



PERSONNEL AND
READINESS

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

SEP 20 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, third 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,

A handwritten signature in black ink, appearing to read "Peter Levine", with a large, sweeping flourish extending to the right.

Peter Levine
Acting

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member



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WASHINGTON, DC 20301-4000

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

SEP 20 2016

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Peter Levine
Acting

Enclosure:
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cc:
The Honorable Adam Smith
Ranking Member



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WASHINGTON, DC 20301-4000

SEP 20 2016

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

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Acting

Enclosure:
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cc:
The Honorable Richard J. Durbin
Vice Chairman



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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

SEP 20 2016

Dear Mr. Chairman:

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Peter Levine
Acting

Enclosure:
As stated

cc:
The Honorable Peter J. Visclosky
Ranking Member



Defense Health Program Quarterly Budget Execution Third Quarter, FY 2016

Issue: As requested in the Joint Explanatory Statement, accompanying the Department of Defense Appropriations Act, 2016 (P.L. 114-113), the third quarter, fiscal year 2016, budget execution data for all Defense Health Program Activities is below.

Report Requirements: The language states:

The Assistant Secretary of Defense (Health Affairs) is directed to provide quarterly reports to the congressional defense committees on budget execution data for all of the Defense Health Program budget activities and to adequately reflect changes to the budget activities requested by the Services in future budget submissions.

Summary: The cumulative third quarter Operation and Maintenance budget execution rate is 76 percent.

Note: The enacted amount for the FY 2016 Defense Health Program Operation and Maintenance Private Sector Care Budget Activity Group, \$14,387.402 million, requires an additional \$137.735 million submitted for approval in the FY 16-22 PA (OMNIBUS) to sustain the delivery of health care services to beneficiaries through September.

Appropriation*	Budget (\$M)	Obligations (\$M)
Operation and Maintenance	29,654.640	22,647.491
Research, Development, Test and Evaluation	2,121.452	282.519
Procurement	365.390	24.572

* Attachment includes additional information for each appropriation

**FY 2016 Budget Execution Data
Defense Health Program
Data as of June 30, 2016
(\$000s)**

FY 2016 Operation and Maintenance

Budget Activity Group	Title	Base Budget Request	Enacted Appropriation ¹	Adjustments Required by Statute ³	Above Threshold Reprogrammings ²	Internal Adjustments	Annual Funded Program (AFP) Jun 30, 2016	Cumulative Obligations Jun 30, 2016
1	In House Care	9,082,298	8,864,562	-60,140			8,804,422	6,466,422
2	Private Sector Care	14,892,683	14,387,402				14,387,402	12,120,443
3	Consolidated Health Support ²	2,415,658	2,153,327		-132,387		2,020,940	1,253,591
4	Information Management	1,677,827	1,649,614				1,649,614	1,063,483
5	Management Activities	327,967	325,908				325,908	221,178
6	Education and Training	750,614	727,864				727,864	437,652
7	Base Operations & Communications ³	1,742,893	1,733,490	5,000			1,738,490	1,084,722
	Total O&M	30,889,940	29,842,167	-55,140	-132,387	-	29,654,640	22,647,491

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).

^{3/} 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 ¹

	980,101	2,121,933	-481			2,121,452	282,519
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^{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).

FY 2016/2018 Procurement ¹

	373,287	365,390				365,390	24,572
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^{1/} Enacted includes congressional adjustments totaling \$-7,897 for Integrated Electronic Health Record (iEHR) Department identified excess to requirement.