC Other	0	0	2.80	0	0	0	0
731 Commercial Air	359	0	2.80	10	-0	369	0
741 Commercial Ships	0	0	2.80	0	72	72	0
751 Commercial Land	578	0	2.80	16	-3	591	0
761 Other Transportation	312	0	2.80	9	-1	320	0
799 Total Transportation	1249	0		35	68	1352	0
9XX Civ Pay Reimburs Host	1254877	323	2.40	30125	-38577	1246748	0
901 Foreign Nat Ind Hire	24614	1817	2.40	634	7827	34892	0
902 Separation Liability	1405	69	2.40	35	13974	15483	0
912 Rental Pay to GSA	3093	0	2.80	87	-0	3180	0
913 Purchased Utilities	0	0	2.80	0	0	0	0
914 Purchased Communica	2173	0	2.80	61	-2	2232	0

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915 Rents non GSA	17460	627	2.80	506	-470	18123
916 Disability Comp	0	0	2.80	0	0	0
917 Postal Svcs	360	0	7.50	27	-27	360
920 Supplies & Mat	558330	799	5.00	27956	-2159	584926
921 Printing & Reproduct	1427	10	2.80	40	8	1485
922 Equipt Maint Contract	45504	45	2.80	1275	-63	46761
923 Facility Maint Contract	868	0	2.80	24	0	892
925 Equipt Purchases	75075	326	5.00	3770	-297	78874
926 Overseas Purchases	492	109	2.80	17	-57	561
930 Other Depot Maint	48	0	2.80	1	0	49
931 Contract Consultants	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.80	0	0	0
933 Studies Analysis Eval	0	0	2.80	0	0	0
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	99	0	2.80	3	0	102
985 DoD Counter Drug	0	0	2.80	0	0	0
987 Other Intra-Govt	538	0	2.80	15	0	553
988 Grants	379	0	2.80	11	-0	390
989 Other Contracts	674473	5909	5.00	34019	-71666	642735
998 Other Costs*	4933	7	5.00	247	3	5190
999 Total Purchases	2666148	10041		98853	-91506	2683536
9999 TOTAL	3453467	10164	4.00%	138667	-121726	3480572

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LINE	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINE Direct Patient Care						
301 Per Diem	31959	0	0.00	0	23	31982
302 Other Travel Costs	19714	0	3.00	591	13	20318
303 MAC Passenger	1286	0	3.00	39	235	1560
307 Leased Vehicles	195	0	3.00	6	0	201
399 Total Travel	53154	0		636	271	54061
401 DFSC Fuel	289	0	5.60	16	-14	291
402 Service Fund Fuel	208	0	5.60	12	1	221
411 Army Sup & Mat	26511	0	5.30	1405	134	28050
412 Navy Sup & Mat	95674	0	-22.50	-21527	19842	93989
414 AF Sup & Mat	600	0	-16.50	-99	538	1039
415 DLA Sup & Mat	51752	0	0.60	311	-9678	42385
416 GSA Sup & Mat	7726	0	3.00	232	-2998	4960
417 Local Proc Sup & Mat	520275	0	3.00	15608	-24962	510921
499 Total Sup & Mat	703034	0		-4042	-17136	681856
502 Army Fund Equip	515	0	5.30	27	14	556
503 Navy Fund Equip	687	0	-22.50	-155	57	589
505 AF Fund Equip	19333	0	-16.50	-3190	461	16604
506 DLA Fund Equip	1870	0	0.60	11	458	2339
507 GSA Fund Equip	3230	0	3.00	97	845	4172
599 Total Fund Equip	25636	0		-3210	1835	24261
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	2.80	0	0	0
615 Data Automat Ctr Navy	185	0	0.10	0	-10	175
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0

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624 Other MSC Purchases	0	0	0	3.00	0	0	0	0
630 Naval Rsch Lab	0	0	0	1.60	0	0	0	0
631 Naval Civil Engrn Ctr	37	0	0	3.50	1	1	1	39
633 Naval Pub & Pmt Svc	1082	0	0	-6.80	-74	247	247	1255
635 Naval Pub Wks Ctr	10837	0	0	1.00	108	304	304	11249
637 Naval Shipyards	1	0	0	18.70	0	0	0	1
651 Airlift Svcs Trng & Ops	13	0	0	3.00	0	0	0	13
652 Airlift Svcs Med Evac	0	0	0	3.00	0	0	0	0
663 Laundry & Dry Clean	1569	0	0	0.00	0	25	25	1594
671 Communications Svc	135	0	0	-5.70	-8	12	12	139
673 Def Finance & Acct Svc	0	0	0	-19.80	0	0	0	0
679 Cost Reimbursible Svc	0	0	0	3.00	0	0	0	0
699 Total Purchases	13859	0	0		27	579	579	14465
701 MAC Cargo	0	0	0	3.00	0	0	0	0
702 MAC SAAM	0	0	0	14.70	0	0	0	0
703 JCS Exercises	0	0	0	14.70	0	0	0	0
711 MSC Cargo	0	0	0	19.50	0	0	0	0
721 MTMC Port Handling	0	0	0	7.50	0	0	0	0
725 MTMC Other	0	0	0	3.00	0	0	0	0
731 Commercial Air	369	0	0	3.00	11	-4	-4	375
741 Commercial Ships	72	0	0	3.00	2	0	0	74
751 Commercial Land	591	0	0	3.00	18	-7	-7	602
761 Other Transportation	320	0	0	3.00	10	-3	-3	327
799 Total Transportation	1352	0	0		41	-14	-14	1379
9XX Civ Pay Reimburs Host	1246748	0	0	2.30	28675	-87177	-87177	1188246
901 Foreign Nat Ind Hire	34892	2646	0	2.30	863	3561	3561	41962
902 Separation Liability	15483	23	0	2.30	357	1664	1664	17527
912 Rental Pay to GSA	3180	0	0	3.00	95	-6	-6	3269
913 Purchased Utilities	0	0	0	3.00	0	0	0	0
914 Purchased Communica	2232	0	0	3.00	67	496	496	2795

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 Direct Patient Care

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915 Rents non GSA	18123	325	3.00	553	-1005	17996
916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	360	0	2.50	9	-9	360
920 Supplies & Mat	584926	296	5.30	31017	-7647	608592
921 Printing & Reproduct	1485	0	3.00	45	-3	1527
922 Equipt Maint Contract	46761	54	3.00	1404	1015	49235
923 Facility Maint Contract	892	0	3.00	27	703	1622
925 Equipt Purchases	78874	145	5.30	4188	-929	82279
926 Overseas Purchases	561	59	3.00	19	438	1077
930 Other Depot Maint	49	0	3.00	1	-17	33
931 Contract Consultants	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0
933 Studies Analysis Eval	0	0	3.00	0	0	0
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	102	0	3.00	3	0	105
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	553	0	3.00	17	-1	569
988 Grants	390	0	3.00	12	-1	401
989 Other Contracts	642735	3340	5.30	34242	-27007	653310
998 Other Costs*	5190	0	5.30	275	2295	7759
999 Total Purchases	2683536	6888		101869	-106743	2678662
9999 TOTAL	3480572	6888	2.74	95321	-128096	3454685

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)**

	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
LINE Direct Patient Care						
301 Per Diem	31982	0	0.00	0	-3958	28024
302 Other Travel Costs	20318	0	3.00	610	-3324	17604
303 MAC Passenger	1560	0	3.00	47	-321	1285
307 Leased Vehicles	201	0	3.00	6	-1	206
399 Total Travel	54061	0		663	-7605	47120
	0	0				
401 DFSC Fuel	291	0	1.30	4	7	302
402 Service Fund Fuel	221	0	1.30	3	10	234
411 Army Sup & Mat	28050	0	4.20	1178	-6485	22743
412 Navy Sup & Mat	93989	0	11.80	11091	-35487	69594
414 AF Sup & Mat	1039	0	5.30	55	-609	485
415 DLA Sup & Mat	42385	0	-1.00	-424	-5957	36005
416 GSA Sup & Mat	4960	0	3.00	149	-908	4201
417 Local Proc Sup & Mat	510921	0	3.00	15328	-14093	512156
499 Total Sup & Mat	681856	0		27384	-63521	645719
	0	0				
502 Army Fund Equipt	556	0	4.20	23	22	601
503 Navy Fund Equipt	589	0	11.80	70	60	719
505 AF Fund Equipt	16604	0	5.30	880	-5561	11923
506 DLA Fund Equipt	2339	0	-1.00	-23	-418	1898
507 GSA Fund Equipt	4172	0	3.00	125	-1185	3113
599 Total Fund Equipt	24261	0		1075	-7082	18253
	0	0				
602 Army Depot Cmd Maint	0	0	9.90	0	0	0
611 Naval Surface War Ctr	0	0	2.10	0	0	0
615 Data Automat Ctr Navy	175	0	7.30	13	-22	166
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0

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624 Other MSC Purchases	0	0	3.00	0	0	0	0
630 Naval Rsch Lab	0	0	5.60	0	0	0	0
631 Naval Civil Engr Ctr	39	0	4.10	2	0	41	0
633 Naval Pub & Pmt Svc	1255	0	9.80	123	78	1456	0
635 Naval Pub Wks Ctr	11249	0	2.80	315	-1888	9676	0
637 Naval Shipyards	1	0	4.90	0	0	1	0
651 Airlift Svcs Trng & Ops	13	0	3.00	0	0	13	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0	0
663 Laundry & Dry Clean	1594	0	0.00	0	0	1594	0
671 Communications Svc	139	0	3.00	4	0	144	0
673 Def Finance & Acct Svc	0	0	6.40	0	0	0	0
679 Cost Reimbursible Svc	0	0	3.00	0	0	0	0
699 Total Purchases	14465	0		457	-1832	13091	0
701 MAC Cargo	0	0	3.00	0	0	0	0
702 MAC SAAM	0	0	-5.40	0	0	0	0
703 JCS Exercises	0	0	-5.40	0	0	0	0
711 MSC Cargo	0	0	13.20	0	0	0	0
721 MTMC Port Handling	0	0	9.90	0	0	0	0
725 MTMC Other	0	0	3.00	0	0	0	0
731 Commercial Air	375	0	3.00	11	-1	385	0
741 Commercial Ships	74	0	3.00	2	0	76	0
751 Commercial Land	602	0	3.00	18	-3	617	0
761 Other Transportation	327	0	3.00	10	-1	336	0
799 Total Transportation	1379	0		38	-2	1415	0
9XX Civ Pay Reimburs Host	1188246	0	2.93	34816	-72586	1150476	0
901 Foreign Nat Ind Hire	41962	0	2.93	1229	678	43869	0
902 Separation Liability	17527	0	2.93	514	-3688	14353	0
912 Rental Pay to GSA	3269	0	3.00	98	-6	3360	0
913 Purchased Utilities	0	0	3.00	0	0	0	0
914 Purchased Communica	2795	0	3.00	84	-520	2359	0

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915 Rents non GSA	17996	0	3.00	540	-209	18327
916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	360	0	0.00	0	0	360
920 Supplies & Mat	608592	0	5.30	32255	-28337	612511
921 Printing & Reproduct	1527	0	3.00	46	-3	1571
922 Equipmt Maint Contract	49235	0	3.00	1477	-2154	48558
923 Facility Maint Contract	1622	0	3.00	49	-518	1154
925 Equipt Purchases	82279	0	5.30	4361	146	86786
926 Overseas Purchases	1077	0	3.00	32	-516	593
930 Other Depot Maint	33	0	3.00	1	0	34
931 Contract Consultants	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0
933 Studies Analysis Eval	0	0	3.00	0	0	0
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	105	0	3.00	3	0	108
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	569	0	3.00	17	-1	585
988 Grants	401	0	3.00	12	-1	412
989 Other Contracts	653310	0	5.30	34625	-230676	457258
998 Other Costs*	7759	0	5.30	411	-2438	5732
999 Total Purchases	2678662	0		110570	-340828	2448406
9999 TOTAL	3454685	0	4.06	140187	-420869	3174003

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Fiscal Year 1996/1997 Biennial Budget Estimates
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Detail By Sub-Activity Group: **Patient Care Support**

I. Description of Operations Financed: This Sub-Activity Group comprises nine functions which support delivery of patient care worldwide: Other Health Activities, Management Headquarters, Military Public/Occupational Health, Veterinary Services, Examining Activities, Defense Medical Programs Activity (DMPA), Military Unique Other Medical Activities, Aeromedical Evacuation System, and Armed Forces Institute of Pathology (AFIP).

II. Force Structure Summary: **Other Health Activities** includes management headquarters for Regional Lead Agents, central medical labs, medical service squadrons, Air Medical Department Field Procurement Offices, Health Services Data Systems Agency, Navy Healthcare Support Offices, and public affairs. **Management Headquarters** includes costs of operating HQ, U.S. Army Medical Command, Army Medical Materiel Agency, Navy Bureau of Medicine and Surgery, and the Defense Medical Facilities Office. **Military Public/Occupational Health** includes *public health* activities such as medical epidemiology and entomology, drinking water safety, monitoring hazardous waste disposal, food/facility sanitation, health promotion, community health nursing, medical intelligence, and *occupational health* activities such as assessment of workplace health hazards, employee health surveys, tracking exposure to physical, chemical, and biological stresses, development of preventive measures, epidemiological studies of occupational diseases, health hazard assessment of new materiel/weapons systems, and medical support to nuclear/biological/chemical surety programs. **Veterinary Services** supports the worldwide DOD veterinary mission and provides support to other specified federal agencies through activities such as care for government owned animals, clinical investigation support, control of zoonotic diseases, and wholesale food inspection. **Examining Activities** provides physical examinations and evaluations of medical suitability for individuals processed for accession to Active and Reserve Components through Military Entrance Processing Stations (MEPS) and DOD Medical Evaluation Review Board (DoDMERB). **Defense Medical Programs Activity (DMPA)** provides centralized DOD management of automated data processing technology to improve the effectiveness and efficiency of health care operations in the Military Departments and consolidates the planning, programming and budgeting for the Defense Health Program and military medical facility construction projects. **Military Unique Requirements - Other Medical** includes a host of activities related to the size of military population, such as physiological training units, Defense Medical Standardization Board, drug abuse detection labs, Military Blood Program Agency, optical repair/fabrication labs, USAF Armstrong Laboratory, health facilities offices, medical logistics/support offices, Medical Wartime Hospital Integration Office, Army Medical Materiel Activities, plans/operations/training, and Navy Medical Logistics Command.

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II. Force Structure Summary (continued):

Aeromedical Evacuation (AE) includes costs of the aeromedical evacuation system incurred by Joint and Armed Services Medical Regulating Offices, Aeromedical Evacuation and Tanker Airlift Control Centers, AE squadrons and detachments, and aeromedical staging facilities. **Armed Forces Institute of Pathology (AFIP)** is the chief reviewing authority on diagnosis of pathologic tissue for the Armed Services; conducts experimental, statistical and morphological investigation; operates Armed Forces Medical Examiner System and DOD DNA Registry; and administers DOD drug testing quality control/proficiency testing and Clinical Lab Improvement programs.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group: Patient Care Support

	FY 1994 Actuals	Budget Request	FY 1995		Current Estimate	FY 1996 Estimate	FY 1997 Estimate
			Appropriation				
Other Health Activities	252,927	242,279	241,542	254,542	255,894	258,656	
Management Headquarters	25,457	26,225	25,539	25,539	25,937	26,237	
Military Public/Occupational Health	187,507	167,823	163,223	188,447	191,139	193,121	
Veterinary Activities	9,898	10,145	9,859	9,859	9,850	9,919	
Examining Activities	22,941	23,456	23,014	23,014	23,089	23,253	
Defense Med Program Activity (DMPA)	247,640	221,692	211,545	225,545	226,332	194,908	
Military Unique Other Medical Activities	94,782	110,182	108,975	108,975	96,379	97,215	
Aeromedical Evacuation	83,801	83,308	83,142	83,142	82,688	80,911	
Armed Forces Institute of Pathology (AFIP)	31,739	32,781	32,352	32,352	32,484	32,722	
Total	956,692	917,891	899,191	951,415	943,792	916,942	

**Defense Health Program Appropriation
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III. Financial Summary (Continued--O&M \$ in thousands):

B. Reconciliation Summary: Patient Care Support

	<u>Change FY 1995/1995</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	\$917,891	\$951,415	\$943,792
Congressional Adjustments	-18,700	N/A	N/A
Supplemental Request	0	0	0
Price Change	0	+28,401	+30,856
Functional Transfers	0	-18,906	-18
Transfers In	+52,224	0	0
Program Changes	<u>0</u>	<u>-17,118</u>	<u>-57,688</u>
Current Estimate	\$951,415	\$943,792	\$916,942

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation of Increases and Decreases: Patient Care Support

1. FY 1995 President's Budget Request	\$917,891
2. Congressional Adjustments (FY1995 President's Budget/FY1995 Appropriated)	-18,700
Civilian End Strength Reduction	-\$11,900
Information Management Reduction	-10,000
Gulf War Syndrome	2,200
Brown Tree Snakes	1,000

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D. Reconciliation of Increases and Decreases (Continued):

3. FY 1995 Appropriated Amount	\$899,191
4. Transfers within the DHP O&M appropriation due to restructure of the Program Elements. Occupational Health, Information Technology and Military Unique Functions transferred from Direct Patient Care.	+\$52,224
5. FY 1995 Current Estimate	\$951,415
6. Price Growth	+\$28,401
7. Functional Transfers	-\$18,906
a. Transfer of the Defense Eligibility Enrollment System (DEERS) Program to the Defense Manpower Data Center.	-\$18,200
b. Transfer of the Joint Healthcare Manpower Engineering Team (JHMET) Program to the Air Force.	-\$706
8. Program Increases	
a. One more paid day	+\$1,135

Adjusts program for one more paid day in FY96.

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D. Reconciliation of Increase and Decreases (Continued):

- b. Clinical Evaluation, Research and Review Activities (CERRA) + \$13,600

CERRA combines all prior special efforts related to the illnesses associated with the deployment of military personnel including clinical evaluations, treatments, clinical investigations, medical research and development requirements, and review activities. Although the program initially will be concerned with the Persian Gulf War deployment, it is intended to cover pre-deployment and post-deployment health care including follow-up studies for all other deployments.

Total Program Increases + \$14,735

9. Program Decreases

- a. Management Headquarters, Military Public and Occupational Health, Veterinary Services, Examining, Military Unique--Other, Aeromedical Evacuation, AFIP and Other Patient Care Support - \$30,823

Decrease reflects the reduced level of effort associated with decreases (-3.5 percent) in the active duty population supported due to force structure downsizing. Included in the total decrease is an Air Force Aeromedical Evacuation Contractor Logistics Support decrease totaling \$2.04 Million.

- b. Reduction of Congressional Increase for Brown Tree Snake - \$1,030

Total Program Decreases - \$31,853

10. FY 1996 Current Estimate \$943,792

11. Price Growth + \$30,856

OP-5 Part 2 Patient Care Support (Page 5 of 8)

**Defense Health Program Appropriation
Fiscal Year 1996/1997 Biennial Budget Estimates
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D. Reconciliation of Increase and Decreases (Continued):

12. Functional Transfer		-\$18
	Transfer of the Joint Healthcare Manpower Engineering Team (JHMET) Program to the Air Force.	
13. Program Decreases		
a. DMPA	Decrease reflects the reduced level of effort following the accelerated deployment of CHCS in FY96.	-\$38,865
b. Other, Management Headquarters, Military Public and Occupational Health, Veterinary Services, Examining, Military Unique--Other, Aeromedical Evacuation, and AFIP.	Decrease reflects the reduced level of effort associated with decreases in the population supported due to force structure downsizing of the supported population. Included in the total decrease are Air Force Aeromedical Evacuation Contractor Logistics Support decreases totaling \$2.2 Million.	-\$18,823
	Total Program Decreases	-\$57,688
14. FY 1997 Budget Request		\$916,942

**Defense Health Program Appropriation
Fiscal Year 1996/1997 Biennial Budget Estimates
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IV. Performance Criteria and Evaluation Summary: Patient Care Support

	FY 1994	FY 1995	FY 1996	FY 1997	Change FY95/FY96	Change FY96/FY97
<u>Military Public and Occupational Health</u>						
DOD workers supported	2,534,300	2,399,100	2,342,100	2,290,900	-57,000	-51,200
Family Housing Occupants	559,802	549,036	548,132	536,440	-904	-11,692
<u>Veterinary Activities</u>						
Veterinary lab procedures	101,215	164,800	164,800	164,800	0	0
Pounds of food inspected (millions)	8,100	9,410	9,410	9,410	0	0
<u>Examining Activities</u>						
MEPS and DoDMERB Workload (thousands of medical exams)	390	382	372	363	-10	-9
<u>Military Unique Other Medical Activities</u>						
Spectacles/Inserts fabricated (thousands of pairs)	981	968	944	944	-24	0
<u>Aeromedical Evacuation</u>						
Air Force Flying Hours	23,812	26,478	26,478	26,478	0	0
Army Flying Hours	3,000	3,000	3,000	3,000	0	0

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimate
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V. Personnel Summary: Patient Care Support

	<u>FY1994</u>	<u>FY1995</u>	<u>FY1996</u>	<u>FY1997</u>	<u>Change FY1995/96</u>	<u>Change FY1996/97</u>
<u>Active Military End Strength (Total)</u>						
Officer	2,896	2,831	2,903	2,896	72	-7
Enlisted	7,104	6,953	6,762	6,763	-191	1
Total Military	10,000	9,784	9,665	9,659	-119	-6
<u>Civilian End Strength (Total)</u>						
U.S. Direct Hire	7,595	7,665	7,593	7,479	-72	-114
Foreign National Direct Hire	97	97	111	111	14	0
Total Direct Hire	7,692	7,762	7,704	7,590	-58	-114
Foreign National Indirect Hire	460	479	479	479	0	0
Total Civilians	8,152	8,241	8,183	8,069	-58	-114
<u>Active Military Workyears (Total)</u>						
Officer	2,992	2,864	2,867	2,900	3	33
Enlisted	7,141	7,029	6,858	6,763	-171	-95
Total Military	10,133	9,893	9,725	9,663	-168	-62
<u>Civilian Workyears (Total)</u>						
U.S. Direct Hire	7,749	7,699	7,584	7,453	-115	-131
Foreign National Direct Hire	97	96	92	96	3	-3
Total Direct Hire	7,846	7,795	7,683	7,549	-112	-134
Foreign National Indirect Hire	465	475	490	476	15	-14
Total Civilians	8,311	8,270	8,173	8,025	-97	-148

Defense Health Program Appropriation
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LINE	Program	FY1994	Foreign Currency Adjust	Price		Price Growth Amount	Program Growth	FY1995 Program
				Growth Percent	Amount			
LINE Patient Care Support								
301	Per Diem	21948	1	0.00	0	718	22667	
302	Other Travel Costs	21013	0	2.80	588	506	22107	
303	MAC Passenger	424	0	2.30	10	16	450	
307	Leased Vehicles	187	0	2.80	5	0	192	
399	Total Travel	43572	1		603	1241	45417	
401	DFSC Fuel	22197	0	-12.40	-2752	432	19877	
402	Service Fund Fuel	0	0	-12.40	0	0	0	
411	Army Sup & Mat	1953	0	8.00	156	0	2109	
412	Navy Sup & Mat	2587	0	22.10	572	23	3182	
414	AF Sup & Mat	784	0	-9.90	-78	0	706	
415	DLA Sup & Mat	3498	0	3.20	112	4	3614	
416	GSA Sup & Mat	755	0	2.80	21	3	779	
417	Local Proc Sup & Mat	14299	0	2.80	400	3	14702	
499	Total Sup & Mat	46073	0		-1569	465	44969	
502	Army Fund Equipt	70	0	8.00	6	-0	76	
503	Navy Fund Equipt	53	0	22.70	12	-15	50	
505	AF Fund Equipt	1420	0	-9.90	-141	0	1279	
506	DLA Fund Equipt	219	0	3.20	7	-4	222	
507	GSA Fund Equipt	1204	0	2.80	34	-8	1230	
599	Total Fund Equipt	2966	0		-82	-27	2857	
602	Army Depot Cmd Maint	0	0	15.60	0	0	0	
611	Naval Surface War Ctr	0	0	16.10	0	0	0	
615	Data Automat Ctr Navy	24	0	1.40	0	-1	23	
620	Fleet Aux Ships Navy	0	0	2.80	0	0	0	

Defense Health Program Appropriation
 FY 1996/97 Biennial Budget Estimates
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624 Other MSC Purchases	0	0	2.80	0	0	0	0
630 Naval Rsch Lab	0	0	1.90	0	0	0	0
631 Naval Civil Engr Ctr	0	0	6.00	0	0	0	0
633 Naval Pub & Prnt Svc	570	0	16.00	91	-68	593	0
635 Naval Pub Wks Ctr	58	0	0.20	0	12	70	0
637 Naval Shipyards	6	0	18.70	1	1	8	0
651 Airlift Svcs Trng & Ops	19710	0	2.80	552	10	20272	0
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0	0
671 Communications Svc	132	0	2.80	4	1	137	0
673 Def Finance & Acct Svc	417	0	20.80	87	-174	330	0
679 Cost Reimbursible Svc	0	0	2.80	0	0	0	0
699 Total Purchases	20917	0		735	-219	21433	0
701 MAC Cargo	0	0	2.80	0	0	0	0
702 MAC SAAM	0	0	15.00	0	0	0	0
703 JCS Exercises	0	0	2.80	0	0	0	0
711 MSC Cargo	0	0	-24.20	0	0	0	0
721 MTMC Port Handling	0	0	9.50	0	0	0	0
725 MTMC Other	6	0	2.80	0	0	6	0
731 Commercial Air	500	0	2.80	14	-0	514	0
741 Commercial Ships	0	0	2.80	0	0	0	0
751 Commercial Land	195	2	2.80	6	-3	200	0
761 Other Transportation	449	0	2.80	13	-0	462	0
799 Total Transportation	1150	2		33	-3	1182	0
9XX Civ Pay Reimburs Host	283280	20	2.40	6799	5246	295345	0
901 Foreign Nat Ind Hire	11717	33	2.40	282	3461	15493	0
902 Separation Liability	355	10	2.40	9	4	378	0
912 Rental Pay to GSA	2306	0	2.80	65	37	2408	0
913 Purchased Utilities	47	0	2.80	1	0	48	0
914 Purchased Communica	7206	0	2.80	202	-3913	3495	0
915 Rents non GSA	1686	1	2.80	47	-80	1654	0

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916 Disability Comp	0	0	2.80	0	0	0
917 Postal Svcs	356	0	0.00	0	23	379
920 Supplies & Mat	52618	1	2.80	1473	-3965	50127
921 Printing & Reproduct	4057	0	2.80	114	1374	5545
922 Equipt Maint Contract	29188	0	2.80	817	5513	35518
923 Facility Maint Contract	349	0	2.80	10	-3	356
925 Equipt Purchases	14238	3	2.80	399	2123	16763
926 Overseas Purchases	3	0	2.80	0	0	3
930 Other Depot Maint	34093	0	2.80	955	-488	34560
931 Contract Consultants	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	4392	0	2.80	123	-616	3899
933 Studies Analysis Eval	11848	0	2.80	332	-5672	6508
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	0	0	2.80	0	0	0
985 DoD Counter Drug	0	0	2.80	0	0	0
987 Other Intra-Govt	4556	0	2.80	128	-1747	2937
988 Grants	0	0	2.80	0	0	0
989 Other Contracts	177505	1	5.00	8875	-30342	156039
998 Other Costs*	202214	0	2.80	5662	-3775	204101
999 Total Purchases	842014	69		26293	-32819	835557
9999 TOTAL	956692	72		26013	-31362	951415

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LINE	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINE Patient Care Support						
301 Per Diem	22667	0	0.00	0	-476	22190
302 Other Travel Costs	22107	0	3.00	663	-652	22118
303 MAC Passenger	450	0	3.00	14	-6	459
307 Leased Vehicles	192	0	3.00	6	-1	198
399 Total Travel	45417	0		683	-1134	44964
401 DFSC Fuel						
402 Service Fund Fuel	19877	0	5.60	1113	345	21335
411 Army Sup & Mat	0	0	5.60	0	0	0
412 Navy Sup & Mat	2109	0	5.30	112	57	2278
414 AF Sup & Mat	3182	0	-22.50	-716	716	3182
415 DLA Sup & Mat	706	0	-16.50	-117	47	636
416 GSA Sup & Mat	3614	0	0.60	22	25	3661
417 Local Proc Sup & Mat	779	0	3.00	23	-6	796
499 Total Sup & Mat	14702	0	3.00	441	-34	15109
	44969	0		878	1150	46998
502 Army Fund Equip						
503 Navy Fund Equip	76	0	5.30	4	2	82
505 AF Fund Equip	50	0	-22.50	-11	11	50
506 DLA Fund Equip	1279	0	-16.50	-211	84	1153
507 GSA Fund Equip	222	0	0.60	1	6	229
599 Total Fund Equip	1230	0	3.00	37	-5	1262
	2857	0		-180	98	2775
602 Army Depot Cmd Maint						
611 Naval Surface War Ctr	0	0	-23.10	0	0	0
615 Data Automat Ctr Navy	0	0	3.50	0	0	0
620 Fleet Aux Ships Navy	23	0	0.10	-1	0	22
	0	0	3.00	0	0	0

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624 Other MSC Purchases	0	0	3.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engr Ctr	0	0	3.50	0	0	0
633 Naval Pub & Pmt Svc	593	0	-6.80	-40	48	602
635 Naval Pub Wks Ctr	70	0	1.00	3	-3	70
637 Naval Shipyards	8	0	18.70	1	-1	8
651 Airlift Svcs Trng & Ops	20272	0	3.00	608	-41	20839
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	137	0	-5.70	4	-0	140
673 Def Finance & Acct Svc	330	0	-19.80	-65	-265	0
679 Cost Reimbursible Svc	0	0	3.00	0	0	0
699 Total Purchases	21433	0		510	-262	21681
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	6	0	3.00	0	0	6
731 Commercial Air	514	0	3.00	15	-1	528
741 Commercial Ships	0	0	3.00	0	0	0
751 Commercial Land	200	0	3.00	6	-0	206
761 Other Transportation	462	0	3.00	14	-1	474
799 Total Transportation	1182	0		35	-2	1215
9XX Civ Pay Reimburs Host	295345	0	2.30	6793	-1679	300459
901 Foreign Nat Ind Hire	15493	0	2.30	356	-711	15138
902 Separation Liability	378	0	2.30	9	-56	331
912 Rental Pay to GSA	2408	0	3.00	72	35	2515
913 Purchased Utilities	48	0	3.00	1	0	50
914 Purchased Communica	3495	0	3.00	105	5070	8670
915 Rents non GSA	1654	0	3.00	50	-6	1698

Defense Health Program Appropriation
 FY 1996/97 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	379	0	2.50	9	-239	149
920 Supplies & Mat	50127	0	3.00	1504	7400	59030
921 Printing & Reproduct	5545	0	3.00	166	-5	5707
922 Equipt Maint Contract	35518	0	3.00	1066	2718	39302
923 Facility Maint Contract	356	0	3.00	11	7	374
925 Equipt Purchases	16763	0	3.00	503	-2700	14565
926 Overseas Purchases	3	0	3.00	0	0	3
930 Other Depot Maint	34560	0	3.00	1037	-2108	33489
931 Contract Consultants	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	3899	0	3.00	117	-5	4011
933 Studies Analysis Eval	6508	0	3.00	195	-829	5874
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	0	0	3.00	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	2937	0	3.00	88	-88	2937
988 Grants	0	0	3.00	0	0	0
989 Other Contracts	156039	0	5.30	8270	-9618	154692
998 Other Costs*	204101	0	3.00	6123	-33061	177164
999 Total Purchases	835557	0		26475	-35874	826158
9999 TOTAL	951415	0		28401	-36024	943792

Defense Health Program Appropriation
 FY 1996/97 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
LINE Patient Care Support						
301 Per Diem	22190	0	0.00	0	-219	21971
302 Other Travel Costs	22118	0	3.00	664	-189	22593
303 MAC Passenger	459	0	3.00	14	-3	469
307 Leased Vehicles	198	0	3.00	6	-0	203
399 Total Travel	44964	0		684	-412	45236
401 DFSC Fuel	21335	0	1.30	277	1169	22781
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	2278	0	4.20	96	86	2460
412 Navy Sup & Mat	3182	0	11.80	375	328	3885
414 AF Sup & Mat	636	0	5.30	34	-97	573
415 DLA Sup & Mat	3661	0	-1.00	-37	155	3778
416 GSA Sup & Mat	796	0	3.00	24	-2	819
417 Local Proc Sup & Mat	15109	0	3.00	453	-29	15533
499 Total Sup & Mat	46998	0		1222	1610	49830
502 Army Fund Equipt	82	0	4.20	3	4	88
503 Navy Fund Equipt	50	0	11.80	6	5	61
505 AF Fund Equipt	1153	0	5.30	61	-175	1039
506 DLA Fund Equipt	229	0	-1.00	-2	9	236
507 GSA Fund Equipt	1262	0	3.00	38	-3	1297
599 Total Fund Equipt	2775	0		106	-160	2721
602 Army Depot Cmd Maint	0	0	9.90	0	0	0
611 Naval Surface War Ctr	0	0	1.10	0	0	0
615 Data Automat Ctr Navy	22	0	7.30	2	-3	21
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0

Defense Health Program Appropriation
 FY 1996/97 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

624 Other MSC Purchases	0	0	3.00	0	0	0	0
630 Naval Rsch Lab	0	0	5.60	0	0	0	0
631 Naval Civil Engrn Ctr	0	0	4.10	0	0	0	0
633 Naval Pub & Prmt Svc	602	0	9.80	59	38	698	0
635 Naval Pub Wks Ctr	70	0	2.80	2	1	73	0
637 Naval Shipyards	8	0	4.90	0	1	9	0
651 Airlift Svcs Trng & Ops	20839	0	3.00	625	-42	21422	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0	0
671 Communications Svc	140	0	3.00	4	-0	144	0
673 Def Finance & Acct Svc	0	0	6.40	0	-0	-0	0
679 Cost Reimbursible Svc	0	0	3.00	0	0	0	0
699 Total Purchases	21681	0		692	-6	22367	0
701 MAC Cargo	0	0	3.00	0	0	0	0
702 MAC SAAM	0	0	-5.40	0	0	0	0
703 JCS Exercises	0	0	-5.40	0	0	0	0
711 MSC Cargo	0	0	13.20	0	0	0	0
721 MTMC Port Handling	0	0	9.90	0	0	0	0
725 MTMC Other	6	0	3.00	0	0	7	0
731 Commercial Air	528	0	3.00	16	-1	543	0
741 Commercial Ships	0	0	3.00	0	0	0	0
751 Commercial Land	206	0	3.00	6	-0	212	0
761 Other Transportation	474	0	3.00	14	-1	488	0
799 Total Transportation	1215	0		36	-2	1249	0
9XX Civ Pay Reimburs Host	300459	0	2.93	8803	-7030	302232	0
901 Foreign Nat Ind Hire	15138	0	2.93	444	-733	14849	0
902 Separation Liability	331	0	2.93	10	-9	332	0
912 Rental Pay to GSA	2515	0	3.00	75	36	2627	0
913 Purchased Utilities	50	0	3.00	1	0	51	0
914 Purchased Communica	8670	0	3.00	260	-202	8728	0
915 Rents non GSA	1698	0	3.00	51	-0	1748	0

Defense Health Program Appropriation
 FY 1996/97 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	149	0	0.00	0	5	154
920 Supplies & Mat	59030	0	3.00	1771	-5040	55761
921 Printing & Reproduct	5707	0	3.00	171	-10	5868
922 Equipt Maint Contract	39302	0	3.00	1179	3016	43497
923 Facility Maint Contract	374	0	3.00	11	-1	384
925 Equipt Purchases	14565	0	3.00	437	-27	14975
926 Overseas Purchases	3	0	3.00	0	0	3
930 Other Depot Maint	33489	0	3.00	1005	-2280	32215
931 Contract Consultants	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	4011	0	3.00	120	20	4151
933 Studies Analysis Eval	5874	0	3.00	176	-412	5638
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	0	0	3.00	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	2937	0	3.00	88	-6	3019
988 Grants	0	0	3.00	0	0	0
989 Other Contracts	154692	0	5.30	8199	3152	166043
998 Other Costs*	177164	0	3.00	5315	-49215	133264
999 Total Purchases	826158	0		28116	-58735	795539
9999 TOTAL	943792	0		30856	-57706	916942

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Detail By Sub-Activity Group: Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Program

I. Description of Operations Financed: The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) is a worldwide health care cost-sharing program covering approximately 5.3 million eligible beneficiaries. The office of CHAMPUS, located in Aurora, Colorado, is responsible for the overall management and supervision of this program. In 1993, the Department began the transition to the Managed Care concept of integrating the CHAMPUS standard benefits program with the military medical treatment facilities on a regional basis as part of its Managed Care initiative, TRICARE. The majority of the standard CHAMPUS program requirements in this subactivity group will gradually be absorbed into the Managed Care Support Contracts subactivity group as the regional contracts are implemented. This subactivity group includes the benefits required for those beneficiaries not covered by the Managed Care Support Contracts subactivity group. It also includes the Continuing Health Education/Capitalization of Assets programs, the Delta Dental program, and the Fiscal Intermediary claims processing costs. In addition, management responsibility and funding for some of the OCHAMPUS oversight contracts are included in this subactivity group until they become part of the regional Managed Care Support contracts. The contracts designated for transfer are the Home Health Care-Case Management program, the Mental Health Utilization Management/Quality Assurance program, and the Medical/Surgical Regional Review program.

II. Force Structure Summary: The CHAMPUS program provides for the worldwide health care of eligible active duty dependents, retired members and their dependents, and surviving dependents of deceased active duty from civilian health care facilities. CHAMPUS also includes care received by beneficiaries of the Veterans Administration, the Department of Health and Human Services, U.S. Coast Guard, and the National Oceanographic and Atmospheric Administration on a reimbursable basis. This subactivity group funds the costs of the standard CHAMPUS benefits program requirements and claims processing costs. This program's funding profile will decline as the Managed Care Support contracts are implemented and funds are realigned from this subactivity to the Health Care Support Contracts subactivity.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	FY 1994 Actuals	FY 1995		FY 1996		FY 1997	
		Budget Request	Appropriation	Current Estimate	Budget Request	Budget Request	Budget Request
CHAMPUS Program (Standard Benefits)	2,524,500	2,885,100	2,885,100	2,542,000	2,414,000	1,355,600	

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Operation and Maintenance
 B. Reconciliation Summary - Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Program**

	<u>Change</u> <u>FY 1995/1995</u>	<u>Change</u> <u>FY 1995/1996</u>	<u>Change</u> <u>FY 1996/1997</u>
Baseline Funding	2,885,100	2,542,000	2,414,000
Congressional Adjustments	0	0	0
Supplemental Request	0	0	0
Price Change	0	134,726	127,942
Functional Transfers	0	0	0
Program Changes	-343,100	-262,726	-1,186,342
Current Estimate	2,542,000	2,414,000	1,355,600

C. OP-32 Line Item (See Exhibit OP-32)

D. Reconciliation of Increases and Decreases

1. FY 1995 President's Budget Request
2. FY 1995 Appropriated Amount
3. FY 1995 Program Decreases
 - a. Revised CHAMPUS Program Requirements

(Dollars in Thousands)

\$2,885,100

\$2,885,100

\$-343,100

The Standard CHAMPUS program estimates were decreased based on FY94 actual execution and the revised Managed Care Support (MCS) contracts estimates reflected in this budget submission. Projected requirements are based on revised methodology and the current contract award schedule.

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

4. FY 1995 Current Estimate

\$2,542,000

5. FY 1996 Price Growth

\$134,726

6. FY 1996 Program Increases

\$7,828

Transfer of Oversight Contracts from OCHAMPUS

Oversight responsibility for the Home Health Care-Case Management, Mental Health Utilization Management/Quality Assurance and Medical/Surgical Regional Review contracts requirements will be gradually phased into the CHAMPUS program funding requirements starting in FY96 and will eventually become part of the MCS contractor's responsibility.

7. FY 1996 Program Decreases

\$-270,554

Impact of Managed Care Support (MCS) Contract Implementation

The standard CHAMPUS benefits program requirements decrease as the Managed Care Support contracts are awarded and implemented. The Fiscal Intermediary claims processing costs will also decrease as the MCS contracts absorb this management responsibility.

8. FY 1996 Budget Request

\$2,414,000

9. FY 1997 Price Growth

\$127,942

10. FY 1997 Program Increases

\$14,645

Transfer of Oversight Contracts from OCHAMPUS

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

Continuation of the transfer of responsibility and funding for the oversight contracts from OCHAMPUS to the CHAMPUS program. Transfer of all contract funding requirements should be complete in FY98.

11. FY 1997 Program Decreases

\$-1,200,987

Continued Impact of MCS Contracts Implementation

The Managed Care Support contracts implementation continues to impact the CHAMPUS standard benefits program as the contractors take over responsibility for the benefits previously provided under this program.

12. FY 1997 Budget Request

\$1,355,600

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Operation and Maintenance

IV. Performance Criteria and Evaluation Summary:

<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	Change <u>FY95/FY96</u>	Change <u>FY96/FY97</u>
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CHAMPUS Workload*

* CHAMPUS workload data is not available because of the significant impact of the phased implementation of the Managed Care Support (MCS) contracts.

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	FY1994 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1995 Program
CHAMPUS						
301 Per Diem	0		0.00	0	0	0
302 Other Travel Costs	0	0	2.80	0	0	0
303 MAC Passenger	0	0	2.30	0	0	0
307 Leased Vehicles	0	0	2.80	0	0	0
399 Total Travel	0	0		0	0	0
401 DFSC Fuel	0		-12.40	0	0	0
402 Service Fund Fuel	0	0	-12.40	0	0	0
411 Army Sup & Mat	0	0	8.00	0	0	0
412 Navy Sup & Mat	0	0	22.70	0	0	0
414 AF Sup & Mat	0	0	-9.90	0	0	0
415 DLA Sup & Mat	0	0	3.20	0	0	0
416 GSA Sup & Mat	0	0	2.80	0	0	0
417 Local Proc Sup & Mat	0	0	2.80	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0		8.00	0	0	0
503 Navy Fund Equipt	0	0	22.10	0	0	0
505 AF Fund Equipt	0	0	-9.90	0	0	0
506 DLA Fund Equipt	0	0	3.20	0	0	0
507 GSA Fund Equipt	0	0	2.80	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	15.60	0	0	0
611 Naval Surface War Ctr	0	0	16.10	0	0	0
615 Data Automat Ctr Navy	0	0	1.40	0	0	0
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

624 Other MSC Purchases	0	0	0	0	0	0	2.80	0	0	0
630 Naval Rsch Lab	0	0	0	0	0	0	1.90	0	0	0
631 Naval Civil Engrn Ctr	0	0	0	0	0	0	6.00	0	0	0
633 Naval Pub & Prnt Svc	0	0	0	0	0	0	16.00	0	0	0
635 Naval Pub Wks Ctr	0	0	0	0	0	0	0.20	0	0	0
637 Naval Shipyards	0	0	0	0	0	0	18.70	0	0	0
651 Airlift Svcs Trng & Ops	0	0	0	0	0	0	2.80	0	0	0
652 Airlift Svcs Med Evac	0	0	0	0	0	0	2.80	0	0	0
663 Laundry & Dry Clean	0	0	0	0	0	0	0.00	0	0	0
671 Communications Svc	0	0	0	0	0	0	2.50	0	0	0
673 Def Finance & Acct Svc	0	0	0	0	0	0	20.80	0	0	0
679 Cost Reimbursible Svc	0	0	0	0	0	0	2.80	0	0	0
699 Total Purchases	0	0	0	0	0	0		0	0	0
701 MAC Cargo	0	0	0	0	0	0	2.80	0	0	0
702 MAC SAAM	0	0	0	0	0	0	15.00	0	0	0
703 JCS Exercises	0	0	0	0	0	0	2.80	0	0	0
711 MSC Cargo	0	0	0	0	0	0	-24.20	0	0	0
721 MTMC Port Handling	0	0	0	0	0	0	9.50	0	0	0
725 MTMC Other	0	0	0	0	0	0	2.80	0	0	0
731 Commercial Air	0	0	0	0	0	0	2.80	0	0	0
741 Commercial Ships	0	0	0	0	0	0	2.80	0	0	0
751 Commercial Land	0	0	0	0	0	0	2.80	0	0	0
761 Other Transportation	0	0	0	0	0	0	2.80	0	0	0
799 Total Transportation	0	0	0	0	0	0		0	0	0
9XX Civ Pay Reimburs Host	0	0	0	0	0	0	2.40	0	0	0
901 Foreign Nat Ind Hire	0	0	0	0	0	0	2.40	0	0	0
902 Separation Liability	0	0	0	0	0	0	2.40	0	0	0
912 Rental Pay to GSA	0	0	0	0	0	0	2.80	0	0	0
913 Purchased Utilities	0	0	0	0	0	0	2.80	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

914 Purchased Communica	0	0	2.80	0	0	0	0
915 Rents non GSA	0	0	2.80	0	0	0	0
916 Disability Comp	0	0	2.80	0	0	0	0
917 Postal Svcs	0	0	7.50	0	0	0	0
920 Supplies & Mat	0	0	2.80	0	0	0	0
921 Printing & Reproduct	0	0	2.80	0	0	0	0
922 Equipt Maint Contract	0	0	2.80	0	0	0	0
923 Facility Maint Contract	0	0	2.80	0	0	0	0
925 Equipt Purchases	0	0	2.80	0	0	0	0
926 Overseas Purchases	0	0	2.80	0	0	0	0
930 Other Depot Maint	0	0	2.80	0	0	0	0
931 Contract Consultants	0	0	2.80	0	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.80	0	0	0	0
933 Studies Analysis Eval	0	0	2.80	0	0	0	0
934 Engineering Tech Svc	0	0	2.80	0	0	0	0
937 Fuel	0	0	2.80	0	0	0	0
985 DoD Counter Drug	0	0	2.80	0	0	0	0
987 Other Intra-Govt	0	0	2.80	0	0	0	0
988 Grants	0	0	2.80	0	0	0	0
989 Other Contracts	2524500	0	5.00	126225	-108725	2542000	0
998 Other Costs*	0	0	2.80	0	0	0	0
999 Total Purchases	2524500	0		126225	-108725	2542000	0
9999 TOTAL	2524500	0		126225	-108725	2542000	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINECHAMPUS						
301 Per Diem	0	0	0.00	0	0	0
302 Other Travel Costs	0	0	3.00	0	0	0
303 MAC Passenger	0	0	3.00	0	0	0
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	0	0		0	0	0
401 DFSC Fuel	0	0	5.60	0	0	0
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	0	0	5.30	0	0	0
412 Navy Sup & Mat	0	0	-22.50	0	0	0
414 AF Sup & Mat	0	0	-16.50	0	0	0
415 DLA Sup & Mat	0	0	0.60	0	0	0
416 GSA Sup & Mat	0	0	3.00	0	0	0
417 Local Proc Sup & Mat	0	0	3.00	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0	0	5.30	0	0	0
503 Navy Fund Equipt	0	0	-22.50	0	0	0
505 AF Fund Equipt	0	0	16.50	0	0	0
506 DLA Fund Equipt	0	0	0.60	0	0	0
507 GSA Fund Equipt	0	0	3.00	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

624 Other MSC Purchases	0	0	3.00	0	0	0	0
630 Naval Rsch Lab	0	0	3.00	0	0	0	0
631 Naval Civil Engr Ctr	0	0	3.90	0	0	0	0
633 Naval Pub & Pmt Svc	0	0	-6.80	0	0	0	0
635 Naval Pub Wks Ctr	0	0	1.00	0	0	0	0
637 Naval Shipyards	0	0	18.70	0	0	0	0
651 Airlift Svcs Trng & Ops	0	0	3.00	0	0	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0	0
671 Communications Svc	0	0	-5.70	0	0	0	0
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0	0
679 Cost Reimbursible Svc	0	0	3.00	0	0	0	0
699 Total Purchases	0	0		0	0	0	0
701 MAC Cargo	0	0	3.00	0	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0	0
725 MTMC Other	0	0	3.00	0	0	0	0
731 Commercial Air	0	0	3.00	0	0	0	0
741 Commercial Ships	0	0	3.00	0	0	0	0
751 Commercial Land	0	0	3.00	0	0	0	0
761 Other Transportation	0	0	3.00	0	0	0	0
799 Total Transportation	0	0		0	0	0	0
9XX Civ Pay Reimburs Host	0	0	2.30	0	0	0	0
901 Foreign Nat Ind Hire	0	0	2.30	0	0	0	0
902 Separation Liability	0	0	20.30	0	0	0	0
912 Rental Pay to GSA	0	0	3.00	0	0	0	0
913 Purchased Utilities	0	0	3.00	0	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
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914 Purchased Communica	0	0	3.00	0	0	0	0
915 Rents non GSA	0	0	3.00	0	0	0	0
916 Disability Comp	0	0	3.00	0	0	0	0
917 Postal Svcs	0	0	2.50	0	0	0	0
920 Supplies & Mat	0	0	3.00	0	0	0	0
921 Printing & Reproduct	0	0	3.00	0	0	0	0
922 Equipt Maint Contract	0	0	3.00	0	0	0	0
923 Facility Maint Contract	0	0	3.00	0	0	0	0
925 Equipt Purchases	0	0	3.00	0	0	0	0
926 Overseas Purchases	0	0	3.00	0	0	0	0
930 Other Depot Maint	0	0	3.00	0	0	0	0
931 Contract Consultants	0	0	3.00	0	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0	0
933 Studies Analysis Eval	0	0	3.00	0	0	0	0
934 Engineering Tech Svc	0	0	3.00	0	0	0	0
937 Fuel	0	0	3.00	0	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0	0
987 Other Intra-Govt	0	0	3.00	0	0	0	0
988 Grants	0	0	3.00	0	0	0	0
989 Other Contracts	2542000	0	5.30	134726	-262726	2414000	0
998 Other Costs*	0	0	3.00	0	0	0	0
999 Total Purchases	2542000	0		134726	-262726	2414000	0
9999 TOTAL	2542000	0		134726	-262726	2414000	0

Defense Health Program Appropriation
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LINE	FY1996 Program	Foreign Currency Adjust	Price Growth		Price Growth Amount	Program Growth	FY1997 Program
			Percent	Amount			
CHAMPUS							
301 Per Diem	0	0	0.00	0	0	0	0
302 Other Travel Costs	0	0	3.00	0	0	0	0
303 MAC Passenger	0	0	3.00	0	0	0	0
307 Leased Vehicles	0	0	3.00	0	0	0	0
399 Total Travel	0	0		0	0	0	0
401 DFSC Fuel	0	0	1.30	0	0	0	0
402 Service Fund Fuel	0	0	1.30	0	0	0	0
411 Army Sup & Mat	0	0	4.20	0	0	0	0
412 Navy Sup & Mat	0	0	11.80	0	0	0	0
414 AF Sup & Mat	0	0	5.30	0	0	0	0
415 DLA Sup & Mat	0	0	-1.00	0	0	0	0
416 GSA Sup & Mat	0	0	3.00	0	0	0	0
417 Local Proc Sup & Mat	0	0	3.00	0	0	0	0
499 Total Sup & Mat	0	0		0	0	0	0
502 Army Fund Equipt	0	0	4.20	0	0	0	0
503 Navy Fund Equipt	0	0	11.80	0	0	0	0
505 AF Fund Equipt	0	0	5.30	0	0	0	0
506 DLA Fund Equipt	0	0	-1.00	0	0	0	0
507 GSA Fund Equipt	0	0	3.00	0	0	0	0

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599 Total Fund Equipt	0	0	0	0	0	0
602 Army Depot Cmd Maint	0	0	9.90	0	0	0
611 Naval Surface War Ctr	0	0	1.10	0	0	0
615 Data Automat Ctr Navy	0	0	7.30	0	0	0
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0
624 Other MSC Purchases	0	0	3.00	0	0	0
630 Naval Rsch Lab	0	0	3.00	0	0	0
631 Naval Civil Engr Ctr	0	0	4.80	0	0	0
633 Naval Pub & Prnt Svc	0	0	9.80	0	0	0
635 Naval Pub Wks Ctr	0	0	2.80	0	0	0
637 Naval Shipyards	0	0	4.90	0	0	0
651 Airlift Svcs Trng & Ops	0	0	3.00	0	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	3.00	0	0	0
673 Def Finance & Acct Svc	0	0	6.40	0	0	0
679 Cost Reimbursible Svc	0	0	3.00	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-5.40	0	0	0
703 JCS Exercises	0	0	-5.40	0	0	0
711 MSC Cargo	0	0	13.20	0	0	0
721 MTMC Port Handling	0	0	9.90	0	0	0
725 MTMC Other	0	0	3.00	0	0	0
731 Commercial Air	0	0	3.00	0	0	0
741 Commercial Ships	0	0	3.00	0	0	0
751 Commercial Land	0	0	3.00	0	0	0
761 Other Transportation	0	0	3.00	0	0	0
799 Total Transportation	0	0		0	0	0

**Defense Health Program Appropriation
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9XX	Civ Pay Reimburs Host	0	0	0	2.93	0	0	0
901	Foreign Nat Ind Hire	0	0	0	2.93	0	0	0
902	Separation Liability	0	0	0	2.93	0	0	0
912	Rental Pay to GSA	0	0	0	3.00	0	0	0
913	Purchased Utilities	0	0	0	3.00	0	0	0
914	Purchased Communica	0	0	0	3.00	0	0	0
915	Rents non GSA	0	0	0	3.00	0	0	0
916	Disability Comp	0	0	0	3.00	0	0	0
917	Postal Svcs	0	0	0	0.00	0	0	0
920	Supplies & Mat	0	0	0	3.00	0	0	0
921	Printing & Reproduct	0	0	0	3.00	0	0	0
922	Equipt Maint Contract	0	0	0	3.00	0	0	0
923	Facility Maint Contract	0	0	0	3.00	0	0	0
925	Equipt Purchases	0	0	0	3.00	0	0	0
926	Overseas Purchases	0	0	0	3.00	0	0	0
930	Other Depot Maint	0	0	0	3.00	0	0	0
931	Contract Consultants	0	0	0	3.00	0	0	0
932	Mgmt & Prof Spt Svc	0	0	0	3.00	0	0	0
933	Studies Analysis Eval	0	0	0	3.00	0	0	0
934	Engineering Tech Svc	0	0	0	3.00	0	0	0
937	Fuel	0	0	0	3.00	0	0	0
985	DoD Counter Drug	0	0	0	3.00	0	0	0
987	Other Intra-Govt	0	0	0	3.00	0	0	0
988	Grants	0	0	0	3.00	0	0	0
989	Other Contracts	2414000	0	0	5.30	127942	-1186342	1355600
998	Other Costs*	0	0	0	3.00	0	0	0
999	Total Purchases	2414000	0	0		127942	-1186342	1355600
9999	TOTAL	2414000	0	0		127942	-1186342	1355600

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Detail By Sub-Activity Group: Health Care Support Contracts (Managed Care Support Contracts)

I. Description of Operations Financed: In 1993, the Department began a transition to the Managed Care concept of operation by adding several new components to its health care program. This managed care program, designated TRICARE, integrates the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) with the military medical treatment facilities on a regional basis. TRICARE realigns the Military Health Services System into 12 DoD health care regions under the guidance of a designated military medical center -- Lead Agent. The Lead Agent's role and responsibilities include coordinating the development and implementation of a regional, joint-service health plan and administering the Managed Care Support (MCS) contract for the entire region. The Managed Care Support initiative, a significant component of the TRICARE program, will transition the purchase of health care and support services from civilian sources under the basic CHAMPUS program (fee-for-service) to a fixed-price at-risk contract. Seven MCS contracts (for the 12 regions) will be procured centrally by the Office of CHAMPUS and all are currently scheduled for award by October 1996. Implementation of these health care contracts will improve access to care, ensure that DoD beneficiaries obtain the highest quality of care, enhance the military hospitals' current capability through carefully-controlled contractor support, and contain health care costs.

II. Force Structure Summary: This program funds the costs of the seven MCS contracts that will be negotiated and procured by the Office of CHAMPUS. Currently, one contract has been awarded in FY94, three are scheduled for award in FY95 and three in FY96. The starting dates for delivery of care begin in FY95 for one contract, and extend through FY97 for the remaining six contracts. This program will provide for health care to eligible active duty dependents, retired members and their dependents, and surviving dependents of deceased active duty purchased within the 12 Health Service Regions (HSRs) under the uniform TRICARE triple option benefit plan. Under the uniform triple-option plan, eligible beneficiaries can enroll in a health maintenance organization (HMO) type plan -- TRICARE Prime, they can use the civilian preferred provider network on a case-by-case basis -- TRICARE Extra, or they can remain in the standard CHAMPUS benefit plan -- TRICARE Standard.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group	FY 1994	FY 1995		FY 1996	FY 1997
	Actuals	Budget Request	Appropriation	Budget Request	Budget Request
Managed Care Support Contracts	793,600	980,100	980,100	1,356,100	2,549,000

**Defense Health Program
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B. Reconciliation Summary - Health Care Support Contracts (Managed Care Support Contracts)

	<u>Change FY 1995/1995</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	980,100	938,600	1,356,100
Congressional Adjustments	0	0	0
Supplemental Request	0	0	0
Price Change	0	49,746	71,873
Functional Transfers	0	0	0
Program Changes	-41,500	367,754	1,121,027
Current Estimate	938,600	1,356,100	2,549,000

C. OP-32 Line Item (See Exhibit OP-32)

D. Reconciliation of Increases and Decreases

1. FY 1995 President's Budget Request	\$980,100
2. FY 1995 Appropriated Amount	\$980,100
3. FY 1995 Program Decreases	\$-41,500
a. Revised Managed Care Support (MCS) Contract Requirements	

(Dollars in Thousands)

MCS contract requirements decrease based on revised cost estimate methodology and the current contracts awards schedule. The revised MCS requirements directly impact the standard CHAMPUS program requirements.

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4.	FY 1995 Current Estimate	\$938,600
5.	FY 1996 Price Growth	\$49,746
6.	FY 1996 Program Increases	
a.	One-time Managed Care Support (MCS) Contracts Costs	+411,000
	Funds the start-up/phaseout costs (\$75M) for four Managed Care Support (MCS) contracts (several regions) plus the pipeline costs (\$336M) for two MCS contracts as part of the initial implementation.	
b.	MCS Contracts -- Benefits Costs	+49,154
	Funds the benefits costs associated with on-going and new Managed Care Support contracts in FY96. This increase to the Health Care Support Contracts is offset by a decrease to the standard CHAMPUS benefits program.	
	Total FY 1996 Program Increases	\$460,154
7.	FY 1996 Program Decreases	\$-92,400
	MCS Start-up/Phaseout and Pipeline Costs	
	Reduction for the one-time start-up/phaseout costs (\$64M) for three Managed Care Support (MCS) contracts and pipeline costs (\$28.4M) for one MCS contract in FY95.	
8.	FY 1996 Budget Request	\$1,356,100

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D. Reconciliation of Increases and Decreases (continued) (Dollars in Thousands)

9. FY 1997 Price Growth	\$71,873
10. FY 1997 Program Increases	
a. MCS Pipeline Costs	+448,000
Funds the pipeline costs for three of the Managed Care Support contracts (several regions).	
b. MCS Contracts -- Benefits Costs	+1,105,827
Funds the benefits costs associated with on-going and new Managed Care Support contracts in FY97. This increase to the Health Care Support Contracts is offset by a decrease to the standard CHAMPUS benefits program.	
Total FY 1997 Program Increases	
	\$1,553,827
11. FY 1997 Program Decreases	
MCS Start-up/Phaseout and Pipeline Costs	\$-432,800
Reduction for the one-time start-up/phaseout costs and pipeline costs attributed to six contracts in FY96.	
12. FY 1997 Budget Request	\$2,549,000

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
CHAMPUS Eligibles Covered by Managed Care Support Contracts*	757,479	946,720	2,584,482	4,952,141	+1,637,762	+2,367,659

* Data is based on the start date of delivered health care services (six months after contract award)

Defense Health Program Appropriation
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	FY1994 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1995 Program
LINE Managed Care Support						
301 Per Diem	0	0	0.00	0	0	0
302 Other Travel Costs	0	0	2.80	0	0	0
303 MAC Passenger	0	0	2.30	0	0	0
307 Leased Vehicles	0	0	2.80	0	0	0
399 Total Travel	0	0		0	0	0
401 DFSC Fuel	0	0	-12.40	0	0	0
402 Service Fund Fuel	0	0	-12.40	0	0	0
411 Army Sup & Mat	0	0	8.00	0	0	0
412 Navy Sup & Mat	0	0	22.70	0	0	0
414 AF Sup & Mat	0	0	-9.90	0	0	0
415 DLA Sup & Mat	0	0	3.20	0	0	0
416 GSA Sup & Mat	0	0	2.80	0	0	0
417 Local Proc Sup & Mat	0	0	2.80	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0	0	8.00	0	0	0
503 Navy Fund Equipt	0	0	22.10	0	0	0
505 AF Fund Equipt	0	0	-9.90	0	0	0
506 DLA Fund Equipt	0	0	3.20	0	0	0
507 GSA Fund Equipt	0	0	2.80	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	15.60	0	0	0
611 Naval Surface War Ctr	0	0	16.10	0	0	0
615 Data Automat Ctr Navy	0	0	1.40	0	0	0
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0
624 Other MSC Purchases	0	0	2.80	0	0	0
630 Naval Rsch Lab	0	0	1.90	0	0	0

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631 Naval Civil Engrn Ctr	0	0	6.00	0	0	0	0
633 Naval Pub & Pmt Svc	0	0	16.00	0	0	0	0
635 Naval Pub Wks Ctr	0	0	0.20	0	0	0	0
637 Naval Shipyards	0	0	18.70	0	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.80	0	0	0	0
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0	0
671 Communications Svc	0	0	2.50	0	0	0	0
673 Def Finance & Acct Svc	0	0	20.80	0	0	0	0
679 Cost Reimbursible Svc	0	0	2.80	0	0	0	0
699 Total Purchases	0	0		0	0	0	0
701 MAC Cargo	0	0	2.80	0	0	0	0
702 MAC SAAM	0	0	15.00	0	0	0	0
703 JCS Exercises	0	0	2.80	0	0	0	0
711 MSC Cargo	0	0	-24.20	0	0	0	0
721 MTMC Port Handling	0	0	9.50	0	0	0	0
725 MTMC Other	0	0	2.80	0	0	0	0
731 Commercial Air	0	0	2.80	0	0	0	0
741 Commercial Ships	0	0	2.80	0	0	0	0
751 Commercial Land	0	0	2.80	0	0	0	0
761 Other Transportation	0	0	2.80	0	0	0	0
799 Total Transportation	0	0		0	0	0	0
9XX Civ Pay Reimburs Host	0	0	2.40	0	0	0	0
901 Foreign Nat Ind Hire	0	0	2.40	0	0	0	0
902 Separation Liability	0	0	2.40	0	0	0	0
912 Rental Pay to GSA	0	0	2.80	0	0	0	0
913 Purchased Utilities	0	0	2.80	0	0	0	0
914 Purchased Communica	0	0	2.80	0	0	0	0
915 Rents non GSA	0	0	2.80	0	0	0	0
916 Disability Comp	0	0	2.80	0	0	0	0
917 Postal Svcs	0	0	7.50	0	0	0	0

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920 Supplies & Mat	0	0	0	0	0	0	0	0	0
921 Printing & Reproduct	0	0	2.80	0	0	0	0	0	0
922 Equipt Maint Contract	0	0	2.80	0	0	0	0	0	0
923 Facility Maint Contract	0	0	2.80	0	0	0	0	0	0
925 Equipt Purchases	0	0	2.80	0	0	0	0	0	0
926 Overseas Purchases	0	0	2.80	0	0	0	0	0	0
930 Other Depot Maint	0	0	2.80	0	0	0	0	0	0
931 Contract Consultants	0	0	2.80	0	0	0	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.80	0	0	0	0	0	0
933 Studies Analysis Eval	0	0	2.80	0	0	0	0	0	0
934 Engineering Tech Svc	0	0	2.80	0	0	0	0	0	0
937 Fuel	0	0	2.80	0	0	0	0	0	0
985 DoD Counter Drug	0	0	2.80	0	0	0	0	0	0
987 Other Intra-Govt	0	0	2.80	0	0	0	0	0	0
988 Grants	0	0	2.80	0	0	0	0	0	0
989 Other Contracts	793600	0	5.00	39680	0	0	0	105320	938600
998 Other Costs*	0	0	2.80	0	0	0	0	0	0
999 Total Purchases	793600	0		39680	0	0	0	105320	938600
9999 TOTAL	793600	0		39680	0	0	0	105320	938600

Defense Health Program Appropriation
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	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINE Managed Care Support						
301 Per Diem	0	0	0.00	0	0	0
302 Other Travel Costs	0	0	3.00	0	0	0
303 MAC Passenger	0	0	3.00	0	0	0
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	0	0		0	0	0
401 DFSC Fuel	0	0	5.60	0	0	0
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	0	0	5.30	0	0	0
412 Navy Sup & Mat	0	0	-22.50	0	0	0
414 AF Sup & Mat	0	0	-16.50	0	0	0
415 DLA Sup & Mat	0	0	0.60	0	0	0
416 GSA Sup & Mat	0	0	3.00	0	0	0
417 Local Proc Sup & Mat	0	0	3.00	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0	0	5.30	0	0	0
503 Navy Fund Equipt	0	0	-22.50	0	0	0
505 AF Fund Equipt	0	0	-16.50	0	0	0
506 DLA Fund Equipt	0	0	0.60	0	0	0
507 GSA Fund Equipt	0	0	3.00	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	2.80	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0
624 Other MSC Purchases	0	0	3.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0

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631 Naval Civil Engrmr Ctr	0	0	3.50	0	0	0
633 Naval Pub & Prnt Svc	0	0	-6.80	0	0	0
635 Naval Pub Wks Ctr	0	0	1.00	0	0	0
637 Naval Shipyards	0	0	18.70	0	0	0
651 Airlift Svcs Trng & Ops	0	0	3.00	0	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	-5.70	0	0	0
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0
679 Cost Reimbursible Svc	0	0	3.00	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	3.00	0	0	0
731 Commercial Air	0	0	3.00	0	0	0
741 Commercial Ships	0	0	3.00	0	0	0
751 Commercial Land	0	0	3.00	0	0	0
761 Other Transportation	0	0	3.00	0	0	0
799 Total Transportation	0	0		0	0	0
9XX Civ Pay Reimburs Host	0	0	2.30	0	0	0
901 Foreign Nat Ind Hire	0	0	2.30	0	0	0
902 Separation Liability	0	0	2.30	0	0	0
912 Rental Pay to GSA	0	0	3.00	0	0	0
913 Purchased Utilities	0	0	3.00	0	0	0
914 Purchased Communica	0	0	3.00	0	0	0
915 Rents non GSA	0	0	3.00	0	0	0
916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	0	0	2.50	0	0	0

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920 Supplies & Mat	0	0	3.00	0	0	0	0
921 Printing & Reproduct	0	0	3.00	0	0	0	0
922 Equipt Maint Contract	0	0	3.00	0	0	0	0
923 Facility Maint Contract	0	0	3.00	0	0	0	0
925 Equipt Purchases	0	0	3.00	0	0	0	0
926 Overseas Purchases	0	0	3.00	0	0	0	0
930 Other Depot Maint	0	0	3.00	0	0	0	0
931 Contract Consultants	0	0	3.00	0	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0	0
933 Studies Analysis Eval	0	0	3.00	0	0	0	0
934 Engineering Tech Svc	0	0	3.00	0	0	0	0
937 Fuel	0	0	3.00	0	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0	0
987 Other Intra-Govt	0	0	3.00	0	0	0	0
988 Grants	0	0	3.00	0	0	0	0
989 Other Contracts	938600	0	5.30	49746	367754	1356100	0
998 Other Costs*	0	0	3.00	0	0	0	0
999 Total Purchases	938600	0		49746	367754	1356100	0
9999 TOTAL	938600	0		49746	367754	1356100	0

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 Summary of Price and Program Changes
 (Dollars in Thousands)**

LINE	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
LINE Managed Care Support						
301 Per Diem	0	0	0.00	0	0	0
302 Other Travel Costs	0	0	3.00	0	0	0
303 MAC Passenger	0	0	3.00	0	0	0
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	0	0		0	0	0
401 DFSC Fuel	0	0	1.30	0	0	0
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	0	0	4.20	0	0	0
412 Navy Sup & Mat	0	0	11.80	0	0	0
414 AF Sup & Mat	0	0	5.30	0	0	0
415 DLA Sup & Mat	0	0	-1.00	0	0	0
416 GSA Sup & Mat	0	0	3.00	0	0	0
417 Local Proc Sup & Mat	0	0	3.00	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0	0	4.20	0	0	0
503 Navy Fund Equipt	0	0	11.80	0	0	0
505 AF Fund Equipt	0	0	5.30	0	0	0
506 DLA Fund Equipt	0	0	-1.00	0	0	0
507 GSA Fund Equipt	0	0	3.00	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	9.90	0	0	0
611 Naval Surface War Ctr	0	0	2.10	0	0	0
615 Data Automat Ctr Navy	0	0	7.30	0	0	0
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0
624 Other MSC Purchases	0	0	3.00	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

630 Naval Rsch Lab	0	0	0	5.60	0	0	0
631 Naval Civil Engrnr Ctr	0	0	0	4.10	0	0	0
633 Naval Pub & Pmt Svc	0	0	0	9.80	0	0	0
635 Naval Pub Wks Ctr	0	0	0	2.80	0	0	0
637 Naval Shipyards	0	0	0	4.90	0	0	0
651 Airlift Svcs Trng & Ops	0	0	0	3.00	0	0	0
652 Airlift Svcs Med Evac	0	0	0	3.00	0	0	0
663 Laundry & Dry Clean	0	0	0	0.00	0	0	0
671 Communications Svc	0	0	0	3.00	0	0	0
673 Def Finance & Acct Svc	0	0	0	6.40	0	0	0
679 Cost Reimbursible Svc	0	0	0	3.00	0	0	0
699 Total Purchases	0	0	0		0	0	0
701 MAC Cargo	0	0	0	3.00	0	0	0
702 MAC SAAM	0	0	0	-5.40	0	0	0
703 JCS Exercises	0	0	0	-5.40	0	0	0
711 MSC Cargo	0	0	0	13.20	0	0	0
721 MTMC Port Handling	0	0	0	9.90	0	0	0
725 MTMC Other	0	0	0	3.00	0	0	0
731 Commercial Air	0	0	0	3.00	0	0	0
741 Commercial Ships	0	0	0	3.00	0	0	0
751 Commercial Land	0	0	0	3.00	0	0	0
761 Other Transportation	0	0	0	3.00	0	0	0
799 Total Transportation	0	0	0		0	0	0
9XX Civ Pay Reimburs Host	0	0	0	2.93	0	0	0
901 Foreign Nat Ind Hire	0	0	0	2.93	0	0	0
902 Separation Liability	0	0	0	2.93	0	0	0
912 Rental Pay to GSA	0	0	0	3.00	0	0	0
913 Purchased Utilities	0	0	0	3.00	0	0	0
914 Purchased Communica	0	0	0	3.00	0	0	0
915 Rents non GSA	0	0	0	3.00	0	0	0
916 Disability Comp	0	0	0	3.00	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes

	(Dollars in Thousands)				
917 Postal Svcs	0	0	0	0	0
920 Supplies & Mat	0	0	0.00	0	0
921 Printing & Reproduct	0	0	3.00	0	0
922 Equipt Maint Contract	0	0	3.00	0	0
923 Facility Maint Contract	0	0	3.00	0	0
925 Equipt Purchases	0	0	3.00	0	0
926 Overseas Purchases	0	0	3.00	0	0
930 Other Depot Maint	0	0	3.00	0	0
931 Contract Consultants	0	0	3.00	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0
933 Studies Analysis Eval	0	0	3.00	0	0
934 Engineering Tech Svc	0	0	3.00	0	0
937 Fuel	0	0	3.00	0	0
985 DoD Counter Drug	0	0	3.00	0	0
987 Other Intra-Govt	0	0	3.00	0	0
988 Grants	0	0	3.00	0	0
989 Other Contracts	1356100	0	5.30	71873	1121027
998 Other Costs*	0	0	3.00	0	0
999 Total Purchases	1356100	0		71873	1121027
9999 TOTAL	1356100	0		71873	1121027
					2549000
					2549000

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
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Detail By Sub-Activity Group: Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)

I. Description of Operations Financed: The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) is a worldwide health care cost-sharing program covering approximately 5.3 million eligible beneficiaries. The office of CHAMPUS, located in Aurora, Colorado, is responsible for the overall management and supervision of this program. This sub-activity group funds the day-to-day operations and program administration costs of this office and the cost of the oversight contracts it manages for the CHAMPUS program. The oversight responsibility for some of these contracts will transfer from OCHAMPUS to the Managed Care Support regional contracts in FY 1996 and will be phased in gradually as these contracts are awarded. Among those contracts designated for transfer are the Home Health Care-Case Management program, the Mental Health Utilization Management/Quality Assurance program, and the Medical/Surgical Regional Review program. These contracts are designed to reduce the growth rate of the CHAMPUS program, improve the efficiency of this health care, and provide the best possible service to the eligible beneficiaries.

II. Force Structure Summary: This program provides for the operating costs of OCHAMPUS, which is responsible for the overall management of the CHAMPUS program. The CHAMPUS program provides for the worldwide health care of eligible active duty dependents, retired members and their dependents, and surviving dependents of deceased active duty from civilian health care facilities. The CHAMPUS program also includes care received by beneficiaries of the Veterans Administration, the Department of Health and Human Services, U.S. Coast Guard, and the National Oceanographic and Atmospheric Administration on a reimbursable basis. OCHAMPUS operating costs include civilian personnel, travel, rents and utilities, printing and reproduction, communications, supplies and equipment, and various contracts (such as the National Claims Processing System and Home Health Care-Case Management).

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	<u>FY 1995</u>			<u>FY 1996</u>		<u>FY 1997</u>	
	<u>FY 1994</u>	<u>Budget</u>	<u>Current</u>	<u>Budget</u>	<u>Request</u>	<u>Budget</u>	<u>Request</u>
	<u>Actuals</u>	<u>Request</u>	<u>Estimate</u>	<u>Request</u>	<u>Request</u>	<u>Request</u>	<u>Request</u>
OCHAMPUS	75,803	94,000	75,000	94,000	70,000	75,000	55,000

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Operation and Maintenance**

B. Reconciliation Summary - Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)

	<u>Change FY 1995/1995</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	94,000	75,000	70,000
Congressional Adjustments	0	0	0
Supplemental Request	0	0	0
Price Change	0	2,153	2,076
Functional Transfers	0	0	0
Program Changes	-19,000	-7,153	-17,076
Current Estimate	75,000	70,000	55,000

C. OP-32 Line Item (See Exhibit OP-32)

D. Reconciliation of Increases and Decreases

1. FY 1995 President's Budget Request
2. FY 1995 Appropriated Amount
3. FY 1995 Program Decreases
 - a. Revised Requirements

(Dollars in Thousands)

	\$94,000
	\$94,000
	\$-19,000

OCHAMPUS FY95 program requirements decrease based on the FY94 actual execution. Various oversight contracts (such as the Mail Order Pharmacy program) requirements were reduced or did not materialize as projected.

**Defense Health Program Appropriation
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(Dollars in Thousands)

4. FY 1995 Current Estimate		\$75,000
5. FY 1996 Price Growth		\$2,153
6. FY 1996 Program Increases		
a. One Additional Paid Day for Civilian Personnel	+49	
b. OCHAMPUS Handbook and Policy Manuals	+1,077	
Funds the printing and reproduction costs of the OCHAMPUS Handbook provided to beneficiaries and Policy Manuals reflecting the conversion from the standard CHAMPUS program to Managed Care.		
c. Management Support Services Contracts	+254	
Funds the contract support services required for the development of bid price adjustment criteria and provider certifications associated with the Managed Care Support contracts.		
d. Equipment Purchases	+157	
Purchase of office furniture and other equipment in support of the Source Selection Evaluation Boards (SSEBs) convened to review the regional Managed Care Support Contract proposals and the final phase of replacement equipment for the office of CHAMPUS.		
Total FY 1996 Program Increases		\$1,537
7. FY 1996 Program Decreases		
a. Managed Care Support Implementation	-8,070	

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Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

Beginning of the phased transfer of some of the oversight contracts (Home Health Care Case Management, Mental Health Utilization Management/Quality Assurance, and the Medical/Surgical Regional Review) to the CHAMPUS program subactivity group pending award of the regional MCS contracts. Also reflects the reduced contract costs for National Claims Processing and Fiscal Intermediary Change Orders requirements as a result of the Managed Care Support contracts implementation.

b. Non-GSA Rents

-204

One-time cost reduction associated with changing from commercially leased, custom designed software to government-owned software

c. OCHAMPUS Miscellaneous

-416

Reduced equipment maintenance costs resulting from "on-call" maintenance contracts versus extended warranty and, one time supply and transportation costs

Total FY 1996 Program Decreases

\$-8,690

8. FY 1996 Budget Request

\$70,000

9. FY 1997 Price Growth

\$2,076

10. FY 1997 Program Increases

\$97

OCHAMPUS Miscellaneous

Increases are due to the rental of various software licenses and the on-going requirements of the Management Support Services contracts associated with the Managed Care Support initiative.

**Defense Health Program Appropriation
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Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

11. FY 1997 Program Decreases

a. Managed Care Support Implementation

-15,098

Continuation of the phased transfer of OCHAMPUS oversight contracts requirements to the CHAMPUS program subactivity group pending award of the regional MCS contracts.

b. Printing and Reproduction Costs

-1,138

Requirement to reprint the OCHAMPUS manual and handbooks occurs approximately every two years. OCHAMPUS printing and reproduction costs return to normal level.

c. MCS Source Selection Evaluation Boards Support Requirements

-937

Travel and other support requirements associated with conducting the regional Managed Care Support Contracts SSEBs will end in FY 1996 as the contracts are awarded and implemented. All contracts should be awarded by September 30, 1996.

Total FY 1997 Program Decreases

\$-17,173

12. FY 1997 Budget Request

\$55,000

**Defense Health Program Appropriation
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IV. Personnel Summary: Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
<u>Active Military End Strength</u>						
Officer	8	11	9	9	-2	0
Enlisted	0	1	0	0	-1	0
Total Military	8	12	9	9	-3	0
<u>Civilian End Strength</u>						
U.S. Direct Hire	218	214	214	214	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	218	214	214	214	0	0
Foreign National Indirect Hire	0	0	8	7	-1	-1
Total Civilians	227	223	222	221	-1	-1
Reimbursable Civilians Included Above (funded by sources outside the DHP)	0	0	0	0	0	0
<u>Active Military Workyears</u>						
Officer	8	10	10	9	0	-1
Enlisted	1	1	1	0	0	-1
Total Military	9	11	11	9	0	-2
<u>Civilian Workyears</u>						
U.S. Direct Hire	212	213	213	213	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	212	213	213	213	0	0
Foreign National Indirect Hire	0	0	8	7	-1	-1
Total Civilians	221	222	221	220	-1	-1
Reimbursable Civilians Included Above (funded by sources outside the DHP)	0	0	0	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (\$ in Thousands)

	FY1994 PROGRAM	FOREIGN CURRENCY		PRICE GROWTH		PRICE GROWTH		FY1995	
		ADJ	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	PROGRAM	PROGRAM
OCHAMPUS									
301 Per Diem	211	0	0	0	0	109	0	320	0
302 Oth Travel Costs	922	0	2.80	26	0	0	0	948	0
303 MAC	0	0	2.30	0	0	0	0	0	0
307 Leased Vehicles	36	0	2.80	1	1	29	0	66	0
399 Total Travel	1,169	0		27	138			1334	
401 DFSC Fuel	0	0	-12.40	0	0	0	0	0	0
402 Service Fuel Fund	0	0	-12.40	0	0	0	0	0	0
411 Army Sup&Mat	200	0	8.00	16	(16)	200	0	200	0
412 Navy Sup&Mat	0	0	22.70	0	0	0	0	0	0
414 AF Supp&Mat	0	0	-9.90	0	0	0	0	0	0
415 DLA Sup&Mat	0	0	3.20	0	0	0	0	0	0
416 GSA Fund Equip	0	0	2.80	0	0	0	0	0	0
417 Local Proc Sup&Mat	1	0	2.80	0	(0)	1	0	1	0
499 Total Sup&Mat	201	0		16	(16)	201		201	
502 Army Fund Equip	0	0	8.00	0	0	0	0	0	0
503 Navy Fund Equip	0	0	22.10	0	0	0	0	0	0
505 AF Fund Equip	0	0	-9.90	0	0	0	0	0	0
506 DLA Fund Equip	0	0	3.20	0	0	0	0	0	0
507 GSA Fund Equip	0	0	2.80	0	0	0	0	0	0
599 Total Fund Equip	0	0		0	0	0	0	0	0
602 Army Depot Cmd Maint	0	0	15.60	0	0	0	0	0	0
611 Navu Surf War Ctr	0	0	16.10	0	0	0	0	0	0
615 Data Auto Ctr Navy	0	0	1.40	0	0	0	0	0	0
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0	0	0	0

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Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (\$ in Thousands)

624 Oth MSC Purch	0	0	2.80	0	0	0
630 Naval Rsch Lab	0	0	1.90	0	0	0
631 Naval Civil Engr Ctr	0	0	6.00	0	0	0
633 Naval Pub &Pmt Ctr	0	0	16.00	0	0	0
635 Naval Pub Wks Ctr	0	0	0.20	0	0	0
637 Naval Shipyards	0	0	18.70	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.80	0	0	0
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Commun Svcs	0	0	2.50	0	0	0
673 Def Finance & Acct Svc	0	0	20.80	0	0	0
679 Cosr Reim Svcs	0	0	2.80	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	2.80	0	0	0
702 MAC SAAM	0	0	15.00	0	0	0
703 JCS Exercises	0	0	2.80	0	0	0
711 MSC Cargo	0	0	-24.20	0	0	0
721 MTMC Port Handling	0	0	9.50	0	0	0
725 MTMC Other	0	0	2.80	0	0	0
731 Comm Air	0	0	2.80	0	0	0
741 Comm Ships	0	0	2.80	0	0	0
751 Comm Land	0	0	2.80	0	0	0
761 Other Transp	126	0	2.80	4	(4)	126
799 Total Transportation	126	0		4	(4)	126
9XX Civ Pay Reimb Host	12,872	0	2.40	309	(509)	12,672
901 Foreign Nat Ind Hire	456	0	2.40	11	(264)	203
902 Seperation Liability	4	0	2.40	0	0	4
912 Rental Pay to GSA	0	0	2.80	0	0	0
913 Purchased Utilities	0	0	2.80	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (\$ in Thousands)

914 Purchased Commun	146	0	2.80	4	(3)	147
915 Rents Non GSA	1,200	0	2.80	34	(112)	1,122
916 Disability Comp	0	0	2.80	0	0	0
917 Postal Svcs	178	0	7.50	13	22	213
920 Supplies & Mat	688	0	2.80	19	(7)	700
921 Printing & Reproduction	2,534	0	2.80	71	(1,745)	860
922 Equip Maint Contracts	85	0	2.80	2	(26)	61
923 Facility Maint Contracts	425	0	2.80	12	(12)	425
925 Equip Purchases	845	0	2.80	24	(326)	543
926 Overseas Purchases	0	0	2.80	0	0	0
930 Other Depot Maint	0	0	2.80	0	0	0
931 Contract Consult	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.80	0	0	0
933 Studies Analysis Eval	3,155	0	2.80	88	536	3,779
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	0	0	2.80	0	0	0
985 DoD Counter Drug	0	0	2.80	0	0	0
987 Oth Intra-Govt	0	0	2.80	0	0	0
988 Grants	0	0	2.80	0	0	0
989 Oth Contracts	51,719	0	2.80	1,448	(557)	52,610
998 Oth Costs	0	0	2.80	0	0	0
999 Total Purchases	74,307	0		2,035	(3,003)	73,339
Total	75,803	0		2,082	(2,885)	75,000

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (\$ in Thousands)

	FY1995 PROGRAM	FOREIGN CURRENCY ADJ	PRICE GROWTH PERCENT	PRICE GROWTH AMOUNT	PROGRAM GROWTH	FY1996 PROGRAM	FY1996 PROGRAM
OCHAMPUS							
301 Per Diem	320	0		0	21	341	
302 Oth Travel Costs	948	0	3.00	28	(19)	957	
303 MAC	0	0	3.00	0	0	0	
307 Leased Vehicles	66	0	3.00	2	1	69	
399 Total Travel	1,334	0		30	3	1,367	
401 DFSC Fuel	0	0	5.60	0	0	0	
402 Service Fuel Fund	0	0	5.60	0	0	0	
411 Army Sup&Mat	200	0	5.30	11	(16)	195	
412 Navy Sup&Mat	0	0	-22.50	0	0	0	
414 AF Supp&Mat	0	0	-16.50	0	0	0	
415 DLA Sup&Mat	0	0	0.60	0	0	0	
416 GSA Fund Equip	0	0	3.00	0	0	0	
417 Local Proc Sup&Mat	1	0	3.00	0	(0)	1	
499 Total Sup&Mat	201	0		11	(16)	196	
502 Army Fund Equip	0	0	5.30	0	0	0	
503 Navy Fund Equip	0	0	-22.50	0	0	0	
505 AF Fund Equip	0	0	-16.50	0	0	0	
506 DLA Fund Equip	0	0	0.60	0	0	0	
507 GSA Fund Equip	0	0	3.00	0	0	0	
599 Total Fund Equip	0	0		0	0	0	
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0	
611 Navu Surf War Ctr	0	0	2.80	0	0	0	
615 Data Auto Ctr Navy	0	0	0.10	0	0	0	
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0	

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Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (\$ in Thousands)

624 Oth MSC Purch	0	0	3.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engrnr Ctr	0	0	3.50	0	0	0
633 Naval Pub &Prnt Ctr	0	0	-6.80	0	0	0
635 Naval Pub Wks Ctr	0	0	1.00	0	0	0
637 Naval Shipyards	0	0	18.70	0	0	0
651 Airlift Svcs Trng & Ops	0	0	3.00	0	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Commun Svcs	0	0	-5.70	0	0	0
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0
679 Cosr Reim Svcs	0	0	3.00	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	3.00	0	0	0
731 Comm Air	0	0	3.00	0	0	0
741 Comm Ships	0	0	3.00	0	0	0
751 Comm Land	0	0	3.00	0	0	0
761 Other Transp	126	0	3.00	4	(39)	91
799 Total Transportation	126	0		4	(39)	91
9XX Civ Pay Reimb Host	12,672	0	2.30	291	(291)	12,672
901 Foreign Nat Ind Hire	203	0	2.30	5	(1)	207
902 Seperation Liability	4	0	2.30	0	(1)	3
912 Rental Pay to GSA	0	0	3.00	0	0	0
913 Purchased Utilities	0	0	3.00	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
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 (\$ in Thousands)

914 Purchased Commun	147	0	3.00	4	(4)	147
915 Rents Non GSA	1,122	0	3.00	34	(204)	952
916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	213	0	2.50	5	0	218
920 Supplies & Mat	700	0	3.00	21	11	732
921 Printing & Reproduction	860	0	3.00	26	1,077	1,963
922 Equip Maint Contracts	61	0	3.00	2	(17)	46
923 Facility Maint Contracts	425	0	3.00	13	(12)	426
925 Equip Purchases	543	0	3.00	16	157	716
926 Overseas Purchases	0	0	3.00	0	0	0
930 Other Depot Maint	0	0	3.00	0	0	0
931 Contract Consult	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0
933 Studies Analysis Eval	3,779	0	3.00	113	254	4,146
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	0	0	3.00	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Oth Intra-Govt	0	0	3.00	0	0	0
988 Grants	0	0	3.00	0	0	0
989 Oth Contracts	52,610	0	3.00	1,578	(8,070)	46,118
998 Oth Costs	0	0	3.00	0	0	0
999 Total Purchases	73,339	0		2,108	(7,101)	68,346
Total	75,000	0		2,153	(7,153)	70,000

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 Summary of Price and Program Changes
 (\$ in Thousands)

	FY1996 PROGRAM	FOREIGN CURRENCY ADJ	PRICE GROWTH PERCENT	PRICE GROWTH AMOUNT	PROGRAM GROWTH	FY1997 PROGRAM GROWTH
OCHAMPUS						
301 Per Diem	341	0		0	10	351
302 Oth Travel Costs	957	0	3.00	29	(491)	495
303 MAC	0	0	3.00	0	0	0
307 Leased Vehicles	69	0	3.00	2	1	72
399 Total Travel	1,367	0		31	(480)	918
401 DFSC Fuel	0	0	1.30	0	0	0
402 Service Fuel Fund	0	0	1.30	0	0	0
411 Army Sup&Mat	195	0	4.20	8	(16)	187
412 Navy Sup&Mat	0	0	11.80	0	0	0
414 AF Supp&Mat	0	0	5.30	0	0	0
415 DLA Supp&Mat	0	0	-1.00	0	0	0
416 GSA Fund Equip	0	0	3.00	0	0	0
417 Local Proc Sup&Mat	1	0	3.00	0	(0)	1
499 Total Sup&Mat	196	0		8	(16)	188
502 Army Fund Equip	0	0	4.20	0	0	0
503 Navy Fund Equip	0	0	11.80	0	0	0
505 AF Fund Equip	0	0	5.30	0	0	0
506 DLA Fund Equip	0	0	-1.00	0	0	0
507 GSA Fund Equip	0	0	3.00	0	0	0
599 Total Fund Equip	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	9.90	0	0	0
611 Navu Surf War Ctr	0	0	2.10	0	0	0
615 Data Auto Ctr Navy	0	0	7.30	0	0	0
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0

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624 Oth MSC Purch	0	0	3.00	0	0	0	0	0
630 Naval Rsch Lab	0	0	5.60	0	0	0	0	0
631 Naval Civil Engrn Ctr	0	0	4.10	0	0	0	0	0
633 Naval Pub &Pmt Ctr	0	0	9.80	0	0	0	0	0
635 Naval Pub Wks Ctr	0	0	2.80	0	0	0	0	0
637 Naval Shipyards	0	0	4.90	0	0	0	0	0
651 Airlift Svcs Trng & Ops	0	0	3.00	0	0	0	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0	0	0
671 Commun Svcs	0	0	3.00	0	0	0	0	0
673 Def Finance & Acct Svc	0	0	6.40	0	0	0	0	0
679 Cosr Reim Svcs	0	0	3.00	0	0	0	0	0
699 Total Purchases	0	0		0	0	0	0	0
701 MAC Cargo	0	0	3.00	0	0	0	0	0
702 MAC SAAM	0	0	-5.40	0	0	0	0	0
703 JCS Exercises	0	0	-5.40	0	0	0	0	0
711 MSC Cargo	0	0	13.20	0	0	0	0	0
721 MTMC Port Handling	0	0	9.90	0	0	0	0	0
725 MTMC Other	0	0	3.00	0	0	0	0	0
731 Comm Air	0	0	3.00	0	0	0	0	0
741 Comm Ships	0	0	3.00	0	0	0	0	0
751 Comm Land	0	0	3.00	0	0	0	0	0
761 Other Transp	91	0	3.00	0	0	0	(19)	75
799 Total Transportation	91	0		3	3		(19)	75
9XX Civ Pay Reimb Host	12,672	0	2.93	371	371		(371)	12,672
901 Foreign Nat Ind Hire	207	0	2.93	6	6		(1)	212
902 Separation Liability	3	0	2.93	0	0		0	3
912 Rental Pay to GSA	0	0	3.00	0	0		0	0
913 Purchased Utilities	0	0	3.00	0	0		0	0

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914 Purchased Commun	147	0	3.00	4	(4)	147
915 Rents Non GSA	952	0	3.00	29	60	1,041
916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	218	0	0.00	0	15	233
920 Supplies & Mat	732	0	3.00	22	(13)	741
921 Printing & Reproduction	1,963	0	3.00	59	(1,138)	884
922 Equip Maint Contracts	46	0	3.00	1	(1)	46
923 Facility Maint Contracts	426	0	3.00	13	(12)	427
925 Equip Purchases	716	0	3.00	21	(20)	717
926 Overseas Purchases	0	0	3.00	0	0	0
930 Other Depot Maint	0	0	3.00	0	0	0
931 Contract Consult	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0
933 Studies Analysis Eval	4,146	0	3.00	124	22	4,292
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	0	0	3.00	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Oth Intra-Govt	0	0	3.00	0	0	0
988 Grants	0	0	3.00	0	0	0
989 Oth Contracts	46,118	0	3.00	1,384	(15,098)	32,404
998 Oth Costs	0	0	3.00	0	0	0
999 Total Purchases	68,346	0		2,034	(16,561)	53,819
Total	70,000	0		2,076	(17,076)	55,000

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Detail By Sub-Activity Group: Care in Non-Defense Facilities

I. Description of Operations Financed: This Sub-activity Group provides for the purchase of health care services from the Uniformed Services Treatment Facilities (USTFs) for eligible Uniformed Services Beneficiaries who are **enrolled** in the USTF Managed Care Plan. It also supports centrally managed allotments which fund emergency medical care and transportation for authorized beneficiaries and medically necessary non-emergency care for active duty personnel when care is not accessible or available from defense facilities. This Sub-activity Group **does not include** cost of care rendered through the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), PRIMUS/NAV CARE clinics, Federal sharing agreements, and referrals for specialty care by military treatment facilities covered under supplemental care/cooperative care.

II. Force Structure Summary: Care in Non-Defense Facilities represents the costs of purchasing health care services for enrolled beneficiaries in the 10 civilian-operated Uniformed Services Treatment Facilities (USTFs). It also supports centrally managed allotments which fund emergency medical care and transportation for authorized beneficiaries and medically necessary non-emergency care for active duty personnel when care is not accessible or available from defense facilities.

III. Financial Summary (O&M, \$ in thousands):

A. Sub-Activity Group

	FY 1994 Actuals	FY 1995			FY 1996 Estimate	FY 1997 Estimate
		Budget Request	Appropriation	Current Estimate		
USTFs	\$265,000	\$270,000	\$300,000	\$300,000	\$315,900	\$332,643
Centrally Managed Allotment for Emergency Care	188,226	343,087	343,087	188,151	181,097	173,888
Total	\$453,226	\$613,087	\$643,087	\$488,151	\$496,997	\$506,531

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III. Financial Summary (Continued--O&M \$ in thousands):

B. Reconciliation Summary

	<u>Change FY 1995/1995</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	\$613,087	\$488,151	\$496,997
Congressional Adjustments	+30,0000	N/A	N/A
Supplemental Request	0	0	0
Price Change	0	+\$25,639	+\$26,102
Transfers Out	-124,936	0	0
Program Changes	<u>0</u>	<u>-\$16,793</u>	<u>-\$16,568</u>
Current Estimate	\$488,151	\$496,997	\$506,531

C. OP-32 Line Item (See Exhibit OP-32)

D. Reconciliation of Increases and Decreases (O&M \$ in thousands)

1. FY 1995 President's Budget Request
 - a. Congressional Adjustments

Based on Congressional direction, USTF funding is increased by \$30 million. There is an offsetting reduction in the direct health services provided in the direct patient care sub-activity group because this Congressional mandate did not include a funding increase.
2. FY 1995 Appropriated Amount

\$613,087

+\$30,000

\$643,087

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D. Reconciliation of Increases and Decreases (Continued--O&M \$ in thousands)

b. Transfers Out	-124,936
Functional transfers within the DHP O&M appropriation due to restructure of the Program Elements	
PRIMUS/NAV CARE and Supplemental Care transferred into Direct Patient Care	-124,936
3. FY 1995 Current Estimate	\$488,151
4. Price Growth	\$+25,639
5. Program Decreases	
Emergency Medical Care for Active Duty Members	\$-16,793
Reduction reflects a decline in active duty population eligible for emergency medical care.	
Total Program Decreases	\$-16,793
6. FY 1996 Current Estimate	\$496,997
7. Price Growth	\$26,102
8. Program Decreases	
Emergency Medical Care for Active Duty Members	\$-16,568
Reduction reflects a decline in active duty population eligible for emergency medical care.	
Total Program Decreases	\$-16,568
9. FY 1997 Budget Request	\$506,531

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IV. Performance Criteria and Evaluation Summary:

	FY 1994 ACTUAL	FY 1995 ESTIMATE	FY 1996 ESTIMATE	FY 1997 ESTIMATE	FY95/FY96 CHANGE	FY96/FY97 CHANGE
USTF Eligible Beneficiaries (DoD only)	96,253	109,743	109,743	109,743	0	0
Active Duty Personnel (1)	1,834,176	1,740,367	1,679,197	1,649,217	-61,170	-29,980

(1) Includes Active Guard/Reserve entitled to medical benefit.

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V. Personnel Summary^{1/}

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
<u>Active Military End Strength</u> ^{1/}						
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
Total Military	0	0	0	0	0	0
<u>Civilian End Strength</u> ^{1/}						
U.S. Direct Hire	2	3	3	3	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	2	3	3	3	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
Total Civilians	2	3	3	3	0	0
<u>Active Military Workyears</u>						
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
Total Military Workyears	0	0	0	0	0	0
<u>Civilian Workyears</u>						
U.S. Direct Hire	2	3	3	3	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	2	3	3	3	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
Total Civilian Workyears	2	3	3	3	0	0

^{1/} Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991

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LINE	FY1994 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1995 Program
Care in Non-Defense						
115						
Care in Non-Defense						
LINE Care in Non-Def Facilities						
301 Per Diem	446	0	0.00	0	-3	443
302 Other Travel Costs	3855	0	2.80	108	-349	3614
303 MAC Passenger	3326	0	2.30	76	-4	3398
307 Leased Vehicles	0	0	2.80	0	0	0
399 Total Travel	7627	0		184	-356	7455
401 DFSC Fuel	0	0	-12.40	0	0	0
402 Service Fund Fuel	0	0	-12.40	0	0	0
411 Army Sup & Mat	0	0	8.00	0	0	0
412 Navy Sup & Mat	6	0	22.70	1	-7	0
414 AF Sup & Mat	0	0	-9.90	0	0	0
415 DLA Sup & Mat	41	0	3.20	1	-42	0
416 GSA Sup & Mat	0	0	2.80	0	0	0
417 Local Proc Sup & Mat	0	0	2.80	0	0	0
499 Total Sup & Mat	47	0		2	-49	0
502 Army Fund Equipt	0	0	8.00	0	0	0
503 Navy Fund Equipt	0	0	22.70	0	0	0
505 AF Fund Equipt	0	0	-9.90	0	0	0
506 DLA Fund Equipt	0	0	2.80	0	0	0
507 GSA Fund Equipt	0	0	2.70	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	15.60	0	0	0
611 Naval Surface War Ctr	0	0	16.10	0	0	0
615 Data Automat Ctr Navy	0	0	1.40	0	0	0
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0
624 Other MSC Purchases	0	0	2.80	0	0	0
630 Naval Rsch Lab	0	0	1.90	0	0	0

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 Summary of Price and Program Changes

	(Dollars in Thousands)				
631 Naval Civil Engrmr Ctr	0	0	0	0	0
633 Naval Pub & Prnt Svc	0	0	6.00	0	0
635 Naval Pub Wks Ctr	0	0	16.00	0	0
637 Naval Shipyards	0	0	0.20	0	0
651 Airlift Svcs Trng & Ops	0	0	18.70	0	0
652 Airlift Svcs Med Evac	0	0	2.80	0	0
663 Laundry & Dry Clean	0	0	2.80	0	0
671 Communications Svc	0	0	0.00	0	0
673 Def Finance & Acct Svc	0	0	2.50	0	0
679 Cost Reimbursible Svc	0	0	20.80	0	0
699 Total Purchases	0	0	2.80	0	0
701 MAC Cargo	0	0	2.80	0	0
702 MAC SAAM	0	0	15.00	0	0
703 JCS Exercises	0	0	2.80	0	0
711 MSC Cargo	0	0	-24.20	0	0
721 MTMC Port Handling	0	0	9.50	0	0
725 MTMC Other	0	0	2.80	0	0
731 Commercial Air	0	0	2.80	0	0
741 Commercial Ships	0	0	2.80	0	0
751 Commercial Land	0	0	2.80	0	0
761 Other Transportation	0	0	2.80	0	0
799 Total Transportation	0	0	2.80	0	0
9XX Civ Pay Reimburs Host	72	0	2.40	40	114
901 Foreign Nat Ind Hire	0	0	2.40	0	0
902 Separation Liability	0	0	2.40	0	0
912 Rental Pay to GSA	0	0	2.80	0	0
913 Purchased Utilities	0	0	2.80	0	0
914 Purchased Communica	0	0	2.80	0	0
915 Rents non GSA	84	0	2.80	-86	0
916 Disability Comp	0	0	2.80	0	0
917 Postal Svcs	0	0	7.50	0	0

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920 Supplies & Mat	1910	0	2.80	53	4	1967
921 Printing & Reproduct	0	0	2.80	0	0	0
922 Equipt Maint Contract	0	0	2.80	0	0	0
923 Facility Maint Contract	0	0	2.80	0	0	0
925 Equipt Purchases	45	0	2.80	1	-46	0
926 Overseas Purchases	130	0	2.80	4	-134	0
930 Other Depot Maint	0	0	2.80	0	0	0
931 Contract Consultants	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.80	0	0	0
933 Studies Analysis Eval	0	0	2.80	0	0	0
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	0	0	2.80	0	0	0
985 DoD Counter Drug	0	0	2.80	0	0	0
987 Other Intra-Govt	0	0	2.80	0	0	0
988 Grants	0	0	2.80	0	0	0
989 Other Contracts	265000	0	5.00	13250	21750	300000
998 Other Costs*	178311	0	5.00	8916	-8612	178615
999 Total Purchases	445552	0		22228	12916	480696
9999 TOTAL	453226	0		22414	12511	488151

Defense Health Program Appropriation
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 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINE Care in Non-Def Facilities						
301 Per Diem	443	0	0.00	0	0	443
302 Other Travel Costs	3614	0	3.00	108	-4	3718
303 MAC Passenger	3398	0	3.00	102	-28	3473
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	7455	0		210	-32	7633
401 DFSC Fuel	0	0				
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	0	0	5.60	0	0	0
412 Navy Sup & Mat	0	0	5.30	0	0	0
414 AF Sup & Mat	0	0	-22.50	0	0	0
415 DLA Sup & Mat	0	0	-16.50	0	0	0
416 GSA Sup & Mat	0	0	0.60	0	0	0
417 Local Proc Sup & Mat	0	0	3.00	0	0	0
499 Total Sup & Mat	0	0	3.00	0	0	0
502 Army Fund Equipt	0	0				
503 Navy Fund Equipt	0	0	5.30	0	0	0
505 AF Fund Equipt	0	0	-22.50	0	0	0
506 DLA Fund Equipt	0	0	-16.50	0	0	0
507 GSA Fund Equipt	0	0	0.60	0	0	0
599 Total Fund Equipt	0	0	3.00	0	0	0
602 Army Depot Cmd Maint	0	0				
611 Naval Surface War Ctr	0	0	-23.10	0	0	0
615 Data Automat Ctr Navy	0	0	3.50	0	0	0
620 Fleet Aux Ships Navy	0	0	0.10	0	0	0
624 Other MSC Purchases	0	0	3.00	0	0	0
	0	0	3.00	0	0	0

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 (Dollars in Thousands)

630	Naval Rsch Lab	0	0	1.90	0	0	0
631	Naval Civil Engrnr Ctr	0	0	3.50	0	0	0
633	Naval Pub & Prnt Svc	0	0	-6.80	0	0	0
635	Naval Pub Wks Ctr	0	0	1.00	0	0	0
637	Naval Shipyards	0	0	18.70	0	0	0
651	Airlift Svcs Trng & Ops	0	0	3.00	0	0	0
652	Airlift Svcs Med Evac	0	0	3.00	0	0	0
663	Laundry & Dry Clean	0	0	0.00	0	0	0
671	Communications Svc	0	0	-5.70	0	0	0
673	Def Finance & Acct Svc	0	0	-19.80	0	0	0
679	Cost Reimbursible Svc	0	0	3.00	0	0	0
699	Total Purchases	0	0	0	0	0	0
701	MAC Cargo	0	0	3.00	0	0	0
702	MAC SAAM	0	0	14.70	0	0	0
703	JCS Exercises	0	0	14.70	0	0	0
711	MSC Cargo	0	0	19.50	0	0	0
721	MTMC Port Handling	0	0	7.50	0	0	0
725	MTMC Other	0	0	3.00	0	0	0
731	Commercial Air	0	0	3.00	0	0	0
741	Commercial Ships	0	0	3.00	0	0	0
751	Commercial Land	0	0	3.00	0	0	0
761	Other Transportation	0	0	3.00	0	0	0
799	Total Transportation	0	0	0	0	0	0
9XX	Civ Pay Reimburs Host	114	0	2.30	3	0	117
901	Foreign Nat Ind Hire	0	0	2.30	0	0	0
902	Separation Liability	0	0	2.30	0	0	0
912	Rental Pay to GSA	0	0	3.00	0	0	0
913	Purchased Utilities	0	0	3.00	0	0	0
914	Purchased Communica	0	0	3.00	0	0	0
915	Rents non GSA	0	0	3.00	0	0	0
916	Disability Comp	0	0	3.00	0	0	0

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 (Dollars in Thousands)

917 Postal Svcs	0	0	0	0	0	0	0
920 Supplies & Mat	1967	0	2.50	59	43	0	2069
921 Printing & Reproduct	0	0	3.00	0	0	0	0
922 Equipt Maint Contract	0	0	3.00	0	0	0	0
923 Facility Maint Contract	0	0	3.00	0	0	0	0
925 Equipt Purchases	0	0	3.00	0	0	0	0
926 Overseas Purchases	0	0	3.00	0	0	0	0
930 Other Depot Maint	0	0	3.00	0	0	0	0
931 Contract Consultants	0	0	3.00	0	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0	0
933 Studies Analysis Eval	0	0	3.00	0	0	0	0
934 Engineering Tech Svc	0	0	3.00	0	0	0	0
937 Fuel	0	0	3.00	0	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0	0
987 Other Intra-Govt	0	0	3.00	0	0	0	0
988 Grants	0	0	3.00	0	0	0	0
989 Other Contracts	300000	0	5.30	15900	0	0	315900
998 Other Costs*	178615	0	5.30	9467	-16804	0	171278
999 Total Purchases	480696	0		25429	-16761	0	489364
	0	0		0	0	0	0
9999 TOTAL	488151	0		25639	-16793	0	496997

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	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
LINE Care in Non-Def Facilities						
301 Per Diem	443	0	0.00	0	0	443
302 Other Travel Costs	3718	0	3.00	112	-3	3826
303 MAC Passenger	3473	0	3.00	104	-29	3548
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	7633	0		216	-32	7817
401 DFSC Fuel	0	0		0	0	0
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	0	0	4.20	0	0	0
412 Navy Sup & Mat	0	0	11.80	0	0	0
414 AF Sup & Mat	0	0	5.30	0	0	0
415 DLA Sup & Mat	0	0	-1.00	0	0	0
416 GSA Sup & Mat	0	0	3.00	0	0	0
417 Local Proc Sup & Mat	0	0	3.00	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0	0	4.20	0	0	0
503 Navy Fund Equipt	0	0	11.80	0	0	0
505 AF Fund Equipt	0	0	5.30	0	0	0
506 DLA Fund Equipt	0	0	-1.00	0	0	0
507 GSA Fund Equipt	0	0	3.00	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	9.90	0	0	0
611 Naval Surface War Ctr	0	0	1.10	0	0	0
615 Data Automat Ctr Navy	0	0	7.30	0	0	0
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0
624 Other MSC Purchases	0	0	3.00	0	0	0

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 Summary of Price and Program Changes
 (Dollars in Thousands)

630 Naval Rsch Lab	0	0	0	0	0
631 Naval Civil Engrn Ctr	0	0	3.00	0	0
633 Naval Pub & Prnt Svc	0	0	4.80	0	0
635 Naval Pub Wks Ctr	0	0	9.80	0	0
637 Naval Shipyards	0	0	2.80	0	0
651 Airlift Svcs Trng & Ops	0	0	4.90	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0
663 Laundry & Dry Clean	0	0	3.00	0	0
671 Communications Svc	0	0	0.00	0	0
673 Def Finance & Acct Svc	0	0	3.00	0	0
679 Cost Reimbursible Svc	0	0	6.40	0	0
699 Total Purchases	0	0	3.00	0	0
701 MAC Cargo	0	0	0	0	0
702 MAC SAAM	0	0	3.00	0	0
703 JCS Exercises	0	0	-5.40	0	0
711 MSC Cargo	0	0	-5.40	0	0
721 MTMC Port Handling	0	0	13.20	0	0
725 MTMC Other	0	0	9.90	0	0
731 Commercial Air	0	0	3.00	0	0
741 Commercial Ships	0	0	3.00	0	0
751 Commercial Land	0	0	3.00	0	0
761 Other Transportation	0	0	3.00	0	0
799 Total Transportation	0	0	3.00	0	0
9XX Civ Pay Reimburs Host	0	0	0	0	0
901 Foreign Nat Ind Hire	117	0	2.93	3	120
902 Separation Liability	0	0	2.93	0	0
912 Rental Pay to GSA	0	0	2.93	0	0
913 Purchased Utilities	0	0	3.00	0	0
914 Purchased Communica	0	0	3.00	0	0
915 Rents non GSA	0	0	3.00	0	0
916 Disability Comp	0	0	3.00	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

917 Postal Svcs	0	0	0.00	0	0	0
920 Supplies & Mat	2069	0	3.00	62	42	2173
921 Printing & Reproduct	0	0	3.00	0	0	0
922 Equipt Maint Contract	0	0	3.00	0	0	0
923 Facility Maint Contract	0	0	3.00	0	0	0
925 Equipt Purchases	0	0	3.00	0	0	0
926 Overseas Purchases	0	0	3.00	0	0	0
930 Other Depot Maint	0	0	3.00	0	0	0
931 Contract Consultants	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0
933 Studies Analysis Eval	0	0	3.00	0	0	0
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	0	0	3.00	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	0	0	3.00	0	0	0
988 Grants	0	0	3.00	0	0	0
989 Other Contracts	315900	0	5.30	16743	0	332643
998 Other Costs*	171278	0	5.30	9078	-16578	163778
999 Total Purchases	489364	0		25886	-16536	498714
9999 TOTAL	496997	0		26102	-16568	506531

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

Detail By Sub-Activity Group: Education and Training

I. Description of Operations Financed: This Sub-activity Group provides support for worldwide medical education and training for active duty personnel, civilian medical personnel and students. This program includes the Health Professions Scholarship Program (HPSP), Financial Assistance Program (FAP) residencies, precommissioning professional scholarship programs, initial skills training, and specialized skills training. Funding levels in the FY 1996/1997 budget submission for HPSP do not reflect an increase in scholarships to offset the closure of USUHS.

II. Force Structure Summary: Education and training resources provide tuition and other educational expenses for HPSP participants and training of active duty and civilian medical personnel. The training loads in the education and training program have been reduced to reflect DoD declining medical force levels.

III. Financial Summary (\$ in Thousands):

A. Sub Activity Group

	<u>FY 1994 Actual</u>	<u>FY 1995</u>		<u>FY 1996 Current Estimate</u>	<u>FY 1997 Current Estimate</u>
		<u>Budget Request</u>	<u>Appropriated</u>		
Defense Health Program					
Health Care Precommissioning Program	73,479	80,014	79,504	85,671	93,694
Education and Training	91,966	130,655	130,655	86,575	87,758
Total	165,445	210,669	210,159	172,246	181,452

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

B. Reconciliation Summary (O&M \$ in thousands)

	<u>Change FY 1995/1995</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	210,669	168,253	172,246
Congressional Adjustments	-510		
Price Change		+8,707	+9,764
Transfers Out	-41,906		
Program Changes		-4,714	-558
Current Estimate	168,253	172,246	181,452

C. Reconciliation of Increases and Decreases (O&M \$ in thousands)

1. FY 1995 President's Budget Request	210,669
2. Congressional Adjustments, HPSP Scholarships Program Decreases	-510
3. FY 1995 Appropriated Amount	210,159
4. Transfers Out	
Transfer within the DHP O&M Appropriation due to restructure of the Program Elements	-41,906
Transfer of Continuing Health Education (CHE) to Direct Patient Care.	

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Operation and Maintenance**

5. FY 1995 Current Estimate	168,253
6. Price Growth	+8,707
7. Program Increases	+391
a. Plus one paid day	+111
Adjusts program for one additional paid day in FY96.	
b. HPSP/FAP	+280
Adjusts HPSP/FAP cost based on mix change of scholarships.	
Total Program Increases	+391
8. Program Decreases	-5,105
a. Decrease for Specialized Skill Training	-5,105
The FY96 program represents a decrease in specialized skill training which corresponds to the 6% reduction in certified military health care professional end strengths (including Selected Reserve) over the same period.	
Total Program Decreases	-5,105
9. FY 1996 Budget Request	172,246

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Operation and Maintenance**

10. Price Growth		+9,764
11. Program Increases		+280
a. HPSP/FAP	+280	
	Adjusts HPSP/FAP cost based on mix change of scholarships.	
	Total Program Increases	+280
12. Program Decreases		-838
a. Decrease for Specialized Skill Training.	-838	
	The FY97 program represents a decrease in specialized skill training which corresponds to the 1% reduction in certified military health care professional end strengths (including Selected Reserve) over the same period.	
	Total Program Decreases	-838
13. FY 1997 Budget Request		181,452

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY1995/1996</u>	<u>Change FY 1996/1997</u>
Health Professions Scholarship Program/ Financial Assistance Program (HPSP/FAP)	3,936	3,957	3,872	3,780	-85	-92
Specialized Skill Training, Professional Development and Officer Acquisition	13,000	13,340	12,999	12,912	-341	-87

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
Operation and Maintenance**

V. Personnel Summary:

Active Military End Strength

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY1995/1996</u>	<u>Change FY 1996/1997</u>
Officer	5,813	6,216	6,683	6,731	467	48
Enlisted	<u>7,052</u>	<u>7,072</u>	<u>7,124</u>	<u>7,189</u>	<u>52</u>	<u>65</u>
Total Military End Strength	12,865	13,288	13,807	13,920	519	113

Civilian End Strength

U.S. Direct Hire	774	764	767	757	+3	-10
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	774	764	767	757	+3	-10
Foreign National Indirect Hire	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>
Total Civilian End Strength	779	769	772	762	+3	-10

Military Workyears

Officer	6,072	6,015	6,450	6,707	435	257
Enlisted	<u>8,335</u>	<u>7,062</u>	<u>7,098</u>	<u>7,157</u>	<u>36</u>	<u>59</u>
Total	14,407	13,077	13,548	13,864	471	316

Civilian Workyears (Total)

U.S. Direct Hire	790	767	758	754	-9	-4
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	790	767	758	754	-9	-4
Foreign National Indirect Hire	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>
Total Civilian Workyears	795	772	763	759	-9	-4

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	FY1994 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1995 Program
Education and Training						
301 Per Diem	21138	0	0.00	0	-1944	19194
302 Other Travel Costs	14837	0	2.80	415	-986	14266
303 MAC Passenger	357	0	2.30	8	72	437
307 Leased Vehicles	0	0	2.80	0	0	0
399 Total Travel	36332	0		423	-2858	33897
401 DFSC Fuel	2	0	-12.40	0	-0	2
402 Service Fund Fuel	0	0	-12.40	0	0	0
411 Army Sup & Mat	103	0	8.00	8	1	112
412 Navy Sup & Mat	379	0	22.10	84	-35	428
414 AF Sup & Mat	40	0	-9.90	-4	3	39
415 DLA Sup & Mat	594	0	3.20	19	-39	574
416 GSA Sup & Mat	313	0	2.80	9	22	344
417 Local Proc Sup & Mat	3863	0	2.80	108	660	4631
499 Total Sup & Mat	5294	0		224	612	6130
502 Army Fund Equipt	0	0	8.00	0	0	0
503 Navy Fund Equipt	139	0	22.10	31	-34	136
505 AF Fund Equipt	309	0	-9.90	-31	0	278
506 DLA Fund Equipt	22	0	3.20	1	3	26
507 GSA Fund Equipt	155	0	2.80	4	-0	159
599 Total Fund Equipt	625	0		5	-30	600
602 Army Depot Cmd Maint	165	0	15.60	26	-191	0
611 Naval Surface War Ctr	0	0	16.10	0	0	0
615 Data Automat Ctr Navy	0	0	1.40	0	0	0
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

624 Other MSC Purchases	0	0	2.80	0	0	0	0
630 Naval Rsch Lab	0	0	1.90	0	0	0	0
631 Naval Civil Engrn Ctr	5	0	6.00	0	1	6	6
633 Naval Pub & Prnt Svc	412	0	16.00	66	-73	405	405
635 Naval Pub Wks Ctr	2	0	0.20	0	0	2	2
637 Naval Shipyards	0	0	18.70	0	0	0	0
651 Airlift Svcs Trng & Ops	114	0	2.80	3	-115	2	2
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0	0
671 Communications Svc	1	0	2.50	0	0	1	1
673 Def Finance & Acct Svc	0	0	20.80	0	0	0	0
679 Cost Reimbursible Svc	0	0	2.80	0	0	0	0
699 Total Purchases	699	0		95	-378	416	416
701 MAC Cargo	0	0	2.80	0	0	0	0
702 MAC SAAM	0	0	15.00	0	0	0	0
703 JCS Exercises	0	0	2.80	0	0	0	0
711 MSC Cargo	0	0	-24.20	0	0	0	0
721 MTMC Port Handling	0	0	9.50	0	0	0	0
725 MTMC Other	0	0	2.80	0	0	0	0
731 Commercial Air	10	0	2.80	0	0	10	10
741 Commercial Ships	0	0	2.80	0	0	0	0
751 Commercial Land	6	0	2.80	0	0	6	6
761 Other Transportation	127	0	2.80	4	-0	131	131
799 Total Transportation	143	0		4	0	147	147
9XX Civ Pay Reimburs Host	28523	0	2.40	685	-147	29061	29061
901 Foreign Nat Ind Hire	126	0	2.40	3	34	163	163
902 Separation Liability	2	0	2.40	0	0	2	2
912 Rental Pay to GSA	43	0	2.80	1	0	44	44
913 Purchased Utilities	0	0	2.80	0	0	0	0
914 Purchased Communica	1	0	2.80	0	0	1	1

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Education & Training

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Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents non GSA	255	0	2.80	7	-50	212
916 Disability Comp	0	0	2.80	0	0	0
917 Postal Svcs	0	0	7.50	0	0	0
920 Supplies & Mat	5256	0	2.80	147	74	5477
921 Printing & Reproduct	829	0	2.80	23	0	852
922 Equipt Maint Contract	332	0	2.80	9	-31	310
923 Facility Maint Contract	0	0	2.80	0	0	0
925 Equipt Purchases	1797	0	2.80	50	696	2543
926 Overseas Purchases	5	0	2.80	0	5	10
930 Other Depot Maint	0	0	2.80	0	0	0
931 Contract Consultants	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.80	0	0	0
933 Studies Analysis Eval	0	0	2.80	0	0	0
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	0	0	2.80	0	0	0
985 DoD Counter Drug	0	0	2.80	0	0	0
987 Other Intra-Govt	99	0	2.80	3	-56	46
988 Grants	0	0	2.80	0	0	0
989 Other Contracts	73479	0	9.00	6613	-1752	78340
998 Other Costs*	11605	0	2.80	325	-1928	10002
999 Total Purchases	122352	0		7866	-3155	127063
9999 TOTAL	165445	0		8617	-5809	168253

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINE Education and Training						
301 Per Diem	19194	0	0.00	0	159	19353
302 Other Travel Costs	14266	0	3.00	428	64	14758
303 MAC Passenger	437	0	3.00	13	3	453
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	33897	0		441	226	34564
401 DFSC Fuel	2	0	5.60	0	0	2
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	112	0	5.30	6	2	120
412 Navy Sup & Mat	428	0	-22.50	-96	84	416
414 AF Sup & Mat	39	0	-16.50	-6	3	36
415 DLA Sup & Mat	574	0	0.60	3	13	590
416 GSA Sup & Mat	344	0	3.00	10	-4	351
417 Local Proc Sup & M	4631	0	3.00	139	52	4823
499 Total Sup & Mat	6130	0		56	151	6337
502 Army Fund Equipt	0	0	5.30	0	0	0
503 Navy Fund Equipt	136	0	-22.50	-31	24	129
505 AF Fund Equipt	278	0	-16.50	-46	18	251
506 DLA Fund Equipt	26	0	0.60	0	1	27
507 GSA Fund Equipt	159	0	3.00	5	-1	163
599 Total Fund Equipt	600	0		-72	43	570
602 Army Depot Cmd	0	0	-23.10	0	0	0
611 Naval Surface War	0	0	2.80	0	0	0
615 Data Automat Ctr N	0	0	0.10	0	0	0
620 Fleet Aux Ships Nav	0	0	3.00	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

624 Other MSC Purchas	0	0	3.00	0	0	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0	0	0
631 Naval Civil Engr C	6	0	3.50	0	0	0	0	6
633 Naval Pub & Pmt S	405	0	-6.80	-28	6	383	0	0
635 Naval Pub Wks Ctr	2	0	1.00	0	0	2	0	0
637 Naval Shipyards	0	0	18.70	0	0	0	0	0
651 Airlift Svcs Trng &	2	0	3.00	0	115	117	0	0
652 Airlift Svcs Med Ev	0	0	3.00	0	0	0	0	0
663 Laundry & Dry Clea	0	0	0.00	0	0	0	0	0
671 Communications Sv	1	0	-5.70	0	0	1	0	0
673 Def Finance & Acct	0	0	-19.80	0	0	0	0	0
679 Cost Reimbursible S	0	0	3.00	0	0	0	0	0
699 Total Purchases	416	0	-28	121	509			
701 MAC Cargo	0	0	3.00	0	0	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0	0	0
721 MTMC Port Handli	0	0	7.50	0	0	0	0	0
725 MTMC Other	0	0	3.00	0	0	0	0	0
731 Commercial Air	10	0	3.00	0	0	11	0	0
741 Commercial Ships	0	0	3.00	0	0	0	0	0
751 Commercial Land	6	0	3.00	0	0	6	0	0
761 Other Transportatio	131	0	3.00	4	-0	134	0	0
799 Total Transportation	147	0	4	4	0	151	0	0
9XX Civ Pay Reimburs H	29061	0	2.30	668	-86	29643		
901 Foreign Nat Ind Hire	163	0	2.30	4	-13	154		
902 Separation Liability	2	0	2.30	0	0	2		
912 Rental Pay to GSA	44	0	3.00	1	0	45		
913 Purchased Utilities	0	0	3.00	0	0	0		
914 Purchased Commun	1	0	3.00	0	0	1		

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents non GSA	212	0	3.00	6	0	219
916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	0	0	2.50	0	0	0
920 Supplies & Mat	5477	0	3.00	164	-3	5637
921 Printing & Reproduc	852	0	3.00	26	-2	876
922 Equipt Maint Contra	310	0	3.00	9	-3	315
923 Facility Maint Contr	0	0	3.00	0	0	0
925 Equipt Purchases	2543	0	3.00	76	-65	2554
926 Overseas Purchases	10	0	3.00	0	0	10
930 Other Depot Maint	0	0	3.00	0	0	0
931 Contract Consultant	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Sv	0	0	3.00	0	0	0
933 Studies Analysis Ev	0	0	3.00	0	0	0
934 Engineering Tech Sv	0	0	3.00	0	0	0
937 Fuel	0	0	3.00	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	46	0	3.00	1	0	47
988 Grants	0	0	3.00	0	0	0
989 Other Contracts	78340	0	9.00	7051	280	85671
998 Other Costs*	10002	0	3.00	300	-5363	4939
999 Total Purchases	127063	0		8306	-5255	130114
9999 TOTAL	168253	0		8707	-4714	172246

Defense Health Program Appropriation
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 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
Education and Training						
301 Per Diem	19353	0	0.00	0	246	19599
302 Other Travel Costs	14758	0	3.00	443	41	15243
303 MAC Passenger	453	0	3.00	14	1	468
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	34564	0		457	289	35310
DFSC Fuel						
401 DFSC Fuel	2	0	1.30	0	0	2
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	120	0	4.20	5	4	129
412 Navy Sup & Mat	416	0	11.80	49	-50	415
414 AF Sup & Mat	36	0	5.30	2	-3	35
415 DLA Sup & Mat	590	0	-1.00	-6	24	608
416 GSA Sup & Mat	351	0	3.00	11	-3	359
417 Local Proc Sup & M	4823	0	3.00	145	38	5006
499 Total Sup & Mat	6337	0		206	11	6554
Army Fund Equipt						
502 Army Fund Equipt	0	0	4.20	0	0	0
503 Navy Fund Equipt	129	0	11.80	15	-15	129
505 AF Fund Equipt	251	0	5.30	13	-38	226
506 DLA Fund Equipt	27	0	-1.00	0	1	29
507 GSA Fund Equipt	163	0	3.00	5	-1	167
599 Total Fund Equipt	570	0		33	-52	551
Army Depot Cmd						
602 Army Depot Cmd	0	0	9.90	0	0	0
Naval Surface War						
611 Naval Surface War	0	0	2.80	0	0	0
Data Automat Ctr N						
615 Data Automat Ctr N	0	0	7.30	0	0	0
Fleet Aux Ships Nav						
620 Fleet Aux Ships Nav	0	0	3.00	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
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 (Dollars in Thousands)

624 Other MSC Purchas	0	0	3.00	0	0	0	0
630 Naval Rsch Lab	0	0	5.60	0	0	0	0
631 Naval Civil Engrn C	6	0	4.10	0	0	6	0
633 Naval Pub & Prnt S	383	0	9.80	38	-29	392	0
635 Naval Pub Wks Ctr	2	0	2.80	0	0	2	0
637 Naval Shipyards	0	0	4.90	0	0	0	0
651 Airlift Svcs Trng &	117	0	3.00	4	1	122	0
652 Airlift Svcs Med Ev	0	0	3.00	0	0	0	0
663 Laundry & Dry Clea	0	0	0.00	0	0	0	0
671 Communications Sv	1	0	3.00	0	0	1	0
673 Def Finance & Acct	0	0	6.40	0	0	0	0
679 Cost Reimbursible S	0	0	3.00	0	0	0	0
699 Total Purchases	509	0		42	-28	523	0
701 MAC Cargo	0	0	3.00	0	0	0	0
702 MAC SAAM	0	0	-5.40	0	0	0	0
703 JCS Exercises	0	0	-5.40	0	0	0	0
711 MSC Cargo	0	0	13.20	0	0	0	0
721 MTMC Port Handli	0	0	9.90	0	0	0	0
725 MTMC Other	0	0	3.00	0	0	0	0
731 Commercial Air	11	0	3.00	0	0	11	0
741 Commercial Ships	0	0	3.00	0	0	0	0
751 Commercial Land	6	0	3.00	0	0	7	0
761 Other Transportatio	134	0	3.00	4	-0	138	0
799 Total Transportation	151	0		4	0	155	0
9XX Civ Pay Reimburs H	29643	0	2.93	869	-325	30187	0
901 Foreign Nat Ind Hire	154	0	2.93	5	-3	156	0
902 Separation Liability	2	0	2.93	0	0	2	0
912 Rental Pay to GSA	45	0	3.00	1	1	47	0
913 Purchased Utilities	0	0	3.00	0	0	0	0
914 Purchased Commun	1	0	3.00	0	0	1	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents non GSA	219	0	3.00	7	-1	225
916 Disability Comp	0	0	3.00	0	0	0
917 Postal Svcs	0	0	0.00	0	0	0
920 Supplies & Mat	5637	0	3.00	169	-26	5780
921 Printing & Reproduc	876	0	3.00	26	-1	901
922 Equipt Maint Contra	315	0	3.00	9	-6	318
923 Facility Maint Contr	0	0	3.00	0	0	0
925 Equipt Purchases	2554	0	3.00	77	3	2634
926 Overseas Purchases	10	0	3.00	0	0	10
930 Other Depot Maint	0	0	3.00	0	0	0
931 Contract Consultant	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Sv	0	0	3.00	0	0	0
933 Studies Analysis Ev	0	0	3.00	0	0	0
934 Engineering Tech Sv	0	0	3.00	0	0	0
937 Fuel	0	0	3.00	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	47	0	3.00	1	0	48
988 Grants	0	0	3.00	0	0	0
989 Other Contracts	85671	0	9.00	7710	313	93694
998 Other Costs*	4939	0	3.00	148	-731	4356
999 Total Purchases	130114	0		9022	-777	138358
9999 TOTAL	172246			9764	-558	181452

**Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Operation and Maintenance
 USUHS**

Detail By Sub-Activity Group: Uniformed Services University of the Health Sciences (USUHS)

I. Narrative Description: This Sub-activity Group provides for the education of military physicians and graduate education programs leading to masters or doctoral degrees in the biological sciences. The mission is to provide high quality, career dedicated military and Public Health Service physicians. The Vice President's National Performance Review recommended that USUHS be closed and that future physician accessions be obtained from less expensive sources. This budget includes an orderly phased closure of USUHS starting in FY 1996 with complete closure by FY 1999.

II. Description of Operations Financed: The Uniformed Services University of the Health Sciences provides for undergraduate medical teaching operations, as well as a limited basic sciences program which is necessary to meet needed teaching requirements and provide graduate education to qualified military personnel assigned to the University for masters and doctoral programs in the biological sciences.

III. Financial Summary (O&M: \$ in Thousands):

A. Sub-Activity Group: Uniformed Services University of the Health Sciences

	FY 1994 <u>Actual</u>	<u>FY 1995</u>		FY 1996 <u>Current</u> <u>Estimate</u>	FY 1997 <u>Current</u> <u>Estimate</u>
		<u>Budget</u> <u>Request</u>	<u>Appropriated</u> <u>Estimate</u>		
Defense Health Program					
USUHS	57,067	40,847	50,457	43,700	44,400
Total	57,067	40,847	50,457	43,700	44,400

Defense Health Program Appropriation
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B. Reconciliation Summary (O&M \$ in thousands):

	Change <u>FY 1995/1995</u>	Change <u>FY 1995/1996</u>	Change <u>FY 1996/1997</u>
Baseline Funding	40,847	56,552	43,700
Congressional Adjustments			
Head and Neck	+1,000		
Disaster Management	+1,000		
USUHS Remain Open	+610		
Nurse Practitioner	+2,000		
Military Nursing Research	+5,000		
Price Change		+1,436	+1,256
Transfers In	+6,095	-14,288	-556
Program Changes		43,700	44,400
Current Estimate	56,552		

C. Reconciliation of Increases and Decreases (O&M \$ in thousands):

1. FY 1995 President's Budget Request	40,847
2. Congressional Adjustments	+9,610
Head and Neck	+1,000
Disaster Management	+1,000
USUHS Remain Open	+610
Nurse Practitioner	+2,000
Military Nursing Research	+5,000

**Defense Health Program Appropriation
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3. FY 1995 Appropriated Amount	50,457
4. Functional Transfers	+6,095
Functional transfer within the DHP O&M Appropriation du to restructure of the Program Elements Transfer of Head and Neck from Direct Patient Care.	+6,095
5. FY 1995 Current Estimate	56,552
6. Price Growth	+1,436
7. Program Increases	+104
a. Plus one paid day	
Adjusts program for one additional paid day in FY96	+104
Total Program Increases	+104
8. Program Decreases	-14,392
a. One time FY 1995 Congressional Adjustments	-9,898
Disaster Management	-1,030
USUHS	-628
Head and Neck	-1,030
Nurse Practitioner	-2,060
Military Nurse Research	-5,150

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**Defense Health Program Appropriation
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b. USUHS Phase Down		-4,494
	Decrease in travel transportation, utilities, printing, other services, supplies and equipment due to initial closure costs associated with the phased closure at USUHS.	
	Total Program Decreases	-14,392
9. FY 1996 Budget Request		43,700
10. Price Growth		+1,256
11. Program Decrease		-556
a. USUHS Phase down		-556
	Decrease in travel transportation, utilities, printing, other services, supplies and equipment due to initial closure costs associated with the phased closure at USUHS.	
	Total Program Decreases	-556
12. FY 1997 Budget Request		44,400

**Defense Health Program Appropriation
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IV. Performance Criteria and Evaluation Summary:

	FY 1994	FY 1995	FY 1996	FY 1997	Change FY1995/1996	Change FY 1996/1997
Medical Students						
Medical Student End Strength	671	671	505	335	-166	-170
Number of New Medical Students	157	156	0	0	-156	0
Number of New Medical Graduates	155	164	166	170	+2	+4
Cumulative Number of Medical Graduates	1,991	2,155	2,321	2,491	+166	+170
Other Graduate Students:						
Graduate End Strength	109	110	60	10	-50	-50
Number of New Graduate Students	46	45	0	0	-45	0
Number of New Graduates	44	40	10	10	-30	0
Cumulative No. of Graduates	358	398	408	418	+10	+10

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V. Personnel Summary: USUHS

	<u>FY1994</u>	<u>FY1995</u>	<u>FY1996</u>	<u>FY1997</u>	<u>Change FY1995/96</u>	<u>Change FY1996/97</u>
<u>Active Military End Strength (Total)</u>						
Officer	553	625	728	572	103	-156
Enlisted	58	72	72	72	0	0
Total Military	611	697	800	644	103	-156
<u>Civilian End Strength (Total)</u>						
U.S. Direct Hire	590	542	651	575	109	-76
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	590	542	651	575	109	-76
Foreign National Indirect Hire	0	0	0	0	0	0
Total Civilians	590	542	651	575	109	-76
<u>Active Military Workyears (Total)</u>						
Officer	641	589	677	650	88	-27
Enlisted	66	65	72	72	7	0
Total Military	707	654	749	722	95	-27
<u>Civilian Workyears (Total)</u>						
U.S. Direct Hire	558	562	527	490	-35	-37
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	558	562	527	490	-35	-37
Foreign National Indirect Hire	0	0	0	0	0	0
Total Civilians	558	562	527	490	-35	-37

Defense Health Program Appropriation
 Fiscal Year 1996/1997 Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1994 PROGRAM	FOREIGN CURRENCY ADJ	PRICE GROWTH PERCENT	PRICE GROWTH AMOUNT	PROGRAM GROWTH	FY1995 PROGRAM
USUHS						
301 Per Diem	800	0	0	0	200	1,000
302 Oth Travel Costs	566	0	2.80	16	100	682
303 MAC	0	0	2.30	0	0	0
307 Leased Vehicles	0	0	2.80	0	0	0
399 Total Travel	1,366	0		16	300	1,682
401 DFSC Fuel	0	0	-12.40	0	0	0
402 Service Fuel Fund	0	0	-12.40	0	0	0
411 Army Sup&Mat	0	0	8.00	0	0	0
412 Navy Sup&Mat	0	0	22.10	0	0	0
414 AF Supp&Mat	0	0	-9.90	0	0	0
415 DLA Sup&Mat	189	0	3.20	6	0	195
416 GSA Fund Equip	136	0	2.80	4	0	140
417 Local Proc Sup&Mat	0	0	2.80	0	0	0
499 Total Sup&Mat	325	0		10	0	335
502 Army Fund Equip	0	0	8.00	0	0	0
503 Navy Fund Equip	0	0	22.10	0	0	0
505 AF Fund Equip	0	0	-9.90	0	0	0
506 DLA Fund Equip	0	0	3.20	0	0	0
507 GSA Fund Equip	16	0	2.80	0	0	16
599 Total Fund Equip	16	0		0	0	16
602 Army Depot Cmd Maint	0	0	15.60	0	0	0
611 Navu Surf War Ctr	0	0	16.10	0	0	0
615 Data Auto Ctr Navy	0	0	1.40	0	0	0

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 USUHS

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 Summary of Price and Program Changes
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620 Fleet Aux Ships Navy	0	0	2.70	0	0	0
624 Oth MSC Purch	0	0	2.78	0	0	0
630 Naval Rsch Lab	0	0	1.90	0	0	0
631 Naval Civil Engrnr Ctr	0	0	6.00	0	0	0
633 Naval Pub &Pmt Ctr	0	0	16.00	0	0	0
635 Naval Pub Wks Ctr	0	0	0.20	0	0	0
637 Naval Shipyards	0	0	18.70	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.80	0	0	0
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Commun Svcs	0	0	2.80	0	0	0
673 Def Finance & Acct Svc	0	0	20.80	0	0	0
679 Cosr Reim Svcs	0	0	2.80	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	2.80	0	0	0
702 MAC SAAM	0	0	15.00	0	0	0
703 JCS Exercises	0	0	2.80	0	0	0
711 MSC Cargo	0	0	-24.20	0	0	0
721 MTMC Port Handling	0	0	9.50	0	0	0
725 MTMC Other	0	0	2.80	0	0	0
731 Comm Air	0	0	2.80	0	0	0
741 Comm Ships	0	0	2.80	0	0	0
751 Comm Land	0	0	2.80	0	0	0
761 Other Transp	95	0	2.80	3	0	98
799 Total Transportation	95	0		3	0	98
9XX Civ Pay Reimb Host	30,804	0	2.40	739	578	32,121
901 Foreign Nat Ind Hire	0	0	2.40	0	0	0
902 Seperation Liability	0	0	2.40	0	0	0
912 Rental Pay to GSA	0	0	2.80	0	0	0
913 Purchased Utilities	2,636	0	2.80	74	203	2,913
914 Purchased Commun	961	0	2.80	27	101	1,089

Defense Health Program Appropriation
 Fiscal Year 1996/1997 Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents Non GSA	80	0	2.80	2	(82)	0
916 Disability Comp	20	0	2.80	1	0	21
917 Postal Svcs	120	0	7.50	9	(129)	0
920 Supplies & Mat	2,115	0	2.80	59	(448)	1,726
921 Printing & Reproduction	160	0	2.80	4	0	164
922 Equip Maint Contracts	901	0	2.80	25	1	927
923 Facility Maint Contracts	1,062	0	2.80	30	1	1,093
925 Equip Purchases	1,211	0	2.80	34	100	1,345
926 Overseas Purchases	0	0	2.80	0	0	0
930 Other Depot Maint	0	0	2.80	0	0	0
931 Contract Consult	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	50	0	2.80	1	(11)	40
933 Studies Analysis Eval	50	0	2.80	1	(11)	40
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	0	0	2.80	0	0	0
985 DoD Counter Drug	7	0	2.80	0	(7)	0
987 Oth Intra-Govt	0	0	2.80	0	0	0
988 Grants	11,915	0	2.80	334	37	12,286
989 Oth Contracts	2,243	0	2.80	63	(2,306)	0
998 Oth Costs	930	0	2.80	26	(300)	656
999 Total Purchases	55,265	0		1,429	(2,273)	54,421
Total	57,067	0		1,458	(1,973)	56,552

Defense Health Program Appropriation
 Fiscal Year 1996/1997 Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1995 PROGRAM	FOREIGN CURRENCY ADJ	PRICE GROWTH PERCENT	PRICE GROWTH AMOUNT	PROGRAM GROWTH	FY1996 PROGRAM
USUHS						
301 Per Diem	1,000	0		0	(204)	796
302 Oth Travel Costs	682	0	3.00	20	(142)	560
303 MAC	0	0	3.00	0	0	0
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	1,682	0		20	(346)	1,356
401 DFSC Fuel	0	0	5.60	0	0	0
402 Service Fuel Fund	0	0	5.60	0	0	0
411 Army Sup&Mat	0	0	5.30	0	0	0
412 Navy Sup&Mat	0	0	-22.50	0	0	0
414 AF Supp&Mat	0	0	-16.50	0	0	0
415 DLA Sup&Mat	195	0	0.60	1	(30)	166
416 GSA Fund Equip	140	0	3.00	4	(7)	137
417 Local Proc Sup&Mat	0	0	3.00	0	0	0
499 Total Sup&Mat	335	0		5	(37)	303
502 Army Fund Equip	0	0	5.30	0	0	0
503 Navy Fund Equip	0	0	-22.50	0	0	0
505 AF Fund Equip	0	0	-16.50	0	0	0
506 DLA Fund Equip	0	0	0.60	0	0	0
507 GSA Fund Equip	16	0	3.00	0	(5)	11
599 Total Fund Equip	16	0		0	(5)	11
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Navu Surf War Ctr	0	0	2.80	0	0	0
615 Data Auto Ctr Navy	0	0	0.10	0	0	0

Defense Health Program Appropriation
 Fiscal Year 1996/1997 Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

620 Fleet Aux Ships Navy	0	0	2.80	0	0	0	0
624 Oth MSC Purch	0	0	2.78	0	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0	0
631 Naval Civil Engr Ctr	0	0	3.50	0	0	0	0
633 Naval Pub & Pmt Ctr	0	0	-6.80	0	0	0	0
635 Naval Pub Wks Ctr	0	0	1.00	0	0	0	0
637 Naval Shipyards	0	0	0.00	0	0	0	0
651 Airlift Svcs Trng & Ops	0	0	3.00	0	0	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0	0
671 Commun Svcs	0	0	3.00	0	0	0	0
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0	0
679 Cosr Reim Svcs	0	0	3.00	0	0	0	0
699 Total Purchases	0	0		0	0	0	0
701 MAC Cargo	0	0	3.00	0	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0	0
725 MTMC Other	0	0	3.00	0	0	0	0
731 Comm Air	0	0	3.00	0	0	0	0
741 Comm Ships	0	0	3.00	0	0	0	0
751 Comm Land	0	0	3.00	0	0	0	0
761 Other Transp	98	0	3.00	3	(41)	60	60
799 Total Transportation	98	0		3	(41)	60	60
9XX Civ Pay Reimb Host	32,121	0	2.30	739	(1,916)	30,944	30,944
901 Foreign Nat Ind Hire	0	0	2.30	0	0	0	0
902 Seperation Liability	0	0	2.30	0	0	0	0
912 Rental Pay to GSA	0	0	3.00	0	0	0	0
913 Purchased Utilities	2,913	0	3.00	87	(44)	2,956	2,956
914 Purchased Commun	1,089	0	3.00	33	45	1,167	1,167

Defense Health Program Appropriation
 Fiscal Year 1996/1997 Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents Non GSA	0	0	3.00	0	0	102	102
916 Disability Comp	21	0	3.00	0	1	(22)	0
917 Postal Svcs	0	0	2.50	0	0	74	74
920 Supplies & Mat	1,726	0	3.00	52	52	658	2,436
921 Printing & Reproduction	164	0	3.00	5	5	(87)	82
922 Equip Maint Contracts	927	0	3.00	28	28	(121)	834
923 Facility Maint Contracts	1,093	0	3.00	33	33	11	1,137
925 Equip Purchases	1,345	0	3.00	40	40	(556)	829
926 Overseas Purchases	0	0	3.00	0	0	0	0
930 Other Depot Maint	0	0	3.00	0	0	0	0
931 Contract Consult	0	0	3.00	0	0	0	0
932 Mgmt & Prof Spt Svc	40	0	3.00	1	1	(11)	30
933 Studies Analysis Eval	40	0	3.00	1	1	(11)	30
934 Engineering Tech Svc	0	0	3.00	0	0	0	0
937 Fuel	0	0	3.00	0	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0	0
987 Oth Intra-Govt	0	0	3.00	0	0	0	0
988 Grants	12,286	0	3.00	369	369	(12,489)	166
989 Oth Contracts	0	0	3.00	0	0	867	867
998 Oth Costs	656	0	3.00	20	20	(360)	316
999 Total Purchases	54,421	0	3.00	1,409	1,409	(13,860)	41,970
Total	56,552	0		1,437	1,437	(14,289)	43,700

Defense Health Program Appropriation
 Fiscal Year 1996/1997 Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1996 PROGRAM	FOREIGN CURRENCY ADJ	PRICE GROWTH PERCENT	PRICE GROWTH AMOUNT	PROGRAM GROWTH	FY1997 PROGRAM
USUHS						
301 Per Diem	796	0		0	(373)	423
302 Oth Travel Costs	560	0	3.00	17	(265)	312
303 MAC	0	0	3.00	0	0	0
307 Leased Vehicles	0	0	3.00	0	0	0
399 Total Travel	1,356	0		17	(638)	735
401 DFSC Fuel	0	0	1.30	0	0	0
402 Service Fuel Fund	0	0	1.30	0	0	0
411 Army Sup&Mat	0	0	4.20	0	0	0
412 Navy Sup&Mat	0	0	11.80	0	0	0
414 AF Supp&Mat	0	0	5.30	0	0	0
415 DLA Sup&Mat	166	0	-1.00	(2)	(0)	164
416 GSA Fund Equip	137	0	3.00	4	0	141
417 Local Proc Sup&Mat	0	0	3.00	0	0	0
499 Total Sup&Mat	303	0		2	0	305
502 Army Fund Equip	0	0	4.20	0	0	0
503 Navy Fund Equip	0	0	11.80	0	0	0
505 AF Fund Equip	0	0	5.30	0	0	0
506 DLA Fund Equip	0	0	-1.00	0	0	0
507 GSA Fund Equip	11	0	3.00	0	1	12
599 Total Fund Equip	11	0		0	1	12
602 Army Depot Cmd Maint	0	0	9.90	0	0	0
611 Navu Surf War Ctr	0	0	2.10	0	0	0
615 Data Auto Ctr Navy	0	0	7.30	0	0	0

Defense Health Program Appropriation
 Fiscal Year 1996/1997 Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

620 Fleet Aux Ships Navy	0	0	2.80	0	0	0	0
624 Oth MSC Purch	0	0	2.78	0	0	0	0
630 Naval Rsch Lab	0	0	5.60	0	0	0	0
631 Naval Civil Engr Ctr	0	0	4.10	0	0	0	0
633 Naval Pub &Pmt Ctr	0	0	9.80	0	0	0	0
635 Naval Pub Wks Ctr	0	0	2.80	0	0	0	0
637 Naval Shipyards	0	0	4.90	0	0	0	0
651 Airlift Svcs Trng & Ops	0	0	3.00	0	0	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0	0
671 Commun Svcs	0	0	3.00	0	0	0	0
673 Def Finance & Acct Svc	0	0	6.40	0	0	0	0
679 Cosr Reim Svcs	0	0	3.00	0	0	0	0
699 Total Purchases	0	0		0	0	0	0
701 MAC Cargo	0	0	3.00	0	0	0	0
702 MAC SAAM	0	0	-5.40	0	0	0	0
703 JCS Exercises	0	0	-5.40	0	0	0	0
711 MSC Cargo	0	0	13.20	0	0	0	0
721 MTMC Port Handling	0	0	9.90	0	0	0	0
725 MTMC Other	0	0	3.00	0	0	0	0
731 Comm Air	0	0	3.00	0	0	0	0
741 Comm Ships	0	0	3.00	0	0	0	0
751 Comm Land	0	0	3.00	0	0	0	0
761 Other Transp	60	0	3.00	2	0	0	62
799 Total Transportation	60	0		2	0	0	62
9XX Civ Pay Reimb Host	30,944	0	2.93	907	(2,226)	29,625	
901 Foreign Nat Ind Hire	0	0	2.93	0	0	0	0
902 Seperation Liability	0	0	2.93	0	0	0	0
912 Rental Pay to GSA	0	0	3.00	0	0	0	0
913 Purchased Utilities	2,956	0	3.00	89	54	3,099	
914 Purchased Commun	1,167	0	3.00	35	(8)	1,194	

Defense Health Program Appropriation
 Fiscal Year 1996/1997 Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents Non GSA	102	0	3.00	3	48	153
916 Disability Comp	0	0	3.00	0	22	22
917 Postal Svcs	74	0	0.00	0	(44)	30
920 Supplies & Mat	2,436	0	3.00	73	(7)	2,502
921 Printing & Reproduction	82	0	3.00	2	(40)	44
922 Equip Maint Contracts	834	0	3.00	25	42	901
923 Facility Maint Contracts	1,137	0	3.00	34	30	1,201
925 Equip Purchases	829	0	3.00	25	528	1,382
926 Overseas Purchases	0	0	3.00	0	0	0
930 Other Depot Maint	0	0	3.00	0	0	0
931 Contract Consult	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	30	0	3.00	1	(11)	20
933 Studies Analysis Eval	30	0	3.00	1	(11)	20
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	0	0	3.00	0	0	0
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Oth Intra-Govt	0	0	3.00	0	0	0
988 Grants	166	0	3.00	5	(171)	0
989 Oth Contracts	867	0	3.00	26	1,999	2,892
998 Oth Costs	316	0	3.00	9	(124)	201
999 Total Purchases	41,970	0	3.00	1,235	81	43,286
Total	43,700	0		1,256	(556)	44,400

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
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Sub-activity Group: Base Operations Support

I. Description of Operations Financed: Base Operations (BASOPS) refers to the resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. The DHP's BASOPS provides for facilities and services at military medical activities supporting active duty combat forces, reserve and guard components, training, military dependents, eligible retirees, and family members. The program consists of seven components:

Environmental Compliance - costs required to comply with environmental laws, regulations, criteria, and standards. This applies to manpower, training, travel, and supplies.

Minor Construction - all construction costs less than the statutory maximum amount for minor military construction projects as established by section 2805 of Title 10 U.S.C. in support of medical centers and other installations with a primary mission of health care.

Maintenance and Repair - costs required to execute maintenance and repair of utilities, buildings, other facilities, pavements, land, and grounds. This includes, but is not limited to, such things as repair of electrical circuitry, heating and air conditioning, water piping, and routine maintenance work such as caulking, painting, etc. in medical centers and other installations with a primary mission of health care.

Visual Information Systems - costs required to provide manpower, travel, contractual service, procurement of supplies and materials, expense equipment, necessary facilities and the associated costs specifically identifiable to visual information productions, services, and support.

Base Communications - costs required to provide base communication resources to DHP medical activities. This includes non-tactical, non-DCS base communications facilities and equipment systems that provide local communications worldwide to installations and activities.

Base Operation Support - costs required to provide comptroller services, ADP services, information activities, legal activities, civilian personnel administration, military personnel administration, printing and reproduction, installation safety, management analysis/engineering services, retail supply operations, supply activities, procurement operations, storage activities, transportation activities, physical security and police activities, laundry and dry cleaning, food services, and moral, welfare and recreation activities.

**Defense Health Program Appropriation
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Real Property Services - Two new program elements were established in FY 1995 for CONUS and OCONUS costs. In previous periods, the costs were included within Base Operation Support program elements. As now defined, costs include purchased utilities, air conditioning and refrigeration, utility fuels, fire protection, crash rescue, snow and ice removal, entomological services, elevator maintenance/inspections, custodial services, refuse collection and disposal, sewer and waste systems, rental of real property, facility engineering and public works management, other installation engineering services and other annual service requirements performed in-house or by contract.

II. Force Structure Summary:

	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
Hospitals / Medical Centers	132	127	124	124
Medical Clinics	520	504	510	508

III. Financial Summary (\$ In Thousands):

A. Sub-Activity Group: Base Operations Support

	<u>FY 1994</u>		<u>FY 1995</u>		<u>FY 1996</u>		<u>FY 1997</u>	
	<u>Budget</u>	<u>Request</u>	<u>Appropriated</u>	<u>Current</u>	<u>Budget</u>	<u>Request</u>	<u>Budget</u>	<u>Request</u>
Environmental Compliance	26,342	18,875	18,748	17,050	17,067	17,067	15,597	15,597
Minor Construction	58,099	22,755	22,755	34,704	36,870	36,870	37,272	37,272
Maintenance and Repair	271,586	211,889	215,996	305,673	317,210	317,210	330,644	330,644
Visual Information Systems	9,974	12,316	12,148	11,550	11,819	11,819	11,993	11,993
Base Communications	40,675	34,933	34,899	39,920	40,460	40,460	42,213	42,213
Base Operations Support	457,734	472,165	467,922	255,317	260,006	260,006	264,927	264,927
Real Property Services (1)	—	—	—	<u>226,413</u>	<u>230,573</u>	<u>230,573</u>	<u>234,935</u>	<u>234,935</u>
Total	864,410	772,933	772,468	890,627	914,005	914,005	937,581	937,581

(1) Real Property Services for CONUS and OCONUS, Program Elements 8077790 and 8079790, respectively, are new for FY 1995.

**Defense Health Program Appropriation
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III. Financial Summary (\$ In Thousands) Continued:

B. Reconciliation Summary

	Change FY 1995/1995	Change FY 1995/1996	Change FY 1996/1997
Baseline Funding	772,933	890,627	914,005
Congressional Adjustments	-465	0	0
Price Change	0	27,298	27,819
Transfers In/Out	118,159	0	0
Functional Transfers	0	0	-1,000
Program Changes	<u>0</u>	<u>-3,920</u>	<u>-3,243</u>
Current Estimate	890,627	914,005	937,581

C. Reconciliation of Increases and Decreases: Base Operations Support

1. FY 1995 President's Budget Request	772,933
2. Congressional Adjustments	-465
a. Maintenance & Repair Bassett Army Hospital	+2,000
b. Maintenance & Repair Naval Hospital Agana Guam	+3,000
c. Civilian End Strength Reduction	-5,465
3. FY 1995 Appropriated Amount	772,468

**Defense Health Program Appropriation
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C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

4. Transfers In (FY 1995 Appropriated / FY 1995 Current Estimate)

a. Minor Construction

+11,949

Required for additional facility projects to meet fire, life safety, and accreditation requirements and to extend the life cycle of existing medical facilities.

b. Maintenance & Repair

+89,677

Required to support the increased operating costs of ownership of additional plant value resulting from occupancy of new or expanded facilities and the repair, upgrade, and maintenance of our existing infrastructure to required modern standards in order to offset reductions in the medical military construction program. DHP minimum essential maintenance and repair revitalization goals have been developed and expressed as a percent of Plant Replacement Value (PRV). In this budget, the minimum essential PRV revitalization goals for maintenance and repair are: 2.5 percent for hospital/medical facilities; 2.0 percent for troop housing and dining facilities; 1.5 percent for training, utility and other personnel support facilities; and 1.0 percent for our remaining facility inventory.

c. Base Communications

+5,021

Required to align costs with prior year execution resulting from increased purchased communications costs.

d. Base Operations/Real Property Services

+13,808

Required for additional planning and development of minor construction and maintenance and repair projects and increased purchased utility costs.

**Defense Health Program Appropriation
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C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

Total Transfers In +120,455

5. Transfers Out (FY 1995 Appropriated / FY 1995 Current Estimate)

a. Environmental -1,698

Aligns program to current requirement after completing FY 94 one time environmental project backlog.

b. Visual Information -598

Reduces program to more closely align to FY 94 execution.

Total Transfers Out -2,296

6. FY 1995 Current Estimate 890,627

7. Price Growth +27,298

8. Program Increases (FY 1995 Current Estimate / FY 1996 Budget Request)

a. One more paid day +539

b. Minor Construction +919

This program increase is required to meet fire, life safety, and accreditation requirements and to extend the life cycle of existing medical facilities.

**Defense Health Program Appropriation
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C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

c. Maintenance & Repair +6,812

Increase in essential Maintenance & Repair due to increases in the Plant Replacement Value (PRV) of DHP facilities. The same PRV methodology has been applied as for the previous period (FY 1995/FY 1995).

Total Program Increases +8,270

9. Program Decreases (FY 1995 Current Estimate/FY 1996 Budget Request)

a. Base Realignment and Closure. -5,423

Reflects anticipated personnel and infrastructure reductions as a result of cessation of inpatient and outpatient care and closure of Vicenza Army Field Hospital, Orlando (annualized FY 1995 reductions) and Oakland Naval Hospitals, and March Air Force Hospital.

- (1) Environmental Compliance -108
- (2) Minor Construction -220
- (3) Maintenance & Repair -1,898
- (4) Base Communications -214
- (5) Base Operations -1,627
- (6) Real Property Services -1,356

b. Base Operations Support -1,641

This decrease reflects the reduced level of effort associated with decreases in population supported and related facility infrastructure changes due to force structure downsizing.

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C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

c. Non-recurring cost for FY 95

-5,126

Decrease represents the Maintenance and Repair reduction related to the FY 95 Congressional add-on for Bassett Army Hospital and Naval Hospital Agana Guam.

Total Program Decreases

-12,190

10. FY 1996 Budget Request

914,005

11. Price Growth

+27,819

12. Functional Program Transfers

-1,000

Reflects the reduced funding level to be transferred in from Operation & Maintenance, Navy for the Environmental Compliance program.

13. Program Increases:

a. Maintenance & Repair

+3,779

Increase in essential Maintenance & Repair due to increased Plant Replacement Value (PRV) of DHP facilities. The same PRV methodology has been applied as for the previous period (FY 1995/FY 1995).

b. Base Communications

+522

Total Program Increases:

+4,301

**Defense Health Program Appropriation
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C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

14. Program Decreases:

a. Base Realignment and Closure

-6,602

Reflects anticipated personnel and infrastructure reductions as a result of cessation of inpatient and outpatient care and closure of Naval Hospital Oakland and annualized FY 1996 reductions for March Air Force Hospital.

- (1) Environmental Compliance -132
- (2) Minor Construction -264
- (3) Maintenance & Repair -2,370
- (4) Base Communications -270
- (5) Base Operations -1,915
- (6) Real Property Services -1,651

b. Base Operations Support

-942

This decrease reflects the reduced level of effort associated with decreases in population supported and related facility infrastructure changes due to force structure downsizing.

Total Program Decreases

-7,544

15. FY 1997 Budget Request

937,581

**Defense Health Program Appropriation
FY 1996/1997 Biennial Budget Estimates
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IV. Personnel Summary: Base Operations Support

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
<u>Active Military End Strength</u> ^{1/}						
Officer	865	866	842	841	-24	-1
Enlisted	2,472	2,494	2,426	2,421	-68	-5
Total Military End Strength	3,337	3,360	3,268	3,262	-92	-6
<u>Civilian End Strength</u> ^{1/}						
U.S. Direct Hire	3,591	3,522	3,485	3,461	-37	-24
Foreign National Direct Hire	44	44	44	44	0	0
Total Direct Hire	3,635	3,566	3,529	3,505	-37	-24
Foreign National Indirect Hire	98	98	98	98	0	0
Total Civilian End Strength	3,733	3,664	3,627	3,603	-37	-24
<u>Military Workyears</u>						
Officer	876	866	854	842	-12	-12
Enlisted	2,495	2,483	2,460	2,424	-23	-36
Total Military Workyears	3,371	3,349	3,314	3,266	-35	-48
<u>Civilian Workyears</u>						
U.S. Direct Hire	3,664	3,537	3,526	3,448	-11	-78
Foreign National Direct Hire	44	43	45	43	2	-2
Total Direct Hire	3,708	3,580	3,571	3,491	-9	-80
Foreign National Indirect Hire	92	97	100	97	3	-3
Total Civilian Workyears	3,807	3,677	3,671	3,588	-6	-83

^{1/} Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991.

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE Base Ops/Comm	FY1994 Program	Foreign Currency Adjust	Price		Price Growth Amount	Program Growth	FY1995 Program
			Growth Percent	Amount			
301 Per Diem	1320	0	0.00	0	-178	1142	
302 Other Travel Costs	1790	5	2.80	50	-301	1544	
303 MAC Passenger	98	0	2.30	2	-56	44	
307 Leased Vehicles	2030	0	2.80	57	36	2123	
399 Total Travel	5238	5		109	-500	4852	
401 DFSC Fuel	5725	0	-12.40	-710	-101	4914	
402 Service Fund Fuel	83	0	-12.40	-10	14	87	
411 Army Sup & Mat	2001	0	8.00	160	-5	2156	
412 Navy Sup & Mat	2792	0	22.10	617	-974	2435	
414 AF Sup & Mat	0	0	-9.90	0	0	0	
415 DLA Sup & Mat	1054	0	3.20	34	-208	880	
416 GSA Sup & Mat	375	0	2.80	11	-23	363	
417 Local Proc Sup & Mat	1482	0	2.80	41	-86	1437	
499 Total Sup & Mat	13512	0		143	-1382	12273	
502 Army Fund Equipt	583	0	8.00	47	4	634	
503 Navy Fund Equipt	207	0	22.10	46	-23	230	
505 AF Fund Equipt	223	0	-9.90	-22	-2	199	
506 DLA Fund Equipt	62	0	3.20	2	6	70	
507 GSA Fund Equipt	181	0	2.80	5	1	187	
599 Total Fund Equipt	1256	0		76	-14	1320	
602 Army Depot Cmd Maint	0	0	15.60	0	0	0	
611 Naval Surface War Ctr	0	0	16.10	0	0	0	
615 Data Automat Ctr Navy	0	0	1.40	0	0	0	
620 Fleet Aux Ships Navy	0	0	2.80	0	0	0	

Base Ops

Defense Health Program Appropriation
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 Summary of Price and Program Changes
 (Dollars in Thousands)

624 Other MSC Purchases	0	0	2.80	0	0	0	0	0
630 Naval Rsch Lab	0	0	1.90	0	0	0	0	0
631 Naval Civil Engrn Ctr	407	0	6.00	24	-379	52		
633 Naval Pub & Prnt Svc	6000	0	16.00	960	0	6960		
635 Naval Pub Wks Ctr	64175	0	0.20	128	2311	66614		
637 Naval Shipyards	1945	0	18.70	364	-1500	809		
651 Airlift Svcs Trng & Ops	0	0	2.80	0	0	0		
652 Airlift Svcs Med Evac	0	0	2.80	0	0	0		
663 Laundry & Dry Clean	0	0	0.00	0	0	0		
671 Communications Svc	4895	0	2.80	137	-390	4642		
673 Def Finance & Acct Svc	4747	0	20.80	987	-1974	3760		
679 Cost Reimbursible Svc	825	0	2.80	23	-823	25		
699 Total Purchases	82994	0		2623	-2755	82862		
701 MAC Cargo	0	0	2.80	0	0	0		
702 MAC SAAM	0	0	15.00	0	0	0		
703 JCS Exercises	0	0	2.80	0	0	0		
711 MSC Cargo	0	0	-24.20	0	0	0		
721 MTMC Port Handling	0	0	9.50	0	0	0		
725 MTMC Other	0	0	2.80	0	0	0		
731 Commercial Air	49	0	2.80	1	1	51		
741 Commercial Ships	82	0	2.80	2	-4	80		
751 Commercial Land	145	4	2.80	4	-20	133		
761 Other Transportation	2066	0	2.80	58	-110	2014		
799 Total Transportation	2342	4		65	-133	2278		
9XX Civ Pay Reimburs Host	133877	150	2.40	3217	-1601	135643		
901 Foreign Nat Ind Hire	2495	927	2.40	82	-340	3164		
902 Separation Liability	122	19	2.40	3	-28	116		
912 Rental Pay to GSA	3241	0	2.80	91	-0	3332		
913 Purchased Utilities	77769	621	2.80	2195	-4911	75674		
914 Purchased Communica	24648	186	2.80	695	-715	24814		

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 Base Ops

Defense Health Program Appropriation
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 Summary of Price and Program Changes
 (Dollars in Thousands)

915 Rents non GSA	3268	182	2.80	97	-150	3397
916 Disability Comp	4688	0	2.80	131	-123	4696
917 Postal Svcs	1112	0	7.50	83	-46	1149
920 Supplies & Mat	16794	113	2.80	473	-809	16571
921 Printing & Reproduct	1346	0	2.80	38	-130	1254
922 Equipt Maint Contract	4378	12	2.80	123	232	4745
923 Facility Maint Contract	87973	1762	2.80	2513	2867	95115
925 Equipt Purchases	4093	16	2.80	115	464	4688
926 Overseas Purchases	799	69	2.80	24	-43	849
930 Other Depot Maint	0	0	2.80	0	0	0
931 Contract Consultants	0	0	2.80	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.80	0	0	0
933 Studies Analysis Eval	0	0	2.80	0	0	0
934 Engineering Tech Svc	0	0	2.80	0	0	0
937 Fuel	605	0	2.80	17	33	655
985 DoD Counter Drug	0	0	2.80	0	0	0
987 Other Intra-Govt	3551	0	2.80	99	501	4151
988 Grants	0	0	2.80	0	0	0
989 Other Contracts	388009	8339	2.80	11098	-688	406758
998 Other Costs*	300	0	2.80	8	-38	270
999 Total Purchases	759068	12396		21102	-5524	787042
9999 TOTAL	864410	12405		24118	-10306	890627

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 (Dollars in Thousands)

LINE	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINE Base Ops/Comm						
301 Per Diem	1142	0	0.00	0	0	1142
302 Other Travel Costs	1544	0	3.00	46	-21	1569
303 MAC Passenger	44	0	3.00	1	0	45
307 Leased Vehicles	2123	0	3.00	64	-14	2173
399 Total Travel	4852	0		111	-35	4928
401 DFSC Fuel	4914	0	5.60	275	-145	5044
402 Service Fund Fuel	87	0	5.60	5	-7	85
411 Army Sup & Mat	2156	0	5.30	114	58	2328
412 Navy Sup & Mat	2435	0	-22.50	-548	367	2254
414 AF Sup & Mat	0	0	-16.50	0	0	0
415 DLA Sup & Mat	880	0	0.60	5	-45	839
416 GSA Sup & Mat	363	0	3.00	11	-25	350
417 Local Proc Sup & Mat	1437	0	3.00	43	-11	1469
499 Total Sup & Mat	12273	0		-95	192	12370
502 Army Fund Equip	634	0	5.30	34	16	684
503 Navy Fund Equip	230	0	-22.50	-52	82	260
505 AF Fund Equip	199	0	-16.50	-33	13	179
506 DLA Fund Equip	70	0	0.60	0	2	73
507 GSA Fund Equip	187	0	3.00	6	-1	192
599 Total Fund Equip	1320	0		-45	113	1387
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	2.80	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
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 (Dollars in Thousands)

624	Other MSC Purchases	0	0	3.00	0	0	0	0	0	0
630	Naval Rsch Lab	0	0	1.60	0	0	0	0	0	0
631	Naval Civil Engrnr Ctr	52	0	3.50	2	1	55	0	0	0
633	Naval Pub & Prnt Svc	6960	0	-6.80	-473	1587	8074	0	0	0
635	Naval Pub Wks Ctr	66614	0	1.00	666	-980	66300	0	0	0
637	Naval Shipyards	809	0	18.70	151	-396	564	0	0	0
651	Airlift Svcs Trng & Ops	0	0	3.00	0	0	0	0	0	0
652	Airlift Svcs Med Evac	0	0	3.00	0	0	0	0	0	0
663	Laundry & Dry Clean	0	0	0.00	0	0	0	0	0	0
671	Communications Svc	4642	0	3.00	139	-28	4754	0	0	0
673	Def Finance & Acct Svc	3760	0	-19.80	-744	-3016	-0	0	0	0
679	Cost Reimbursible Svc	25	0	3.00	1	0	26	0	0	0
699	Total Purchases	82862	0		-258	-2832	79772			
701	MAC Cargo	0	0	3.00	0	0	0	0	0	0
702	MAC SAAM	0	0	14.70	0	0	0	0	0	0
703	JCS Exercises	0	0	14.70	0	0	0	0	0	0
711	MSC Cargo	0	0	19.50	0	0	0	0	0	0
721	MTMC Port Handling	0	0	7.50	0	0	0	0	0	0
725	MTMC Other	0	0	3.00	0	0	0	0	0	0
731	Commercial Air	51	0	3.00	2	-1	52	0	0	0
741	Commercial Ships	80	0	3.00	2	0	82	0	0	0
751	Commercial Land	133	0	3.00	4	0	137	0	0	0
761	Other Transportation	2014	0	3.00	60	-4	2070	0	0	0
799	Total Transportation	2278	0		68	-4	2342			
9XX	Civ Pay Reimburs Host	135643	0	2.30	3120	888	139651			
901	Foreign Nat Ind Hire	3164	525	2.30	85	-685	3089			
902	Separation Liability	116	1	2.30	3	-13	107			
912	Rental Pay to GSA	3332	0	3.00	100	-7	3425			
913	Purchased Utilities	75674	16	3.00	2271	-1516	76444			
914	Purchased Communica	24814	22	3.00	745	-247	25335			

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915 Rents non GSA	3397	13	3.00	102	-20	3492
916 Disability Comp	4696	0	3.00	141	-141	4696
917 Postal Svcs	1149	0	2.50	29	-29	1149
920 Supplies & Mat	16571	1	3.00	497	-268	16801
921 Printing & Reproduct	1254	0	3.00	38	-68	1224
922 Equipt Maint Contract	4745	5	3.00	142	-37	4854
923 Facility Maint Contract	95115	795	3.00	2877	-17835	80952
925 Equipt Purchases	4688	1	3.00	141	-2228	2601
926 Overseas Purchases	849	2	3.00	26	-20	857
930 Other Depot Maint	0	0	3.00	0	0	0
931 Contract Consultants	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0
933 Studies Analysis Eval	0	0	3.00	0	0	0
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	655	0	3.00	20	-13	662
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	4151	0	3.00	125	-189	4087
988 Grants	0	0	3.00	0	0	0
989 Other Contracts	406758	3362	3.00	12304	20976	443401
998 Other Costs*	270	0	3.00	8	100	378
999 Total Purchases	787042	4743		22774	-1354	813205
9999 TOTAL	890627	4743		22555	-3920	914005

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	FY1996 Program	Currency Adjust	Growth Percent	Growth Amount	Program Growth	FY1997 Program
301 Per Diem	1142	0	0.00	0	-188	954
302 Other Travel Costs	1569	0	3.00	47	-55	1561
303 MAC Passenger	45	0	3.00	1	0	46
307 Leased Vehicles	2173	0	3.00	65	-4	2234
399 Total Travel	4928	0		113	-246	4795
401 DFSC Fuel	5044	0	1.30	66	161	5271
402 Service Fund Fuel	85	0	1.30	1	4	90
411 Army Sup & Mat	2328	0	4.20	98	88	2514
412 Navy Sup & Mat	2254	0	11.80	266	-252	2268
414 AF Sup & Mat	0	0	5.30	0	0	0
415 DLA Sup & Mat	839	0	-1.00	-8	15	846
416 GSA Sup & Mat	350	0	3.00	10	-37	323
417 Local Proc Sup & Mat	1469	0	3.00	44	-41	1472
499 Total Sup & Mat	12370	0		477	-62	12784
502 Army Fund Equipt	684	0	4.20	29	26	738
503 Navy Fund Equipt	260	0	11.80	31	-39	252
505 AF Fund Equipt	179	0	5.30	9	-26	162
506 DLA Fund Equipt	73	0	-1.00	-1	3	75
507 GSA Fund Equipt	192	0	3.00	6	-1	197
599 Total Fund Equipt	1387	0		74	-37	1425
602 Army Depot Cmd Maint	0	0	9.90	0	0	0
611 Naval Surface War Ctr	0	0	2.10	0	0	0
615 Data Automat Ctr Navy	0	0	7.30	0	0	0
620 Fleet Aux Ships Navy	0	0	3.00	0	0	0
624 Other MSC Purchases	0	0	3.00	0	0	0
630 Naval Rsch Lab	0	0	5.60	0	0	0

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Base Ops

Defense Health Program Appropriation
 FY 1996/1997 Biennial Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

631 Naval Civil Engr Ctr	55	0	4.10	2	1	58
633 Naval Pub & Pmt Svc	8074	0	9.80	791	501	9366
635 Naval Pub Wks Ctr	66300	0	2.80	1856	-571	67585
637 Naval Shipyards	564	0	4.90	28	16	608
651 Airlift Svcs Trng & Ops	0	0	3.00	0	0	0
652 Airlift Svcs Med Evac	0	0	3.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	4754	0	3.00	143	-161	4736
673 Def Finance & Acct Svc	-0	0	6.40	0	0	-0
679 Cost Reimbursible Svc	26	0	3.00	1	0	27
699 Total Purchases	79772	0		2821	-213	82380
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-5.40	0	0	0
703 JCS Exercises	0	0	-5.40	0	0	0
711 MSC Cargo	0	0	13.20	0	0	0
721 MTMC Port Handling	0	0	9.90	0	0	0
725 MTMC Other	0	0	3.00	0	0	0
731 Commercial Air	52	0	3.00	2	-1	53
741 Commercial Ships	82	0	3.00	2	0	84
751 Commercial Land	137	0	3.00	4	0	142
761 Other Transportation	2070	0	3.00	62	-4	2128
799 Total Transportation	2342	0		70	-4	2407
9XX Civ Pay Reimburs Host	139651	0	2.93	4092	-3977	139766
901 Foreign Nat Ind Hire	3089	0	2.93	91	-154	3026
902 Separation Liability	107	0	2.93	3	-2	108
912 Rental Pay to GSA	3425	0	3.00	103	-8	3520
913 Purchased Utilities	76444	0	3.00	2293	1188	79925
914 Purchased Communica	25335	0	3.00	760	220	26315
915 Rents non GSA	3492	0	3.00	105	-122	3475
916 Disability Comp	4696	0	3.00	141	-141	4696

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 Base Ops

Defense Health Program Appropriation
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917 Postal Svcs	1149	0	0.00	0	-65	1084
920 Supplies & Mat	16801	0	3.00	504	-250	17055
921 Printing & Reproduct	1224	0	3.00	37	-68	1193
922 Equipt Maint Contract	4854	0	3.00	146	-109	4891
923 Facility Maint Contract	80952	0	3.00	2429	-1305	82075
925 Equipt Purchases	2601	0	3.00	78	-314	2365
926 Overseas Purchases	857	0	3.00	26	-2	881
930 Other Depot Maint	0	0	3.00	0	0	0
931 Contract Consultants	0	0	3.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	3.00	0	0	0
933 Studies Analysis Eval	0	0	3.00	0	0	0
934 Engineering Tech Svc	0	0	3.00	0	0	0
937 Fuel	662	0	3.00	20	-1	681
985 DoD Counter Drug	0	0	3.00	0	0	0
987 Other Intra-Govt	4087	0	3.00	123	-163	4047
988 Grants	0	0	3.00	0	0	0
989 Other Contracts	443401	0	3.00	13302	1549	458252
998 Other Costs*	378	0	3.00	11	45	434
999 Total Purchases	813205	0		24264	-3680	833790
9999 TOTAL	914005	0		27819	-4243	937581

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 Base Ops