



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

JUN 1 2016

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 second 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,

Peter Levine  
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

JUN 21 2016

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Enclosure:  
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cc:  
The Honorable Adam Smith  
Ranking Member



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

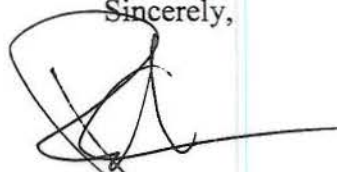
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Acting

Enclosure:  
As stated

cc:  
The Honorable Richard J. Durbin  
Vice Chairman



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

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

JUN 21 2016

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Peter Levine  
Acting

Enclosure:  
As stated

cc:  
The Honorable Peter J. Visclosky  
Ranking Member

Information for Congressional Defense Committees on Defense  
Health Program Second Quarter Fiscal Year 2016 Budget Execution Data



**May 2016**

Preparation of this report cost the  
Department of Defense a total of approximately  
300 dollars in Fiscal Year 2016.





## Defense Health Program Quarterly Budget Execution Second Quarter, Fiscal Year 2016

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

**Report Requirements:** The language states:

“The Committee further directs 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 second quarter Operation and Maintenance budget execution rate is 57 percent.

Note: The Department of Defense’s FY2016 President’s Budget submission for the Defense Health Program Operation and Maintenance Private Sector Care Budget Activity Group, \$14,892.683 million, was a realistic cost projection for the delivery of health care services and provision of pharmaceuticals to beneficiaries. The congressional reduction, \$505.281 million, resulted in an enacted budget of \$14,387.402 million, which will not be sufficient to fund the annual requirement for the Private Sector Care Budget Activity Group. The cost of providing health care services in the private sector is closely monitored to ensure that a timely prior approval reprogramming request will be submitted to Congress for the additional funds required in the Budget Activity Group.

Appropriation*	Budget (\$M)	Obligations (\$M)
Operation and Maintenance	29,654.640	16,854.752
Research, Development, Test and Evaluation	2,121.452	96.560
Procurement	365.390	18.098

\*Attachment includes additional information for each appropriation

\*This report has cost the DoD approximately \$300 in fiscal year 2016.

**FY 2016 Budget Execution Data  
Defense Health Program  
Data as of March 31, 2016  
(\$000s)**

**FY 2016 Operation and Maintenance**

Budget Activity Group	Title	Base Budget Request	Enacted Appropriation <sup>1</sup>	Adjustments Required by Statute <sup>3</sup>	Above Threshold Reprogrammings <sup>2</sup>	Internal Adjustments	Annual Funded Program (AFP) March 31, 2016	Cumulative Obligations March 31, 2016
1	In House Care	9,082,298	8,864,562	-60,140			8,804,422	4,494,621
2	Private Sector Care	14,892,683	14,387,402				14,387,402	9,647,122
3	Consolidated Health Support <sup>2</sup>	2,415,658	2,153,327		-132,387		2,020,940	842,941
4	Information Management	1,677,827	1,649,614				1,649,614	725,642
5	Management Activities	327,967	325,908				325,908	155,371
6	Education and Training	750,614	727,864				727,864	279,494
7	Base Operations & Communications <sup>3</sup>	1,742,893	1,733,490	5,000			1,738,490	709,561
	<b>Total O&amp;M</b>	<b>30,889,940</b>	<b>29,842,167</b>	<b>-55,140</b>	<b>-132,387</b>	<b>-</b>	<b>29,654,640</b>	<b>16,854,752</b>

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

<sup>1/</sup> 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).

<sup>2/</sup> 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).

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

**FY 2016/2017 Research, Development, Test and Evaluation<sup>1</sup>**

	980,101	2,121,933	-481			2,121,452	96,560
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<sup>1/</sup> 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).

**FY 2016/2018 Procurement<sup>1</sup>**

	373,287	365,390				365,390	18,098
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<sup>1/</sup> Enacted includes congressional adjustments totaling \$-7,897 for Integrated Electronic Health Record (iEHR) Department identified excess to requirement.