



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

MAY 21 2015

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

As requested by the Joint Explanatory Statement, page 101 accompanying the Department of Defense Appropriations Act, 2015, Division C of Public Law 113-235, enclosed is the Fiscal Year 2015 first quarter budget activities execution data report for the Defense Health Program.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being provided to the other congressional defense committees.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Carson".

Brad Carson
Acting

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member



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The Honorable William M. "Mac" Thornberry
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

MAY 21 2015

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Brad Carson
Acting

Enclosure:
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cc:
The Honorable Adam Smith
Ranking Member



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MAY 21 2015

The Honorable Thad Cochran
Chairman
Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510

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Brad Carson
Acting

Enclosure:
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cc:
The Honorable Richard J. Durbin
Vice Chairman



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MAY 21 2015

The Honorable Rodney P. Frelinghuysen
Chairman
Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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Brad Carson
Acting

Enclosure:
As stated

cc:
The Honorable Peter J. Visclosky
Ranking Member



**Defense Health Program
Quarterly Budget Execution
First Quarter, FY 2015**

Issue: As requested by the Joint Explanatory Statement, page 101, Senate Report 113-211, page 249, and House Report 113-473, page 283, each accompanying separate versions of the Department of Defense Appropriations Act, 2015, this report provides the first quarter fiscal year 2015 budget execution data for all Defense Health Program Activities.

Summary: The first quarter budget executed while under Continuing Resolution until P.L. 113-235, Consolidated and Further Appropriations Act, for FY 2015, was enacted on December 16, 2014.

Note: An escalating funding issue is that the cost of compound pharmaceuticals distributed by retail pharmacies in the private sector is executing at a rate of approximately \$70 million more per month than the amount budgeted for the requirement.

Appropriation*	Budget (\$M)	Obligations (\$M)
Operation and Maintenance	30,012.048	8,168.008
Research, Development, Test and Evaluation	1,730.536	10.355
Procurement	308.413	2.442

* Attachment includes additional information for each appropriation

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