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

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,

[Signature]

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
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.

<table>
<thead>
<tr>
<th>Appropriation*</th>
<th>Budget ($M)</th>
<th>Obligations ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and Maintenance</td>
<td>29,726.391</td>
<td>29,588.864</td>
</tr>
<tr>
<td>Research, Development, Test and Evaluation</td>
<td>2,121.452</td>
<td>685.343</td>
</tr>
<tr>
<td>Procurement</td>
<td>298.116</td>
<td>58.694</td>
</tr>
</tbody>
</table>

* Attachment includes additional information for each appropriation
# FY 2016 Budget Execution Data
## Defense Health Program
### Data as of September 30, 2016
#### ($000s)

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

**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

<table>
<thead>
<tr>
<th></th>
<th>Enacted</th>
<th>Congressional</th>
<th>General Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>980,101</td>
<td>-1,141,351</td>
<td>-481</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,121,452</td>
<td>685,345</td>
<td></td>
</tr>
</tbody>
</table>

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 include 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

<table>
<thead>
<tr>
<th></th>
<th>Enacted</th>
<th>Congressional</th>
<th>General Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>373,287</td>
<td>-7,897</td>
<td>-67,274</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>365,390</td>
<td>298,116</td>
<td>58,694</td>
</tr>
</tbody>
</table>

1/ 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.
The Honorable Rodney P. Frelinghuysen  
Chairman  
Subcommittee on Defense  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515  

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Sincerely,

[Signature]

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

Enclosure:  
As stated

cc:  
The Honorable Peter J. Visclosky  
Ranking Member
The Honorable Thad Cochran  
Chairman  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

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

Enclosure:  
As stated  

cc:  
The Honorable Richard J. Durbin  
Vice Chairman
The Honorable William M. “Mac” Thornberry  
Chairman  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

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Enclosure:
As stated

cc:
The Honorable Adam Smith  
Ranking Member