



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

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

JAN 4 2017

Dear Mr. Chairman:

As requested in the Joint Explanatory Statement, accompanying the Department of Defense Appropriations Act, 2016, (Public Law 114-113), enclosed is the fiscal year 2016, fourth quarter, budget activities execution data report for the Defense Health Program. A similar letter is being provided to the other Congressional defense committees.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families.

Sincerely,

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Peter Levine

Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member



**Defense Health Program
Quarterly Budget Execution
Fourth Quarter, FY 2016**

Issue: As requested by the Joint Explanatory Statement, accompanying the Department of Defense Appropriations Act, 2016 (Public Law 114-113), the fourth quarter fiscal year (FY) 2016 budget execution data for all Defense Health Program Activities is below.

Report Request:

Requests the Assistant Secretary of Defense (Health Affairs) to provide quarterly reports to the congressional defense committees on budget execution data for all of the Defense Health Program budget activities.

Summary: The cumulative fourth quarter Operation and Maintenance budget execution rate is 99.54 percent.

Note: The enacted amount for the FY 2016 Defense Health Program Operation and Maintenance Private Sector Care Budget Activity Group, \$14,525.137 million, includes an additional \$137.735 million approved in the FY 16-22 PA (OMNIBUS) to sustain the delivery of health care services to beneficiaries through September.

Appropriation*	Budget (\$M)	Obligations (\$M)
Operation and Maintenance	29,726.391	29,588.864
Research, Development, Test and Evaluation	2,121.452	685.343
Procurement	298.116	58.694

* Attachment includes additional information for each appropriation

**FY 2016 Budget Execution Data
Defense Health Program
Data as of September 30, 2016
(\$000s)**

FY 2016 Operation and Maintenance

Budget Activity Group	Title	Base Budget Request	Enacted Appropriation ^{1/3}	Adjustments Required by Statute ¹	Above Threshold Reprogrammings ²	Internal Adjustments ⁴	Annual Funded Program (AFP) Sep 30, 2016	Cumulative Obligations Sep 30, 2016
1	In House Care	9,082,298	8,864,562	-60,140	-70,461		8,733,961	8,703,334
2	Private Sector Care	14,892,683	14,387,402		137,735		14,525,137	14,521,757
3	Consolidated Health Support ^{2/4}	2,415,658	2,153,327		-127,910	-7,167	2,018,250	1,996,202
4	Information Management ⁴	1,677,827	1,649,614			-14,472	1,635,142	1,611,416
5	Management Activities ⁴	327,967	325,908			-3,000	322,908	310,231
6	Education and Training ⁴	750,614	727,864			-27,744	700,120	694,169
7	Base Operations & Communications ^{3/4}	1,742,893	1,733,490	5,000		52,383	1,790,873	1,751,755
	Total O&M	30,889,940	29,842,167	-55,140	-60,636	-	29,726,391	29,588,864

NOTE: Amounts do not include Overseas Contingency Operations (OCO) obligations or Medicare Eligible Retiree Health Care Fund (MERHCF) obligations.

^{1/} Enacted includes congressional adjustments totaling \$-1,107,913: specific BAG adjustments total \$-1,047,773 and General Provision adjustments total \$-60,140 for Favorable Exchange Rate (BAG 1 \$-60,140).

^{2/} Mandatory transfers to Department of Veterans Affairs for Federal Health Care Center (FHCC) (BAG 3 \$-120,387) and transfer to DoD/VA Joint Incentive Fund (JIF) (BAG3 \$-15,000) for annual requirements per Congressional language. Internal reprogrammings: FY 16-08 IR/ Congressional Special Interest (CSI) Healthy Base Initiative (HBI) (BAG3 \$+3,000); FY 16-23 IR/ Foreign Currency Fluctuation, Defense (BAG3 \$+4,477).

Congressional prior approval reprogrammings:

FY 16-22 PA/Private Sector Care (BAG2 \$+70,461) from DHP (BAG1 \$-70,461).

FY 16-22 PA/Private Sector Care (BAG2 \$+67,274), see below for source from Procurement.

^{3/} Includes funding for Fisher House Foundation construction and initial outfitting of new comfort homes (BAG7 \$+5,000).

^{4/} Includes adjustment to BAG7 \$+52,383 from BAG3 \$-7,167; BAG4 \$-14,472; BAG5 \$-3,000 and BAG6 \$-27,744.

FY 2016/2017 Research, Development, Test and Evaluation^{1/2}

		980,101	2,121,933	-481			2,121,452	685,343
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^{1/} Enacted includes congressional adjustments totaling \$+1,141,351: congressional research adjustments (\$+1,141,832) and General Provision adjustments for Federally Funded Research and Development Centers (\$-481).

^{2/} RDT&E funds includes set aside for Small Business Innovation Research (SBIR) Program is \$63,404, and RDT&E funds set aside for Small Business Technology Transfer (STTR) Program is \$9,511.

FY 2016/2018 Procurement^{1/2}

		373,287	365,390		-67,274		298,116	58,694
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^{1/} Enacted includes congressional adjustments totaling \$-7,897 for Integrated Electronic Health Record (iEHR) Department identified excess to requirement.

^{2/} Congressional prior approval reprogramming: FY 16-22 PA/\$-67,274 includes Replacement and Modernization of Medical Equipment \$-49,554 and Initial Outfitting and Transition \$-17,720, for O&M Private Sector Care BAG2.



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WASHINGTON, DC 20301-4000

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

JAN 4 2017

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Peter Levine
Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Peter J. Visclosky
Ranking Member



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4000 DEFENSE PENTAGON
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The Honorable Thad Cochran
Chairman
Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510

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cc:
The Honorable Richard J. Durbin
Vice Chairman



PERSONNEL AND
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OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON
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The Honorable William M. "Mac" Thornberry
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

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cc:
The Honorable Adam Smith
Ranking Member