



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

The Honorable Daniel K. Inouye  
Chairman, Committee on Appropriations  
United States Senate  
Washington, DC 20510

SEP 11 2009

Dear Mr. Chairman:

This letter responds to the request in House Report 111-230 of the Committee on Appropriations for a report to the congressional defense committees by August 30, 2009, on the status of pharmaceutical rebates that have been collected in TRICARE's retail pharmacy program. The TRICARE Management Activity has received in fiscal year 2009 refunds based on Federal Ceiling Prices for retail pharmaceutical prescriptions. These refunds have been credited to the Defense Health Program and Medicare Eligible Retiree Health Care Fund accounts. Additional refunds under this program may continue to be received throughout the remainder of fiscal year 2009. The amount of refunds to be received in fiscal year 2010 is dependent on a number of factors, including the outcome of ongoing litigation with the pharmaceutical manufactures.

The enclosed report provides information regarding the current amount of fiscal year 2009 refunds, the status of implementing the retail pharmacy Federal Ceiling Price legislation, and the projected range of refunds anticipated in fiscal year 2010.

Thank you for your continued support of the Military Health System.

Sincerely,

Ellen P. Embrey  
Deputy Assistant Secretary of Defense  
(Force Health Protection and Readiness)  
Performing the Duties of the  
Assistant Secretary of Defense  
(Health Affairs)

Enclosure:  
As stated

cc:  
The Honorable Thad Cochran  
Ranking Member



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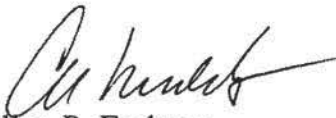
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SEP 11 2009

The Honorable David R. Obey  
Chairman, Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

This letter responds to the request in House Report 111-230 of the Committee on Appropriations for a report to the congressional defense committees by August 30, 2009, on the status of pharmaceutical rebates that have been collected in TRICARE's retail pharmacy program. The TRICARE Management Activity has received in fiscal year 2009 refunds based on Federal Ceiling Prices for retail pharmaceutical prescriptions. These refunds have been credited to the Defense Health Program and Medicare Eligible Retiree Health Care Fund accounts. Additional refunds under this program may continue to be received throughout the remainder of fiscal year 2009. The amount of refunds to be received in fiscal year 2010 is dependent on a number of factors, including the outcome of ongoing litigation with the pharmaceutical manufacturers.

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The Honorable Jerry Lewis  
Ranking Member





HEALTH AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, DC 20301-1200

SEP 11 2009

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

Dear Mr. Chairman:

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The Honorable C. W. Bill Young  
Ranking Member





HEALTH AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
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SEP 11 2009

The Honorable Carl Levin  
Chairman, Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

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cc:  
The Honorable John McCain  
Ranking Member



HEALTH AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, DC 20301-1200

SEP 11 2009

The Honorable Ben Nelson  
Chairman, Subcommittee on Personnel  
Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

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The Honorable Lindsey O. Graham  
Ranking Member



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SEP 11 2009

The Honorable Ike Skelton  
Chairman, Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

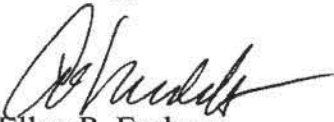
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The Honorable Howard P. "Buck" McKeon  
Ranking Member





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HEALTH AFFAIRS

SEP 11 2009

The Honorable Susan Davis  
Chairwoman, Subcommittee on Military Personnel  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Madam Chairwoman:

This letter responds to the request in House Report 111-230 of the Committee on Appropriations for a report to the congressional defense committees by August 30, 2009, on the status of pharmaceutical rebates that have been collected in TRICARE's retail pharmacy program. The TRICARE Management Activity has received in fiscal year 2009 refunds based on Federal Ceiling Prices for retail pharmaceutical prescriptions. These refunds have been credited to the Defense Health Program and Medicare Eligible Retiree Health Care Fund accounts. Additional refunds under this program may continue to be received throughout the remainder of fiscal year 2009. The amount of refunds to be received in fiscal year 2010 is dependent on a number of factors, including the outcome of ongoing litigation with the pharmaceutical manufactures.

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As stated

cc:  
The Honorable Joe Wilson  
Ranking Member

# REPORT ON STATUS OF IMPLEMENTATION OF FEDERAL CEILING PRICE LEGISLATION

AUGUST 2009

This report to the Congressional Defense Committees is in response to the request contained in H. Rept. 111-230, Report of the Committee on Appropriations to accompany H.R. 3326, the Department of Defense Appropriations Bill, 2010, filed July 24, 2009.

## Executive Summary.

The Committee wants to determine whether the \$761 million savings in the President's Budget for TRICARE retail pharmacy Federal Ceiling Price implementation will be realized or whether current circumstances suggest a shortfall that Congress should consider addressing through an increased appropriation. As explained below, a conclusive answer is not possible at this time due to pending litigation. However, if there is no litigation outcome adversely affecting DoD's implementation of the retail Federal Ceiling Price statute, the projected FY-2010 savings should be realized.

## Background.

The Committee Report noted (page 13) the addition of \$760,716,000 to the Defense Health Program appropriation for FY 2010 based on "Federal Pricing Rebates." As additional explanation (page 14), the Report stated:

### **PRIVATE SECTOR CARE SHORTFALL**

The Committee has been briefed on the funding shortfall that exists in the fiscal year 2009 Private Sector Care Budget Activity Group (BAG) for which the Department is using allowed operation and maintenance carryover and prior approval reprogramming authority to correct. The Committee has been made aware of a similar shortfall in fiscal year 2010. The shortfall is due to a workload increase for the Army, increased usage by Active Duty, Reserve Components and their dependents, in conjunction with the current economic situation **and the lack of pharmaceutical rebates collected by the Department for federal pricing.** The beneficiary population for TRICARE is currently 9.5 million beneficiaries while the budget is based on a 9.2 million beneficiary population. Therefore, the Committee has provided an additional \$1,281,716,000 to the Private Sector Care BAG to help alleviate the **shortfall in anticipation of the Department collecting the \$1,000,000,000 in rebates that are currently owed. The Committee directs the Secretary of Defense to report to the congressional defense committees by August 30, 2009, on the status of additional rebates that have been collected.** (Emphasis added.)

## Statutory and Regulatory Authority.

Section 703 of the National Defense Authorization Act for Fiscal Year 2008 enacted 10 U.S.C 1074g(f), which provides:

(f) Procurement of pharmaceuticals by TRICARE retail pharmacy program. With respect to any prescription filled on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2008 [January 28, 2008], the TRICARE retail pharmacy program shall be treated as an element of the Department of Defense for purposes of the procurement of drugs by Federal agencies under section 8126 of title 38 to the extent necessary to ensure that pharmaceuticals paid for by the Department of Defense that are provided by pharmacies under the program to eligible covered beneficiaries under this section are subject to the pricing standards in such section 8126.

The effect of this law is that for all prescriptions filled on or after January 28, 2008, all covered drug TRICARE Retail Pharmacy Network prescriptions are subject to Federal Ceiling Prices (FCPs). After a period for public comments under the rule making process of the Administrative Procedure Act, DoD implemented this law through the promulgation of a Final Rule (32 C.F.R. § 199.21(q), 74 Federal Register 11,279), published March 17, 2009, and effective May 26, 2009. The two primary provisions of the Final Rule are:

- Pharmaceutical manufacturers are required to sign a written agreement to honor FCPs as a condition of eligibility for preferred Tier 2 status on the Uniform Formulary (UF) and unrestricted access through retail network pharmacies. Consistent with standard commercial practice in the retail pharmacy sector and the established TRICARE program of voluntary retail refunds, FCPs are implemented through refunds of the amount above FCPs the manufacturer was paid when the drugs entered the commercial stream, typically through a sale to a distributor.
- For prescriptions not covered by a UF pricing agreement, FCPs still apply under the statute, but collection of the refund is subject to waiver or compromise, including a potential waiver of all collections if the manufacturer withdraws its drug from the TRICARE pharmacy benefits program. Waiver and compromise requests are considered based on the established TRICARE procedures under the Federal Debt Collection Act (32 C.F.R. § 199.11), which generally include Justice Department approval to waive or compromise a significant amount.



### Status of Implementation of Statute and Final Rule.

Since the effective date of the Final Rule, the status of implementation on these two primary provisions is as follows.

- Agreements with manufacturers have now been signed prospectively covering more than 90% of the dollar value of all potential FCP-based refunds. Additional agreements are expected in the coming weeks, which should raise the amount covered well above 90%. The effective dates of these prospective agreements are generally dates in June or July 2009.
- For prescriptions not covered by these agreements, particularly prescriptions filled between January 28, 2008, and the May 26, 2009 effective date of the Final Rule, most pharmaceutical manufacturers have requested waiver of any refunds. No company has requested removal of any of its drugs from TRICARE Pharmacy Benefits Program coverage. The waiver requests that have been submitted are pending review.

### Litigation Pending.

Also pending is litigation initiated by pharmaceutical manufacturers, acting through an association called The Coalition for Common Sense in Government Procurement. This litigation seeks to invalidate the Final Rule and obtain a Court order prohibiting DoD from collecting any refunds whatsoever. The government's answer in the litigation is to defend all provisions of the Final Rule. This case is pending in the United States District Court for the District of Columbia. A decision from the Court is expected before the end of the calendar year (although appeals or other circumstances could defer a conclusive resolution).

### Current Budget Projections.

In the Preamble to the Final Rule, DoD reported that the FY-2009 budget approved by the President and Congress incorporated FCP savings of \$352 million in the Defense Health Program appropriation. In FY-2010, the President's Budget projected \$761 million in reduced spending from the Defense Health Program appropriation (and an additional \$910 million in reduced spending from the Medicare-Eligible Retiree Health Care Fund).

In making projections such as these, it should be noted that there is a two quarter delay between prescriptions being filled and refunds collected. Thus, for example, the \$761 million savings for FY-2010 (refunds received during FY-2010) relates to

prescriptions filled in the retail pharmacy network between April 1, 2009 and March 30, 2010. DoD projected that applying FCPs to all of these prescriptions would produce budget savings (in the form of refunds credited to the DHP appropriation) of \$761 million.

In FY-2009, the full amount of projected savings was not realized due to the delay in completing the rule making process. The resulting Defense Health Program appropriation shortfall was resolved by supplemental appropriations from Congress.

Conclusion.

The following tables summarize:

- Refunds actually received in FY-2009.
- Projected refunds for FY-2010.
- A range of additional, possible, one-time FY-2010 refunds, depending on adjudication of waiver/compromise requests and possible further litigation.

FY-09 Refunds Actually Received (As of 4 August)	
Defense Health Program (DHP)	\$133,012,635.02
Medicare-Eligible Retiree Health Care Fund (MERHCF)	\$162,570,998.36
Total	\$295,583,633.38

Projected FY-10 Refunds For Drugs Covered by Pricing Agreements	
Defense Health Program (DHP)	\$714,150,000
Medicare-Eligible Retiree Health Care Fund (MERHCF)	\$872,850,000
Total	\$1,587,000,000

Projected FY-10 Refunds for Drugs <u>Not</u> Covered by Pricing Agreements	
Defense Health Program (DHP)	\$37,800,000
Medicare-Eligible Retiree Health Care Fund (MERHCF)	\$46,200,000
Total	\$84,000,000

Range of Additional Possible, One-Time FY-10 Refunds For Drugs Not Covered by Pricing Agreements for prescriptions filled January 28, 2008 through March 30, 2009; depending on adjudication of waiver/compromise requests	
Defense Health Program (DHP)	\$0 to \$522,000,000
Medicare-Eligible Retiree Health Care Fund (MERHCF)	\$ 0 to \$ 638,000,000
Total	\$0 to \$1,160,000,000



FULL COMMITTEE PRINT

101st Congress  
1st Session

HOUSE OF REPRESENTATIVES

Reprint  
111-

DEPARTMENT OF DEFENSE  
APPROPRIATIONS BILL, 2010

REPORT

OF THE

COMMITTEE ON APPROPRIATIONS

TO ACCOMPANY H.R.



JUNE 2009—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed



sure this funding is used for the loan guarantee program established under chapter 537 of title 46, United States Code.

DEFENSE COALITION SUPPORT FUND

Fiscal year 2009 appropriation .....	-----
Fiscal year 2010 budget request .....	\$22,000,000
Committee recommendation .....	0
Change from budget request .....	- 22,000,000

The Committee provides no funding for a new appropriation to finance the acquisition of defense articles and defense services in anticipation of their temporary use or transfer to eligible foreign countries and international organizations, including the support of coalition or international military stability or counter-terrorism operations. Funding for this purpose is included in title IX under "Operation and Maintenance, Defense-Wide".

OTHER DEPARTMENT

DEFENSE

Fiscal year 2009 appropriation .....	-----
Fiscal year 2010 budget request .....	-----
Committee recommendation .....	-----
Change from the budget request .....	-----

This appropriation funds the Department of Defense. The Department will provide the following pr

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHARGE FROM REQUEST
Defense Health Program:			
Operation and maintenance	26,987,919	28,257,565	+1,269,646
Procurement	322,142	384,142	+62,000
Research and development	613,102	1,246,402	+633,300
Total, Defense Health Program	27,903,163	29,891,109	+1,987,946

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS  
(In thousands of dollars)

	Budget Request	Committee Recommended	Change
OPERATION AND MAINTENANCE	26,987,919	28,257,565	1,269,646
IN-HOUSE CARE	6,914,373	6,871,303	43,070
Military Physician Combat Medical Training Naval Hospital Jacksonville		1,000	1,000
Fort Drum Regional Health Planning Organization		430	430
Medigan Army Medical Center Trauma Assistance		2,000	2,000
PRIVATE SECTOR CARE	14,265,973	18,527,689	4,261,716
Federal Pricing Robots		760,716	760,716
TRICARE Shortfall		621,000	621,000
CONSOLIDATED HEALTH CARE	1,926,303	1,838,309	87,994
INFORMATION MANAGEMENT	1,318,645	1,318,645	
MANAGEMENT HEADQUARTERS	277,816	277,816	
EDUCATION AND TRAINING	625,892	623,892	2,000
Web-Based Teaching Programs for Military Social Work		4,000	4,000
BASE OPERATIONS AND COMMUNICATIONS	1,540,912	1,446,912	94,000
PROCUREMENT	322,142	384,142	62,000
Compuke Operational (Health and Occupational Risk Training System		3,000	3,000
Initial Outfitting and Equipping Items		53,000	53,000
Shock Trauma Center Operating Supplies		3,000	3,000
Wider Area Virtual Environment Simulation for Medical Readiness Training		3,000	3,000
RESEARCH AND DEVELOPMENT	613,102	1,246,402	633,300
ALS		1,246,402	1,246,402
Program Increase - Army Reserves Component Personnel Empowerment Package (ARCEP)		10,000	10,000
Autism Research		4,500	4,500
Bone Marrow Failure Disease Research Program		8,000	8,000
Breast Cancer Center (WRAMC/WRN/AMC)	6,310	15,000	8,690
Duchenne Muscular Dystrophy		8,000	8,000
Genetics Studies of Food Allergies		2,500	2,500
Global HIV/AIDS Prevention		10,000	10,000
Gynecological Cancer Center (WRAMC/WRN/AMC)	4,828	6,000	1,172
Heart Transplant Research		6,000	6,000
Integrative Cardiac Health Care (WRAMC/WRN/AMC)	3,496	7,000	3,504
Military Dental Research		6,000	6,000
Multiple Sclerosis		6,000	6,000
National Diabetes Model Program (Phase of which \$4 million is available for Type II)		15,000	15,000
Pain and Neuroscience Center (WRAMC/WRN/AMC)	4,889	8,000	3,111

	Budget Request	Committee Recommended	Change from Request
Peer-Reviewed Breast Cancer Research Program		160,000	
Peer-Reviewed Cancer Research Program		20,000	
Peer-Reviewed Lung Cancer Research		15,000	
Peer-Reviewed Orthopedic Research		30,000	
Peer-Reviewed Ovarian Cancer Research Program		25,000	
Peer-Reviewed Prostate Cancer Research Program		80,000	
Peer-Reviewed Spinal Cord Research Program		15,000	
Peer-Reviewed Vision Research		5,000	
Prostate Cancer Center (WRAMC/NRMMC)	3,360	4,000	620
Research in Alcohol and Substance Use Disorders		8,600	
Program Increases - Assistive Technology Research		3,000	
Gulf War Illness Peer-Reviewed Research Program		8,000	
Peer-Reviewed Neurofibromatosis (NF) Research		25,000	
Peer-Reviewed Neurotoxin Exposures Treatment			
Padgett's Research Program		25,000	
Traumatic Brain Injury and Psychological Health	372,200	500,000	127,800
Tuberculous Sclerosis Complex (TSC)		8,000	
US Military Cancer Institute		5,000	
Wound Care Research		13,000	

## DEFENSE HEALTH PRO

The Department of Defense returned to the Military Health Committee is concerned that the executing the efficiency wedge not accurately budgeting for only used a small portion of the funding to other military construction. This is by the Navy and Air Force health care for their population. Secretary of Defense for not the efficiency wedge she reimbursement in fiscal year of this review within 90 days.

In addition, the Committee review budget execution data accounts and to adequately requested by the Services in fiscal year 2011 and beyond.

## PRIVATE SE

The Committee has been in the fiscal year 2009 Group (BAG) for which the and maintenance carryover authority to correct. The Congressional shortfall in fiscal year 2009 increase for the Army, increase Components and their dependence economic situation and the 1 by the Department for federal for TRICARE is currently 9.2 is based on a 9.2 million. Committee has provided a private Sector Care BAG to help of the Department collecting currently owed. The Committee report to the congressional on the status of additional re

The Committee has provided and maintenance funding for Assistant Secretary of Defense spend plan for fiscal year 2009 congressional defense committee Act. Given the complex nature Committee expects the Department Management and Budget to



the Defense Health Program and coordinate required justification material submitted to Congress.

#### TRAUMATIC BRAIN INJURY AND PSYCHOLOGICAL HEALTH

Traumatic Brain Injury (TBI) and psychological health issues have emerged as a significant cause of death to the warfighters in Iraq and Afghanistan. Whether mild, moderate or severe brain injury, the level of assessment and standard of care provided to the warfighter is in need of enhancement. Diagnosis, treatment, and rehabilitation must be at a level to ensure the best possible outcome. To this end, the bill includes \$500,000,000, which is \$127,800,000 above the budget request, to address all levels of brain injury and psychological health issues that servicemembers and their families experience.

The Department provides specialized treatment and rehabilitation for brain injured troops, but much more is needed. The Department is expected to continue to provide the necessary care and treatment to servicemembers and their families. The vast majority of disabled troops will ultimately return to their home communities, which may be far removed from specialized centers. Therefore, the identification of local services is crucial to an appropriate rehabilitation plan. The Department of Defense Military Centers and the Department of Veterans Affairs should coordinate with civilian centers to guarantee that optimal treatments and assistance are available throughout the country.

The Department is aware of gaps within TBI and psychological treatment methods that need to be addressed. The Department is expected to continue working with the Department of Veterans Affairs, Department of Health and Human Services, academia and industry to focus on the research and treatment necessary to address the gaps that have been identified.

An area of particular interest is the provision of appropriate and accessible counseling to servicemembers and their families who live in locations that are not close to military treatment facilities, other Military Health System health facilities or TRICARE providers. Funding provided in this bill is also to be used for the development and operation of the Defense Center of Excellence (DCoE) and the various centers, programs and initiatives that fall within its purview and resources to support the service medical departments as they continue to build and expand their TBI and psychological health capacity through initiatives and supportive programs. Other initiatives, such as telehealth, clinical standards supporting TBI and psychological health, and training and education outreach should also be included.

Funding has also been provided to continue medical research and development on TBI and psychological health. The following research topics are recommended for consideration under this program: therapeutic drug discovery; optical imaging of blood flow; headache disorders; research into neural prosthesis; studies of mental health disorders and Post Traumatic Stress Disorder (PTSD) to include neuropsychiatric studies, biochemical mechanisms that underlie human emotional reactions to combat stress and resulting clinical disorders, metrics for mental health assessment and methods to evaluate and improve PTSD rehabilitation efforts; studies of

Traumatic Brain Injury (TBI) injury treatments, cell replacement therapies to prevent and traumatic damage, pharmaceutical circuits, "activity-based" rehabilitation focused on impairing; clinical research of resulting effects on neurologic waves to develop equipment a fully automated, self-contained at the point of onset; DA-EF to allow an accurate assessment to integrate global transcript identify the biological network PTSD and/or TBI including the integration of information search to analyze brain tissue neuroimaging, behavioral and markers, diagnostics, and injury stages. Funding provided incorporate all aspects of psychological health by conducting search for the purposes of preventive interventions and outcomes to arrive at best-practices includes incorporating training deployment evidence-based procedures, practices, or procedures personnel in combat will develop or sustain traumatic brain

TRAVEL

The Committee is aware June 30, 2009, the Defense Health and Traumatic Brain \$345,474.68. The Committee from the Defense Health Program count that has been spent \$100,000 was spent from Major significant known shortfalls in the committee directs the Office of the Affairs to curtail unnecessary and Committee also directs Health report to the congressional defense and reason for travel within

DEPARTMENT OF DEFENSE  
ENTERPRISE ARCHITECTURE

The fiscal year 2010 budget management and information been involved in development (EHR) in conjunction with the since January 2009 and has structure (SOA) approach that



health care and has inclusive interoperability between the two agencies. A blueprint for the SOA was finalized at the end of May 2009 and submitted to the Office of the Secretary of Defense, Comptroller for review and funding analysis on June 12, 2009. It is the Committee's understanding that the additional funding needed to accelerate completion and deployment of the SOA in 28 months, by February 2011, is \$712,500,000 for fiscal year 2010 and \$441,700,000 for fiscal year 2011.

The Department of Health and Human Services was provided funding in the stimulus package for electronic health care record improvement across the civilian sector. The Committee is concerned that the Department of Defense may now lag behind the civilian entities and its ability to share electronic information with the VA. The Committee also understands that the Under Secretary of Defense, Comptroller is currently reviewing internally what funds may be available to alleviate the unfunded requirement in order to accelerate deployment of the system. Therefore, the Committee directs the Secretary of Defense to report to the Committees on Appropriations of the House of Representatives and the Senate by September 14, 2009 on the status of availability of funding from programs within the Department of Defense.

#### GUIDANCE FOR THE DEVELOPMENT OF THE FORCE (2010-2015)

The fiscal year 2010 budget submission included \$372,200,000 for traumatic brain injury, psychological health, eye injury, prosthetics, and other battlefield injuries research. The Committee has supported these types of research since 2007 and is encouraged that the Department has for the first time included funding for this type of research. The Committee urges the Department to utilize the established congressional directed medical research program and to work with the U.S. Army Medical Research and Materiel Command in finding the most efficient way of utilizing the unique and military relevant research available.

#### SPINAL CORD INJURY MEDICAL RESEARCH AND TREATMENT

Spinal cord injuries are one of the many serious wounds resulting from conflicts in Iraq and Afghanistan that require many levels of research and treatment. Significant funding has been provided for research and treatment for neuro-traumatic wounds. However, given the complexity of these types of injuries and the steep learning curve associated with establishing effective treatment regimes, there is much more to be done.

For the coming years, research into regenerating damaged spinal cords, arthritis research, and improving rehabilitation therapies offers real promise for enhancing the long-term care of wounded soldiers. Therefore, the Committee provides \$15,000,000 to continue a competitive, peer-reviewed spinal cord injury research and treatment program. The Secretary of Defense is directed to submit a report to the congressional defense committees not later than 120 days after enactment of this Act on how these funds are to be allocated.

#### PEER-REVIEWED

The Committee has included cancer research. Lung cancer cancers, taking more lives a combined. The five year survival major contributor is that 70%. Furthermore, military personnel cancer carcinogens and are than the general population. funds provided in fiscal year tion program for military early detection regimen will Medical Treatment facilities

#### CENTERS OF EXCELLENCE

The Committee includes a Centers of Excellence at the Center: Breast Care, Gynecology and Integrated Cardiac Health. It is encouraging that the tance of these centers to their families and has included the new Walter Reed National provided a portion of funding in 2011 budget submission. However, the Committee include full funding for these 2011 budget submission.

#### PEER-REVIEWED

The Committee provides research program that would breast, prostate, lung and currently executed by the Department of Defense U.S. Army Medical Research and Materiel Command. The funds provided are directed in the following areas: melanoma brain tumors within the field cancer research and genomics colorectal cancer, Listeria V and radiation protecting utilities. The funds provided under the Program shall be used only Department of Defense is directed 2010, to the congressional committees peer-reviewed cancer research type of research for servicemembers.

The Committee comments on vision research and d



technologies and therapies to address the ocular issues of servicemembers. Current research targets the causes, effects, and treatment of eye damage and diseases that, despite their different mechanisms and pathogenesis, all have a common end result: degeneration of the critical components of the eye and impairment or loss of vision. In order to implement therapeutic strategies to prevent or treat visual problems common to combat soldiers, the Army needs to develop and validate compounds and strategies. Therefore, the Committee provides \$5,000,000 for vision research and directs the Army to target the various causes, effects and treatment of visual injury resulting from exposures to the elements during combat operations, and damage from explosive devices. This type of research will ultimately be used to ensure and sustain combat readiness.

#### JOINT PATHOLOGY CENTER

Section 722 of the National Defense Authorization Act of 2008 (Public Law 110-181) directs the Department of Defense to continue maintenance and modernization of the Armed Forces Institute of Pathology Tissue Repository and to utilize the Repository for conducting activities in support of the Joint Pathology Center established in the same Act. The Committee is aware that in 2007 the Uniformed Services University of the Health Sciences commissioned an assessment of the Repository that resulted in specific recommendations for modernizing the Repository by improving the quality and accessibility of the collections contained therein. The Committee directs that within 90 days of enactment of this Act, the Secretary of Defense shall report to the congressional defense committees on the status of implementation of those recommendations.

#### PEER-REVIEWED NEUROTOXIN EXPOSURE TREATMENT PARKINSON'S RESEARCH PROGRAM

The United States Army Medical Research and Materiel Command (USAMRMC) is advancing research in investigating the underlying biologic mechanisms and therapeutic interventions of neuro-degenerative effects caused by deployment, environmental and occupational exposures. Therefore, \$25,000,000 is recommended for the continuation of this vital research and other neurological disorders through collaborative work between the military, a non-profit organization and an academic laboratory with distinguished scientific credentials in this field.

#### MEDICAL CARE IN THE NATIONAL CAPITAL REGION

The Committee has expressed concerns over whether the current approach to the replacement hospitals at both the new Walter Reed National Military Medical Center (WRNMMC) and Fort Belvoir will result in "world class" hospitals, but even more so will result in a "world class" medical care system in the National Capital Region. At present there are 439,000 beneficiaries in the region and the two major Military Medical Centers in the area, Walter Reed Army Medical Center and the National Naval Medical Center, are the "flagship" hospitals for their respective services.

The Committee has outlined growth for the two new facilities at \$835,000,000 to \$2,400,000,000 for WRNMMC, ingress and egress transition of the workforce, present facilities to the new hospitals that currently remain and Force National Capital Region 14, 2007, has worked diligent prior planning. However the facilities are primarily schedule driver 2011 date and that quality creditation and optimal configuration.

The Committee recently requested an independent review of the design of the National Military Medical Center Hospital titled "Achieving World Class". A review of the report indicates that it corroborates many of the committee's findings. Furthermore, it goes much beyond budgetary, and service related issues to overcome if medical care in the region is truly "world class". The Committee awaits the release of the findings and recommendations of the review panel in accordance with the provisions of 417 and the plans for addressing these issues.

#### VACCINES

The development of vaccines against exposure from infectious agents is a high priority research area for the Research (WRAIR). In order to ensure the Committee encourages collaboration with other learning that possess state-of-the-art containment facilities that will ensure research results and the development of force health. The Committee notes that WRAIR remains the primary research and development organization in this area.

#### CHEMICAL AGENTS AND DEFENSE

Fiscal year 2009 appropriation .....	
Fiscal year 2010 budget request .....	
Committee recommendation .....	
Change from budget request .....	

This appropriation funds destruction activities of chemical agents. The Committee recommends that the program for the Chemical Agents and Defense be continued. The recommendation is to maintain the program.



an increase of \$5,126,000 from the amount appropriated in fiscal year 2009.

The total program recommended in the bill will provide the following in fiscal year 2010:

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS  
(In thousands of dollars)

	Budget request	Committee recommended	Change from request
Chem Demilitarization—Operation and Maintenance	1,146,802	1,146,802	
Chem Demilitarization—Procurement	12,689	12,689	
Chem Demilitarization—Research, Development, Test and Evaluation	401,269	351,269	-50,000

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

Fiscal year 2009 appropriation	\$1,096,743,000
Fiscal year 2010 budget request	1,058,984,000
Committee recommendation	1,237,684,000
Change from the budget request	178,700,000

This appropriation provides funds for military personnel, operation and maintenance, procurement; and research, development, test and evaluation for drug interdiction and counter-drug activities of the Department of Defense to include activities related to narcoterrorism.

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS  
(In thousands of dollars)

	Budget request	Committee recommended	Change from request
Counter Narcotics	1,058,984	1,237,684	178,700
PC8804 Demand Reduction-Civilian Agency Drug Testing—NSA		-1,000	
PC9205 EUCCOM CN Operational Support—excessive growth		-2,000	
PC9206 AFRICOM CN Operational Support—excessive growth		-2,000	
PC9301 CENTCOM Counterthreat Finance Unit		-2,000	
Delaware National Guard Counter-Drug Task Force		300	
Western Region Counter-Drug Training Center		2,500	
Kentucky National Guard Counter-Drug Program		3,500	
Florida Counter-Drug Program		2,900	
Nevada National Guard Counter-Drug Program		4,000	
North Carolina Counter-Drug Task Force		1,000	
Tennessee National Guard Appalachia High Intensity Drug Trafficking Area		4,000	
Regional Counter-Drug Training Academy		1,500	
Indiana National Guard Counter-Drug Program		3,000	
Young Marines Program		4,000	
Digital Communications		160,000	

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

Fiscal year 2009 appropriation	\$0
Fiscal year 2010 budget request	564,850,000
Committee recommendation	364,550,000
Change from budget request	-200,300,000

This appropriation funds the Joint Improvised Explosive Device Defeat Organization (JIEDDO).

The Committee recommends an appropriation of \$364,550,000 for the Joint Improvised Explosive Device Defeat Organization. The

recommendation is a decrease requested, and an increase of \$5,126,000 appropriated in fiscal year 2009.

The Committee is aware the substitution of the Department of Defense funding in the budget. However, funding should be properly allocated in the same time limitations as the funds provided for the Attack the Network available for two years; funds for the Train the Force line of operation are available for one year.

Furthermore, the Committee recommends a low standard reprogramming of \$20,000 cumulative amount of \$20,000.

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS  
(In thousands of dollars)

Attack the Network	
Defeat the Device	
Train the Force	
Staff and Infrastructure	

RAPID ACTION

Fiscal year 2009 appropriation	
Fiscal year 2010 budget request	
Committee recommendation	
Change from budget request	

The Committee recommends an appropriation of \$16,656,000 for the Office of the Inspector General in title VI. The Rapid Action Fund in title IX of this Act.

OFFICE OF THE INSPECTOR GENERAL

Fiscal year 2009 appropriation	
Fiscal year 2010 budget request	
Committee recommendation	
Change from budget request	

The Committee recommends an appropriation of \$16,656,000 for the Office of the Inspector General in title VI. The Rapid Action Fund in title IX of this Act.