



PERSONNEL AND
READINESS

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

OCT 27 2021

The Honorable Patrick J. Leahy
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Department's response to House Report 116-453, page 342, accompanying H.R. 7617, the Department of Defense Appropriations Act, 2021, which requests the Assistant Secretary of Defense for Health Affairs, in coordination with the Secretary of Veterans Affairs, to submit a report on the on the costs to each Department to treat Service members and veterans with Amyotrophic Lateral Sclerosis (ALS), is enclosed.

This report describes the costs incurred by the Department of Defense (DoD) and the Veterans Health Administration (VHA). The DoD's total cost to treat Service members with ALS from Fiscal Year (FY) 2015 through FY 2020 was \$74.7M. The VHA's total cost to treat veterans with ALS from FY 2016 – FY 2020 was \$1.39B.

Thank you for your continued strong support for the health and well-being of our Service members and veterans. I am sending a similar letter to the Committee on Appropriations of the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilbert R. Cisneros, Jr.", written in a cursive style.

Gilbert R. Cisneros, Jr.

Enclosure:
As stated

cc:
The Honorable Richard C. Shelby
Vice Chairman



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The Honorable Rosa L. DeLauro
Chair
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chair:

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cc:
The Honorable Kay Granger
Ranking Member

REPORT TO APPROPRIATIONS COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES



House Reports 116-453, Page 342, Accompanying H.R. 7617, the Department of Defense Appropriations Act, 2021, on Service Members and Veterans with Amyotrophic Lateral Sclerosis

October 2021

The estimated cost of report or study for the Department of Defense (DoD) is approximately \$4,900 for the 2020 Fiscal Year. This includes \$0.00 in expenses and \$4,900 DoD labor. Generated on May 27 RefID: D-BD67ADB

EXECUTIVE SUMMARY

This report is in response to House Report 116-453, page 342, accompanying H.R. 7617, the Department of Defense (DoD) Appropriations Act, 2021, regarding Service members and veterans with Amyotrophic Lateral Sclerosis (ALS). The requests the Assistant Secretary of Defense for Health Affairs (ASD(HA)), in coordination with the Secretary of Veterans Affairs, to submit a report to the Committees on the costs to treat Service members and veterans with ALS. This document reports “costs to treat” as the cost of ALS medical care for the DoD and the Veterans Health Administration (VHA). The cost of ALS to the Veterans Benefit Administration is not included, as “costs to treat” focused on costs of medical care for Service members and veterans.

The total cost of ALS care for the DoD from Fiscal Year (FY) 2015 through FY 2020 was \$74.7M. Beneficiaries included in the cost analysis comprised of Active Duty (AD) and Guard and Reserve on AD, “Family Members” of AD and Guard and Reserve on AD, Retirees, and “Other,” which include the remaining beneficiary categories (inactive Guard and Reserve, family members of inactive Guard and Reserve, retiree family members, survivors, unknown, other). For VHA, the total cost of caring for veterans with ALS FY 2016 through FY 2020 was \$1.39B. Beneficiaries included in the cost analysis comprise veterans, with the exception of a single non-veteran in FY 2019.

INTRODUCTION

House Report 116-453, page 342, accompanying H.R. 7617, the DoD Appropriations Act, 2021, regarding Service members and veterans with ALS, requests the ASD(HA), in coordination with the Secretary of Veterans Affairs, to submit a report to the Senate and House Appropriations Committees on the costs to each Department to treat Service members and veterans with ALS.

ALS, also known as “Lou Gehrig”’s disease,” is a degenerative neurological disorder characterized by gradual onset of symptoms, with initial symptoms varying greatly from person-to-person. Currently, there is no cure or therapy to halt the progression of ALS. Treatment of ALS is stage-dependent, and medication and therapy can help slow ALS and reduce discomfort.

This document reports the cost to treat Service members and veterans with ALS for the DoD as well as VHA. Cost estimates were acquired using medical billing data, which may be affected by data system limitations, accuracy, and completeness of medical coding. Further, for the DoD, there may be missing data for the Direct Care system due to the Defense Health Agency (DHA) transition to MHS-GENESIS, resulting in an underestimation of total costs. A separate analysis was performed to calculate the potential margin of error due to missing or incomplete data, which yielded approximately 6 percent potential underestimate in costs.

COST PER YEAR

The total DoD cost of ALS care from FY 2015 – FY 2020 was \$74.7M. The analysis includes costs associated with health services and medical interventions performed by the Direct Care and Private Sector Care (civilian) systems, as well as the cost of medications for the treatment of ALS. The cost of care increased from FY 2015 to FY 2019 and is described in Table 1. Although costs appeared to decrease slightly in FY 2020, this is potentially an effect of the coronavirus disease 2019 (COVID-19) pandemic response.

Table 1. Total cost per year in DoD.

FY	Total Cost
2015	\$6,634,644
2016	\$10,175,084
2017	\$10,502,036
2018	\$15,356,416
2019	\$16,942,822
2020	\$15,097,669
2015-2020	\$74,708,670

The total VHA cost of ALS care from FY 2016 – FY 2020 was \$1.39B. The analysis includes costs associated with health services, equipment, medical interventions, and medications for ALS. The totals include care provided directly by the VHA as well as care provided through Community Care (Private Sector Care or civilian systems). Similar to DoD, costs increased by year from FY 2016 through FY 2020 and is described in Table 2. Unlike DoD, VHA costs for ALS care continued to increase during FY 2020.

Table 2. Total cost per year in VHA.

FY	Total Cost
2016	\$ 207,523,478
2017	\$ 234,966,959
2018	\$ 279,015,530
2019	\$ 324,272,674
2020	\$ 340,053,918
2015-2020	\$1,385,832,559

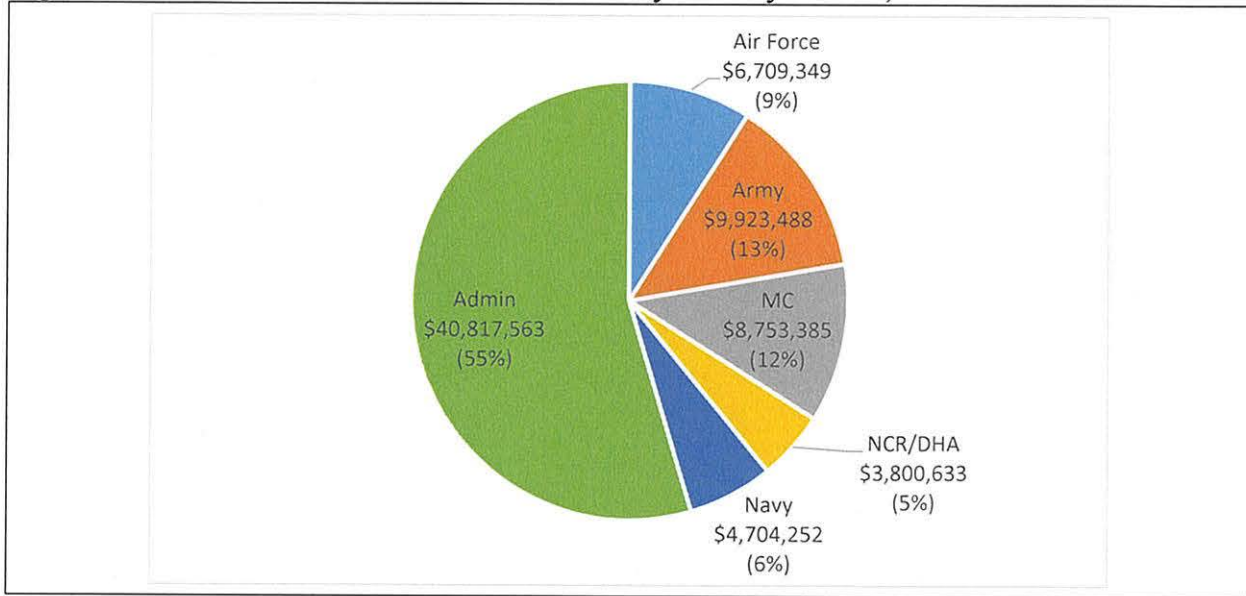
COST BY MILITARY SERVICE

Costs varied by Service from FY 2015 – FY 2020 (Figure 1; Table 3). The highest total costs during this time were associated with “Administrative” (Admin) costs (\$40.8M; 55 percent), which are costs to the Department for providing care to beneficiaries that is not directly attributable to a specific Military Service. The Army (\$9.9M) and United States Marine Corps (USMC) (\$8.8M) accounted for the highest percentage of costs borne by the Military Departments at 13 percent and 12 percent, respectively. The remaining 20 percent is attributable to Air Force (9 percent), Navy (6 percent), and National Capital Region (NCR)/DHA (5 percent), costing \$6.7M, \$4.7M, and \$3.8M, respectively. VHA does not categorize veteran cost data by branch of service.

Table 3. Cost by Military Service per Year.

FY	Air Force	Army	USMC	NCR/DHA	Navy	Admin	Total
2015	\$807,973	\$1,684,054	\$624,124	\$164,480	\$204,590	\$3,149,423	\$6,634,644
2016	\$1,079,598	\$1,917,761	\$871,713	\$142,054	\$340,379	\$5,823,579	\$10,175,084
2017	\$684,773	\$1,237,866	\$670,744	\$346,606	\$689,331	\$6,872,716	\$10,502,036
2018	\$1,317,302	\$2,342,275	\$1,146,108	\$114,707	\$2,050,734	\$8,385,290	\$15,356,416
2019	\$1,981,873	\$1,600,102	\$2,914,238	\$1,617,287	\$729,298	\$8,100,026	\$16,942,822
2020	\$837,830	\$1,141,431	\$2,526,458	\$1,415,499	\$689,919	\$8,486,530	\$15,097,669
2015-2020	\$6,709,349	\$9,923,488	\$8,753,385	\$3,800,633	\$4,704,252	\$40,817,563	\$74,708,670

Figure 1. Percent Total \$74.7M ALS Care Cost by Military Service, FY 2015 – FY 2020.



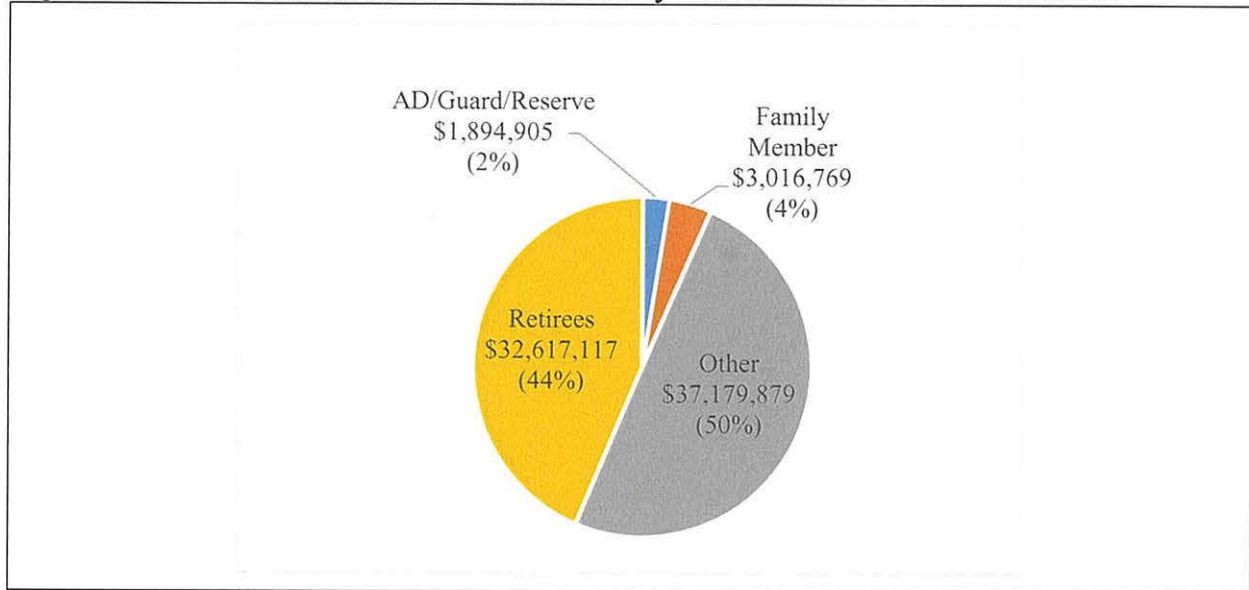
COST BY BENEFICIARY

The beneficiaries with the highest attributable costs from FY 2015 – FY 2020 were categorized as “Other”, and accounted for 50 percent of the total costs (\$37.2M). The “Other” category includes inactive Guard and Reserve, inactive Guard and Reserve family members, retiree family members, survivors, beneficiaries with an “unknown” identifier, and beneficiaries with an “other” identifier. Retirees are associated with the second highest attributable costs, accounting for 44 percent of the total costs (\$32.6M). By comparison, AD and Guards and Reserves on AD (\$1.9M) and their family members (\$3.0M) accounted for 6 percent of the total cost (Figure 2; Table 4). With the exception of a single individual, all 7,707 beneficiaries receiving ALS care from the VHA were veterans.

Table 4. Cost by Beneficiary per Year.

FY	AD/Guard/Reserve	Family Member	Other	Retirees	Total
2015	\$207,617	\$345,900	\$2,607,914	\$3,473,212	\$6,634,644
2016	\$380,951	\$275,026	\$5,950,946	\$3,568,161	\$10,175,084
2017	\$161,633	\$391,726	\$4,998,521	\$4,950,155	\$10,502,036
2018	\$362,035	\$911,413	\$7,684,543	\$6,398,426	\$15,356,416
2019	\$398,957	\$764,203	\$7,651,835	\$8,127,828	\$16,942,822
2020	\$383,711	\$328,502	\$8,286,120	\$6,099,336	\$15,097,669
2015-2020	\$1,894,905	\$3,016,769	\$37,179,879	\$32,617,117	\$74,708,670

Figure 2. Percent Total \$74.7M ALS Care Cost by Beneficiaries FY 2015 – FY 2020.



Costs by beneficiary category for each of the Defense Health Program reporting components (Military Departments, NCR/DHA, and Administrative) is provided at Table 5. Assessing distribution of beneficiary costs by Military Service indicated “Other” and Retirees attributed to the highest percentage of costs, accounting for more than 90 percent of the total costs for Air Force, NCR/DHA, Navy, and Administrative, and 85 percent and 76 percent for Army and Marine Corps, respectively (Figure 3 A-F). Further, AD and Guard and Reserve on AD (\$5k), and their family members (\$93k) accounted for less than 0.25 percent of the total Administrative costs (Figure 3 A-F).

Although AD and Guard and Reserve on AD and their family members only accounted for 6 percent of the total costs (Figure 2), ~99 percent of costs associated with AD and Reserve and Guard on AD, and 93 percent of costs associated with family members, were associated with Air Force, Army, Marine Corps, and Navy (Figure 4 A & B). Comparatively, “Other” and Retirees costs were closely distributed across Military Services, with the majority of costs associated with Administrative (61 percent “Other;” 55 percent, Retirees) (Figure 4 C & D).

Table 5. Distribution of Costs by Military Service from FY 2015 – FY 2020

	Air Force	Army	USMC	NCR/DHA	Navy	Admin	Total
AD/ Guard/ Reserve	\$343,445	\$597,911	\$628,708	\$18,144	\$301,413	\$5,283	\$1,894,805
Family Member	\$230,856	\$924,636	\$1,512,049	\$111,597	\$144,806	\$92,825	\$3,016,769
Other	\$2,836,875	\$3,645,824	\$2,918,468	\$1,950,352	\$3,035,776	\$22,792,584	\$37,179,810
Retirees	\$3,298,173	\$4,755,116	\$3,694,159	\$1,720,540	\$1,222,257	\$17,926,871	\$32,617,117
Total	\$6,709,349	\$9,923,488	\$8,753,385	\$3,800,633	\$4,704,252	\$40,817,563	\$74,708,670

CONCLUSION

The DoD cost of ALS care from FY 2015 – FY 2019 was \$74.7M, and the VHA cost of ALS care from FY 2016 – FY 2020 was \$1.39B. Costs increased each year for the VHA, and increased per year for the DoD, with the exception of FY 2020. Although DoD costs decreased slightly from FY 2019 to FY 2020, this may be due to the COVID-19 pandemic response. The highest costs for the DoD were not attributed to a specific Military Service (Administrative), and were associated with beneficiary categories Retirees (44 percent) and “Other” (50 percent) (inactive Guard and Reserve, inactive Guard and Reserve family members, retiree family members, survivors, unknown and other). For the Services, Retirees and “Other” costs represented the highest percentage of total costs, accounting for more than 90 percent of the total ALS costs for Air Force, NCR/DHA, Navy, and Administrative, and 85 percent and 76 percent for Army and Marine Corps, respectively. Although AD and Guard and Reserve on AD and their family members only accounted for 6 percent of the total costs, ~99 percent of these costs were associated with Air Force, Army, Marine Corps, and Navy costs.

Figure 3. Percent Distribution of ALS Cost of Care for Beneficiaries, FY 2015 – FY 2020, for: (A) Air Force, Total \$6.7M; (B) Army, Total \$9.9M; (C) Marine Corps, Total \$8.8M; (D) NCR/DHA, Total \$3.8M; (E) Navy, Total \$4.7M, (E) Administrative, Total \$40.8M

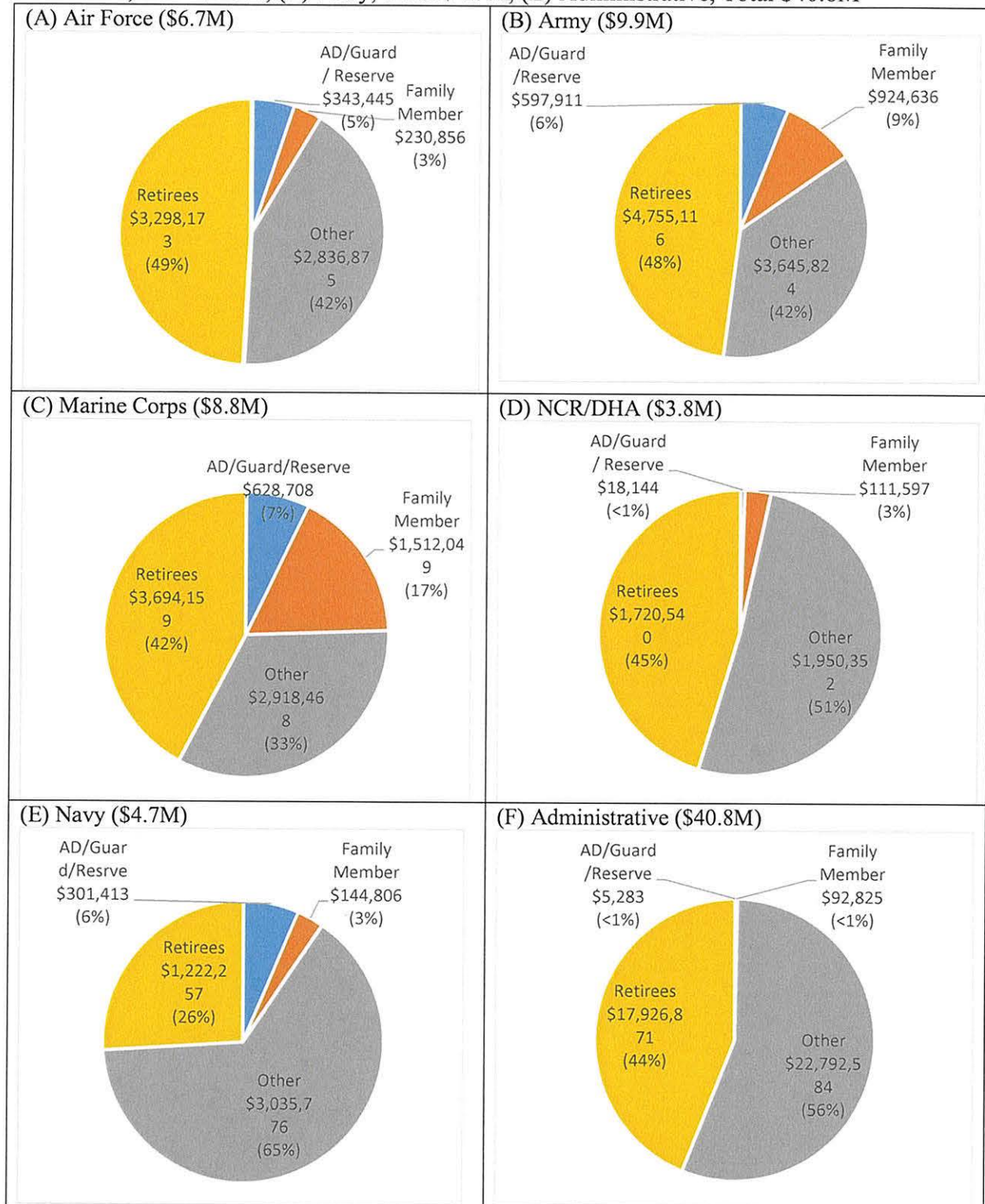
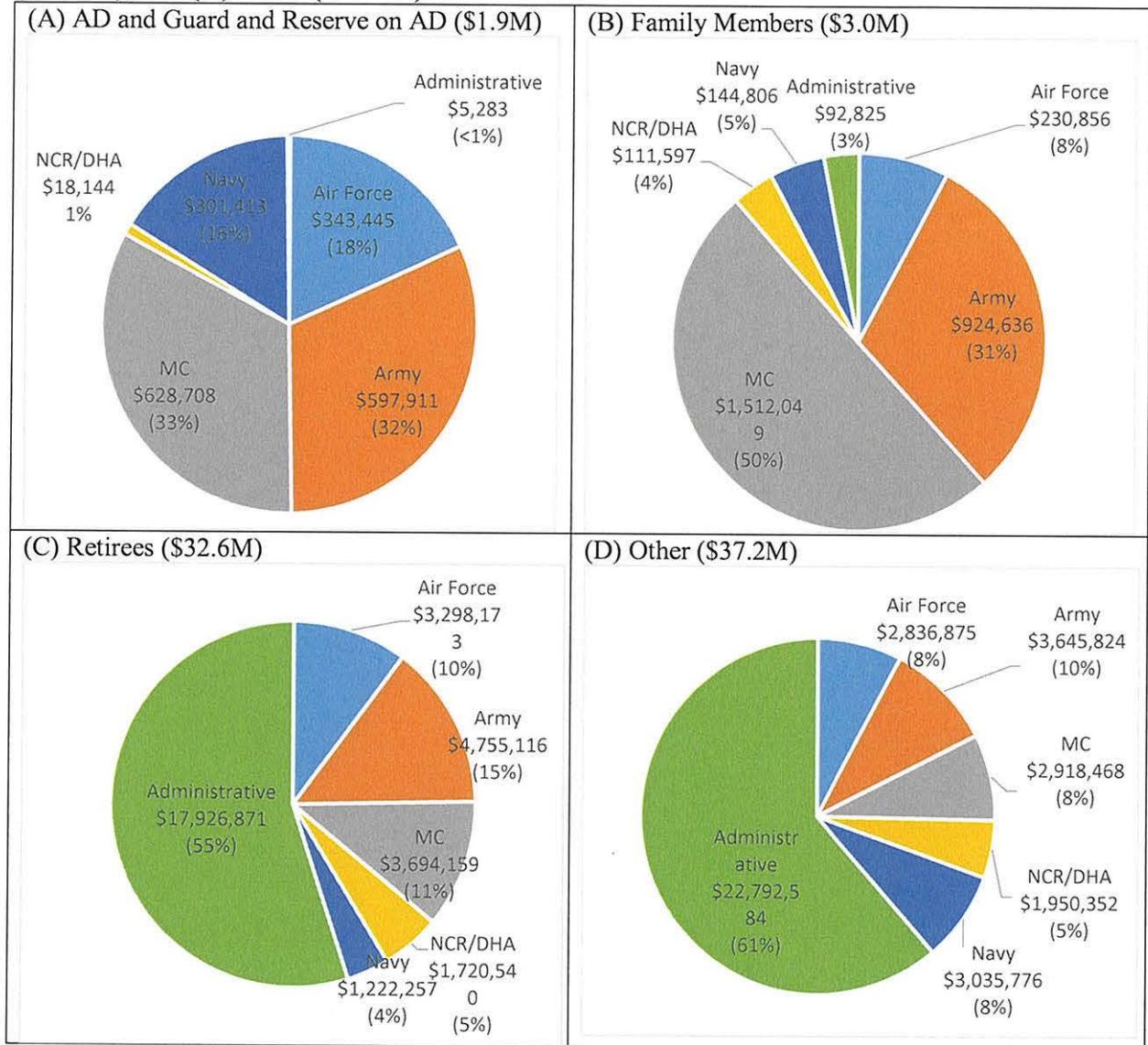


Figure 4. Percent Distribution of ALS Cost of Care for Military Services, FY 2015-FY 2020, for: (A) AD and Guard and Reserve on AD (\$1.9M); (B) Family Members (\$3.0M); (C) Retirees (\$32.6M); and (D) Other (\$37.2M).



REFERENCES

ALS Association. (2021, January 18). *Military Veterans with ALS*. Retrieved from ALS Association: <https://www.als.org/navigating-als/military-veterans>

DoD CDMRP. (2021, January 18). *Amyotrophic Lateral Sclerosis*. Retrieved from DoD Congressionally Directed Medical Research Programs: <https://cdmrp.army.mil/alsrp/default>