



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

OCT 29 2017

The Honorable Kay Granger
Chairwoman
Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairwoman:

The Joint Explanatory Statement, pages 77-78, accompanying H.R. 244, the Consolidated Appropriations Act, 2017 requested the Department to submit quarterly reports on budget execution data for all Defense Health Program (DHP) budget activities. Enclosed is the third quarter Fiscal Year 2017 budget activities execution data report for the DHP.

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

A handwritten signature in blue ink that reads "A. M. Kurta".

A. M. Kurta
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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OCT 29 2017

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

Dear Mr. Chairman:

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cc:
The Honorable Adam Smith
Ranking Member



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

Dear Mr. Chairman:

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Performing the Duties of the Under Secretary of
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cc:
The Honorable Jack Reed
Ranking Member



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OCT 29 2017

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

Dear Mr. Chairman:

The Joint Explanatory Statement, pages 77-78, accompanying H.R. 244, the Consolidated Appropriations Act, 2017 requested the Department to submit quarterly reports on budget execution data for all Defense Health Program (DHP) budget activities. Enclosed is the third quarter Fiscal Year 2017 budget activities execution data report for the DHP.

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A. M. Kurta
Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Richard J. Durbin
Vice Chairman



**Defense Health Program
Quarterly Budget Execution
Third Quarter, Fiscal Year 2017**

Issue: As requested by the House Report for Fiscal Year (FY) 2017, 114-577, page 273, and the Senate Report for FY 2017, 114-263, page 191-192, the third quarter FY 2017 budget execution data for all Defense Health Program (DHP) Activities is below.

Report Request: Requests the Assistant Secretary of Defense for Health Affairs to provide quarterly reports to the Congressional Defense Committees on budget execution data for all of the DHP budget activities.

Summary: The cumulative third quarter Operation and Maintenance (O&M) budget execution rate is 75 percent.

Appropriation*	Budget (\$000)	Obligations (\$000)
Operation and Maintenance	31,140,299	23,468,278
Research, Development, Test and Evaluation	2,101,627	82,832
Procurement	402,161	63,760

* Attachment includes additional information for each appropriation

While not included in the FY 2017 Third Quarter report that ends on June 30, 2017, the Department has subsequently submitted the following reprogramming/uses for the \$225.8M asset within the Private Sector Care budget activity group of the DHP O&M Appropriation that was identified as part of the March 2017, Request for Additional FY 2017 Appropriations:

- Transfer to support the establishment of the National Commission on Public Service (\$15M) completed on August 14, 2017.
- FY 17-June 16th reprogramming (\$136.8M) – approved \$98.8M with final implementation on September 30, 2017.

**FY 2017 Budget Execution Data
Defense Health Program
Data as of June 30, 2017
(\$000s)**

FY 2017 Operation and Maintenance

Budget Activity Group	Title	Base Budget Request	Enacted Appropriation ¹	Adjustments Required by Statute	Above Threshold Reprogrammings ⁴	Internal Adjustments	Annual Funded Program (AFP) June 30, 2017	Cumulative Obligations June 30, 2017
1	In House Care ²	9,240,160	9,159,329	-6,154			9,153,175	6,565,109
2	Private Sector Care	15,738,759	15,082,759				15,082,759	12,884,883
3	Consolidated Health Support	2,367,759	2,279,627		-135,549		2,144,078	1,248,402
4	Information Management	1,743,749	1,737,749				1,737,749	1,079,862
5	Management Activities	311,380	307,578				307,578	202,468
6	Education and Training	743,231	691,458				691,458	429,068
7	Base Operations & Communications ³	2,086,352	2,018,502	5,000			2,023,502	1,058,486
	Total O&M	32,231,390	31,277,002	-1,154	-135,549	-	31,140,299	23,468,278

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 \$-954,388.

^{2/} General Provision adjustments total \$-6,154 for Favorable Exchange Rate (BAG 1 \$-6,154).

^{3/} Includes funding for Fisher House Foundation construction and furnishing of additional Fisher houses (BAG7 \$+5,000).

^{4/} Mandatory transfers to Department of Veterans Affairs for Federal Health Care Center (FHCC) (BAG 3 \$-122,375) and transfer to DoD/VA Joint Incentive Fund (JIF) (BAG3 \$-15,000) for annual requirements per Congressional language. Internal Reprogramming actions for Drug Demand Reduction Program (DDRP) for BAG3 totaling \$1,826K [(FY 17-01 IR, BAG3 \$+604, and FY 17-10 IR, BAG3 \$+1,222)].

FY 2017/2018 Research, Development, Test and Evaluation^{1/2}

	822,907	2,102,107				2,102,107	82,832
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^{1/} Enacted includes congressional research adjustments totaling \$+1,279,200.

^{2/} RDT&E funds set aside for Small Business Innovation Research (SBIR) program is \$51,156, and for Small Business Technology Transfer (STTR) program is \$7,193.

FY 2017/2019 Procurement¹

	413,219	402,161				402,161	63,760
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^{1/} Enacted includes congressional adjustments for Replacement and Modernization totaling \$-11,058 (-\$9,000 initial outfitting of new construction ahead of need, and -\$2,058 excess price growth).