



The Defense Health Program (DHP)

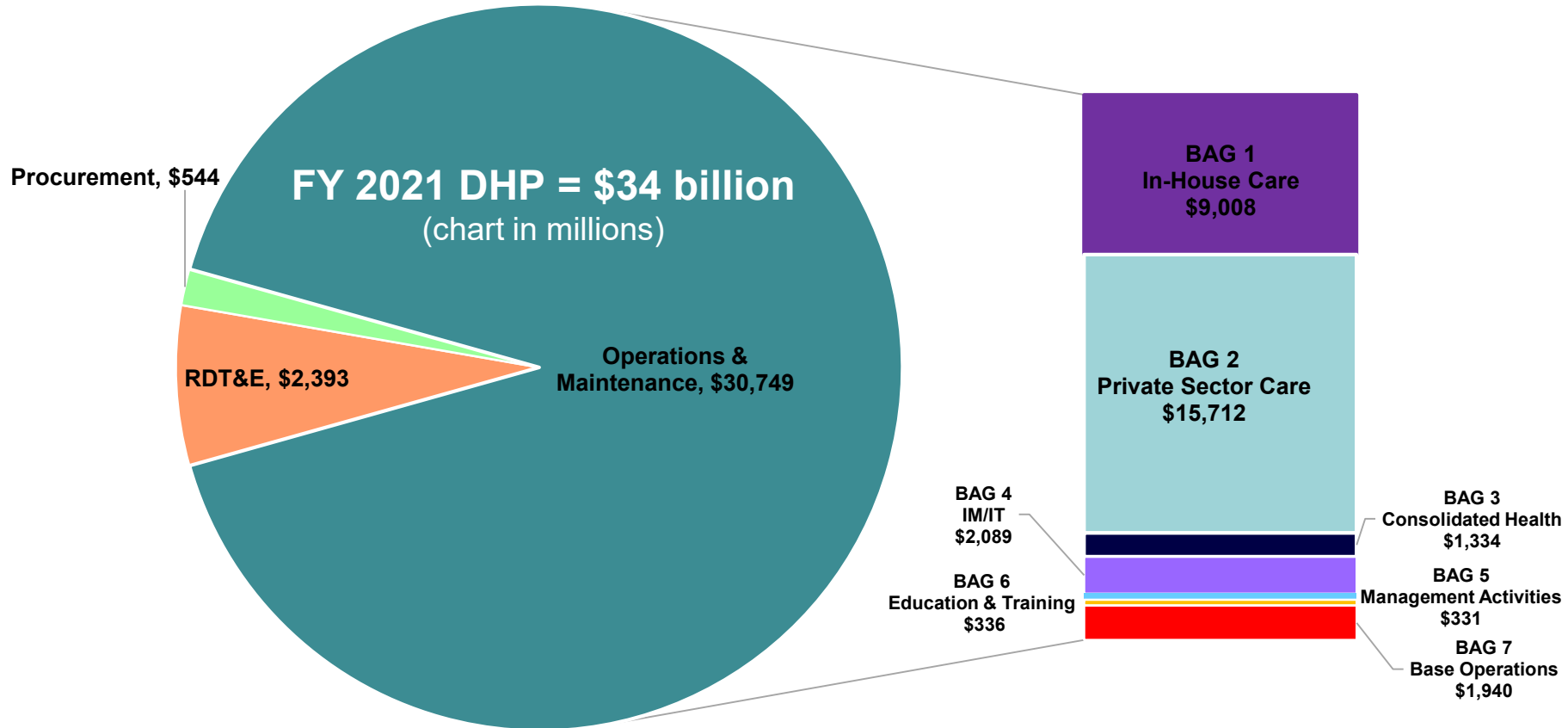




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The Defense Health Program ...is an Appropriation, not an Agency

The ASD(HA) is the appropriation holder and provides guidance and direction over the use of DHP

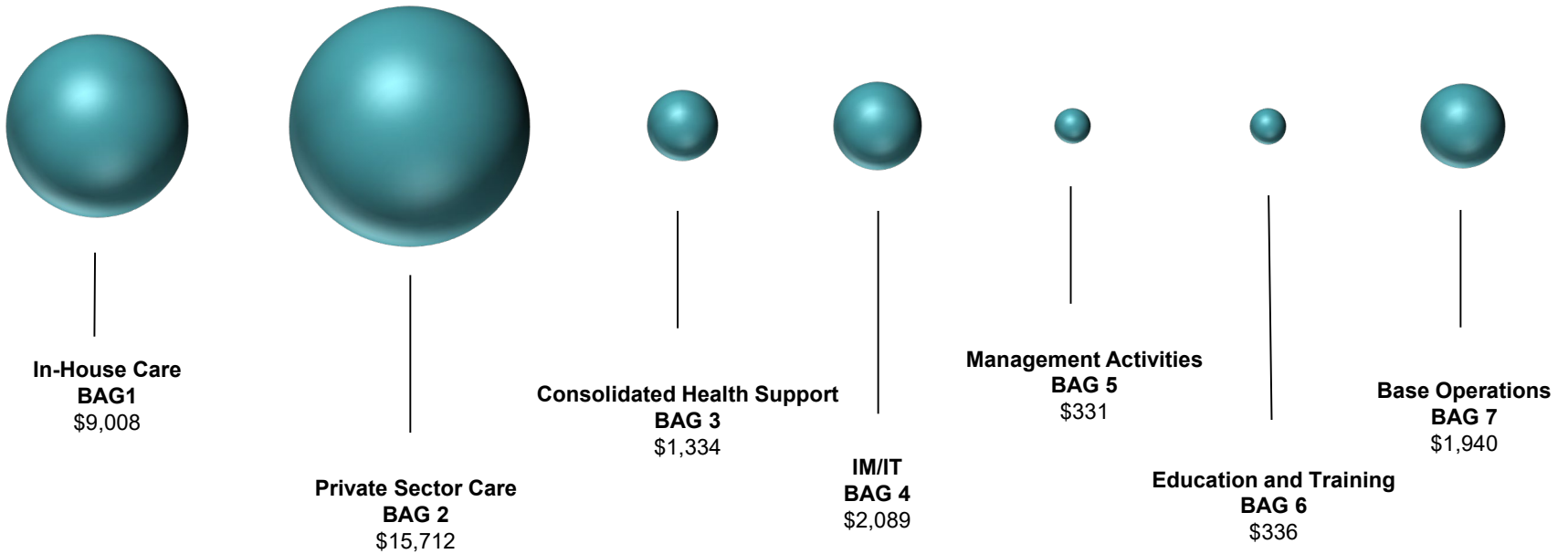


Military Health System includes Navy, Air Force, and Army Medical Treatment Facilities as well as Uniformed Services University for Health Sciences

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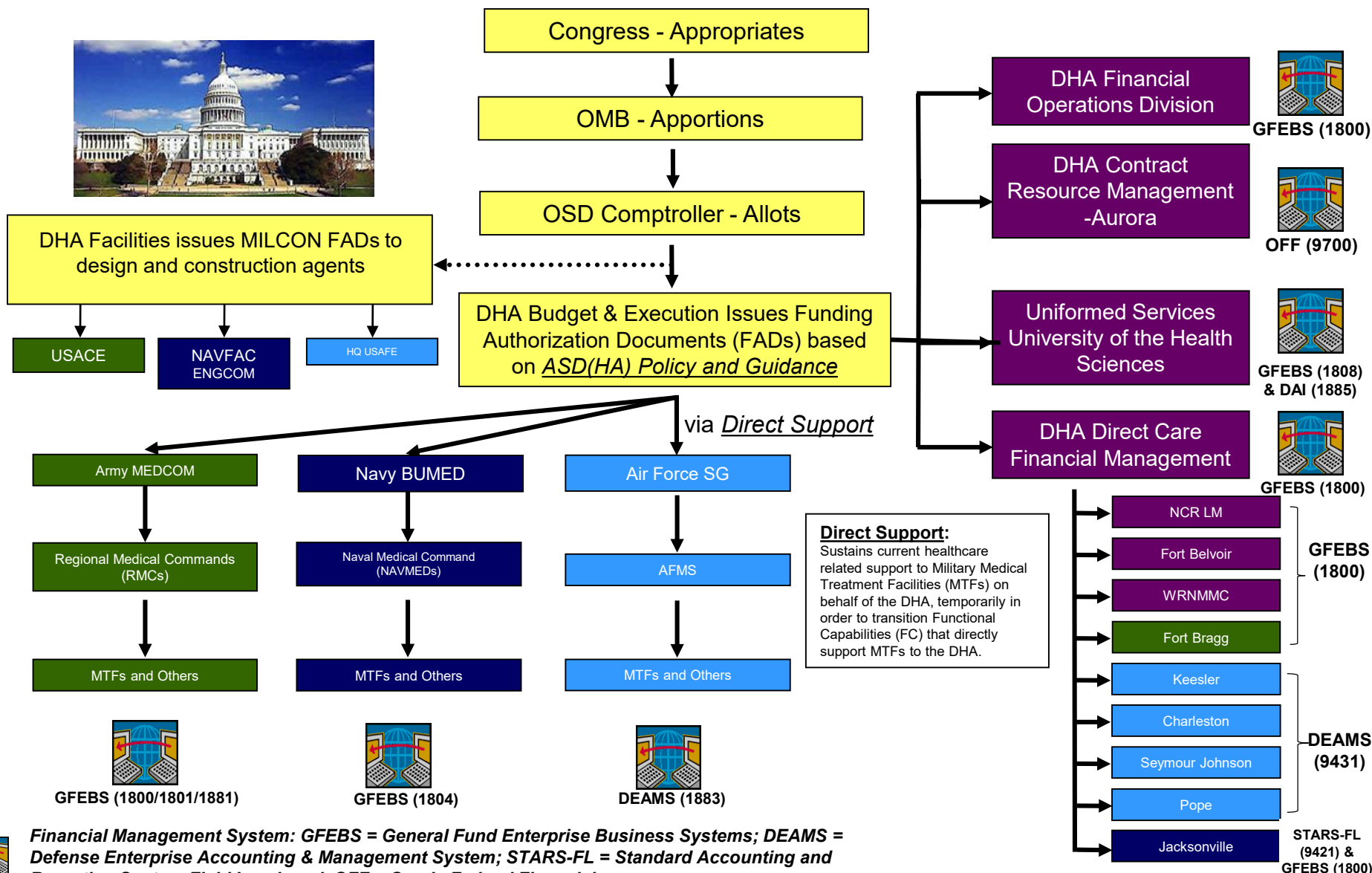


DHP O&M (FY 2021 enacted): \$30,749M





DHP O&M Funds Distribution (current)

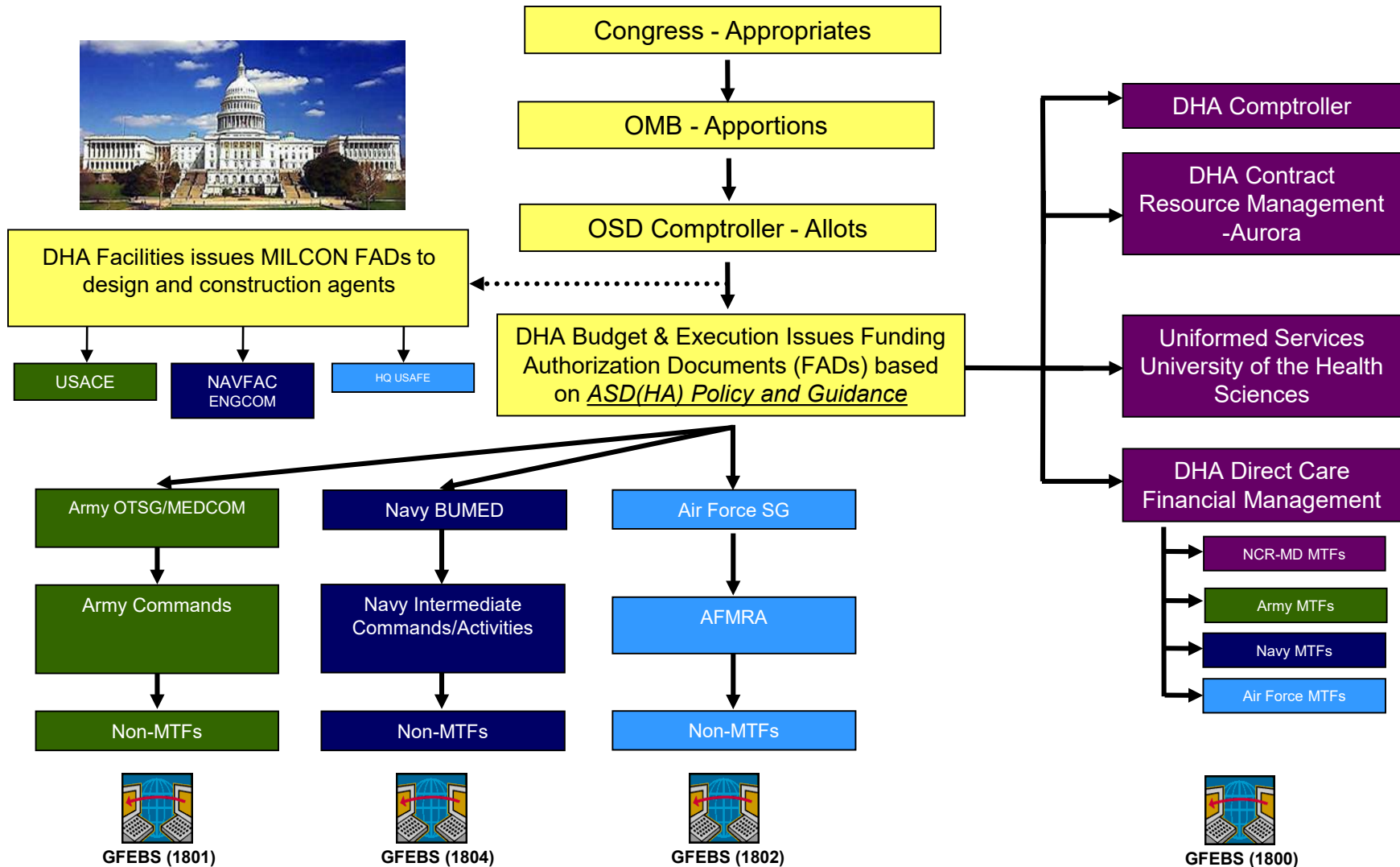


Direct Support:
Sustains current healthcare related support to Military Medical Treatment Facilities (MTFs) on behalf of the DHA, temporarily in order to transition Functional Capabilities (FC) that directly support MTFs to the DHA.

Financial Management System: GFEBSD = General Fund Enterprise Business Systems; DEAMS = Defense Enterprise Accounting & Management System; STARS-FL = Standard Accounting and Reporting System-Field Level; and, OFF = Oracle Federal Financials.



DHP O&M Funds Distribution (Future)



Financial Management System: GFES = General Fund Enterprise Business Systems; DEAMS = Defense Enterprise Accounting & Management System; STARS-FL = Standard Accounting and Reporting System-Field Level; and, OFF = Oracle Federal Financials.



The Unified Medical Budget

Unified Medical Budget (UMB) is an aggregate representation of resources from within the department that are considered “Medical”. It is not a discreet appropriation or budget and has multiple components:

- Appropriated funds directly managed by ASD(HA)
 - The Defense Health Program
- Appropriated funds not managed by ASD(HA)
 - Military Construction (MILCON) of Medical Facilities
 - Contributions to the accrual fund for Medicare Eligible Retiree Health Care Fund (MERHCF) for future healthcare entitlements for beneficiaries age 65+
 - Military Personnel, which is owned and managed by the respective service.

UMB is a conceptual representation to frame DoD medical costs



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Medicare Eligible Retiree Health Care Fund (MERHCF)

What is it?

- Established by Congress (FY 2001 NDAA) to provide mandatory funding for a health care entitlement (Title 10, Subtitle A, Part II, Chapter 56, United States Code)
- Covers Medicare-eligible (age 65+) retirees, retiree family members, and survivors only regardless of age or Medicare Part B enrollment status.
- Pays for MTF care, purchased care and pharmacy
- Recognizes DoD's accrued and future liability for cost of retiree/survivor health care for military service members and their family members
- All contributions are provided by the Services from their MILPERS appropriation and are not controlled by ASD(HA)

Implemented 1 October 2002 (FY 2003)

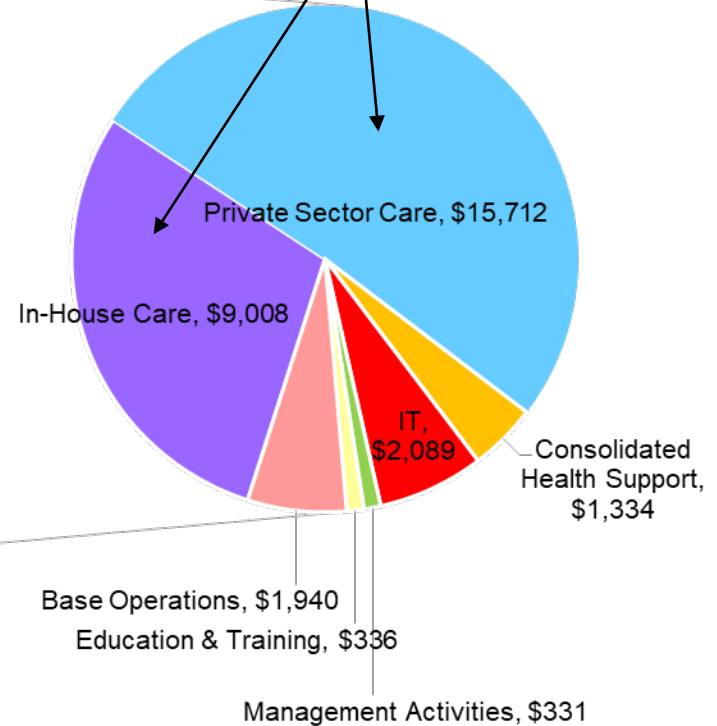
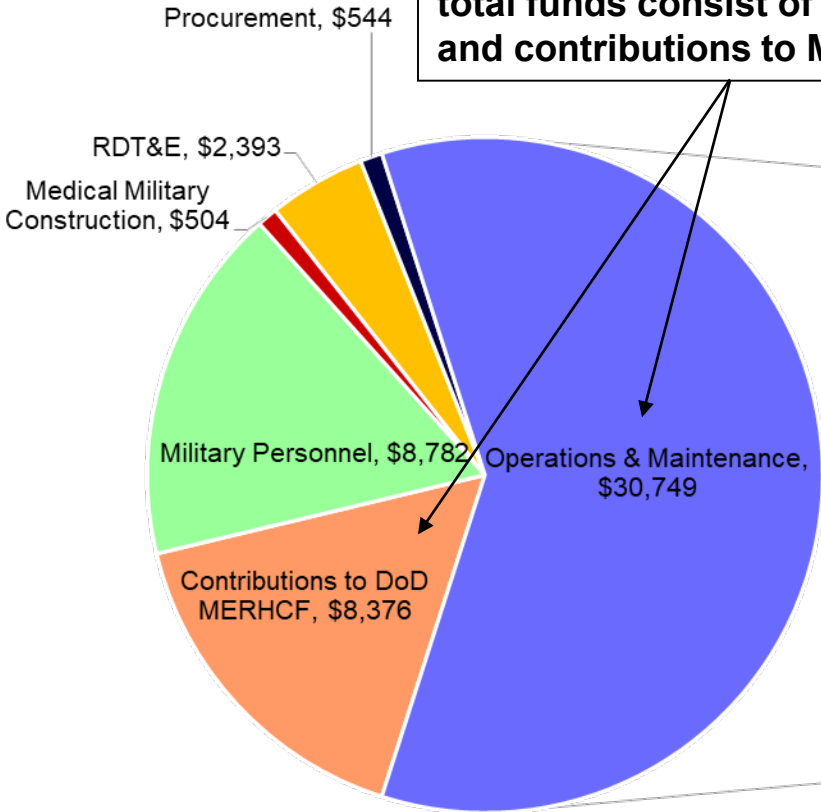
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Unified Medical Budget (FY21 enacted): \$51,349M

Unified Medical Budget: 76% of total funds consist of DHP O&M and contributions to MERHCF

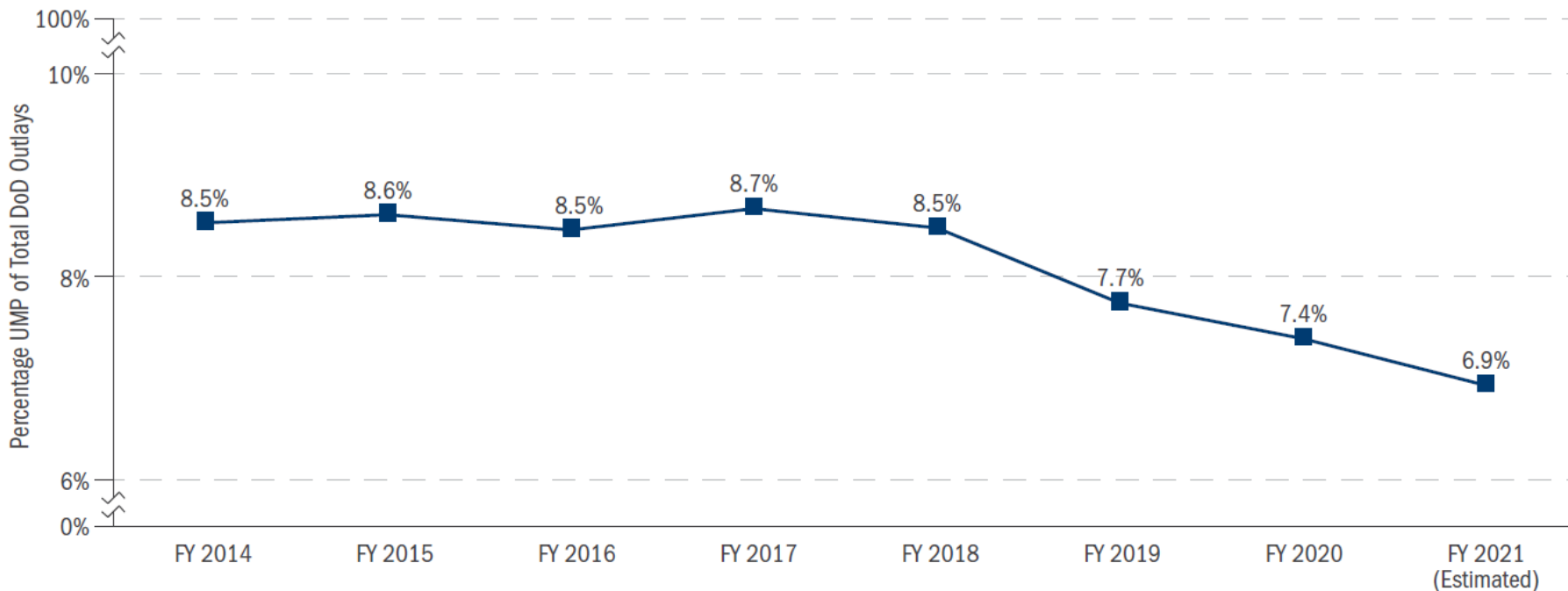
DHP O&M: 80% for patient care



DHP + (MILPERS + MILCON + MERHCF) = UMB



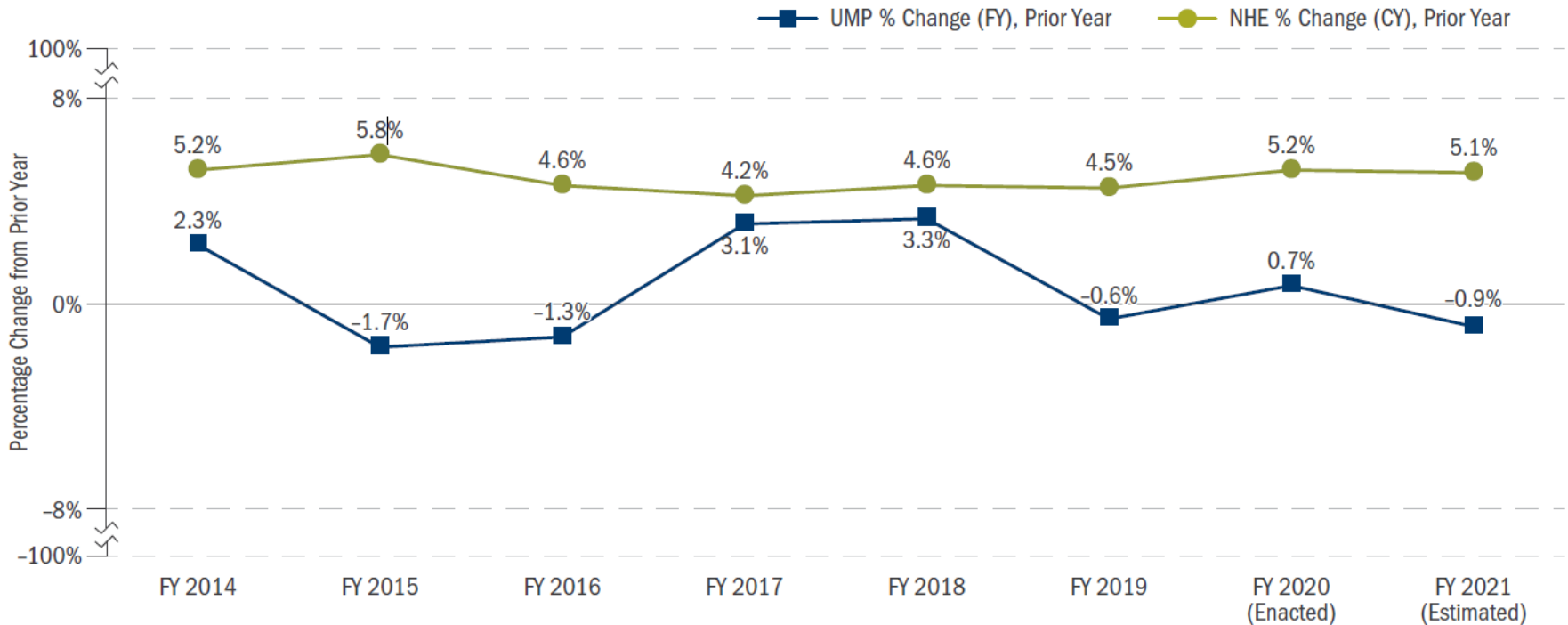
UMB Expenditures as Percentage of DoD



The UMB funding share of total DoD expenditures has declined for four consecutive years and is below FY 2014 levels



Change in UMB vs. National Health Expenditures (NHE)



UMB Growth is consistently less than NHE growth



COVID-19 Response

RDT&E Initiatives

Vaccines

- Nanoparticle
- Phage-Based (Platform)
- DNA/ Nucleic Acid
- Subunit Nanoparticle
- Psoralen-Inactivated

Diagnostics

- Reverse-Transcriptase Polymerase Chain Reaction (RT-PCR)
- Antigen Assays
- Antibody Assays

Therapeutics

- Monoclonal Antibodies
- Small Molecule
- Polyclonal Antibodies
- Convalescent Plasma
- Hyper-immunoglobulin (HIG)

Enabling Capabilities

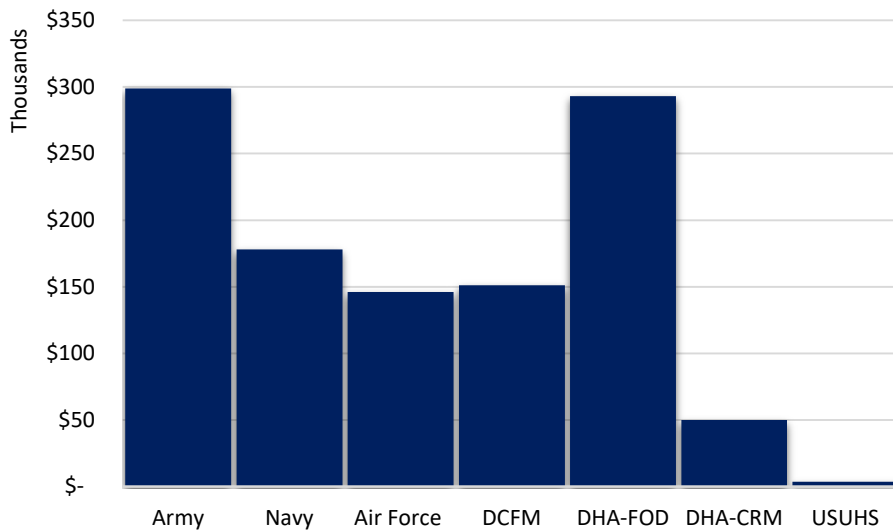
- Field Studies (Parris Island Study)
- Natural History Studies in MHS Population
- Animal Models
- Antibody Research



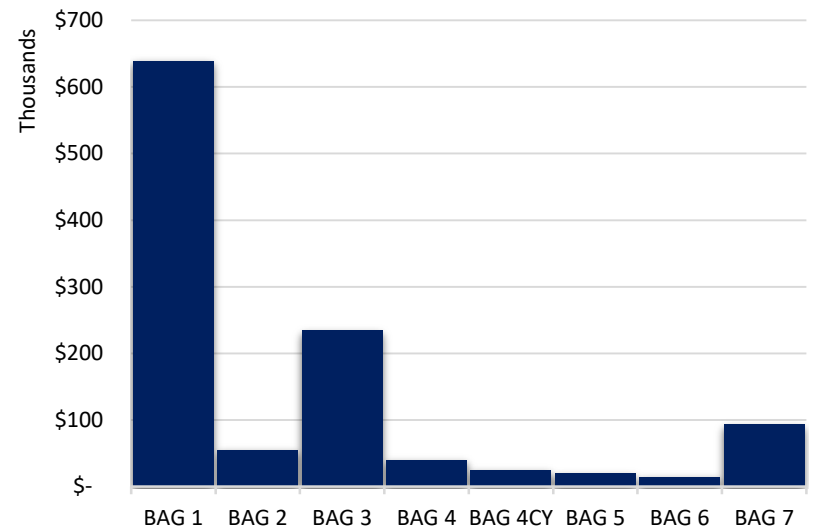
COVID-19 (FY20 O&M)

CARES Act COVID-19 O&M (\$Ks)								
BAG	Army	Navy	Air Force	DCFM	DHA-FOD	DHA-CRM	USUHS	Total
1	\$ 221,499	\$ 71,320	\$ 114,742	\$ 97,457	\$ 133,383	\$ -	\$ -	\$ 638,401
2	\$ -	\$ -	\$ -	\$ -	\$ 4,731	\$ 50,000	\$ -	\$ 54,731
3	\$ 52,124	\$ 51,076	\$ 30,610	\$ 26,550	\$ 70,461	\$ -	\$ 3,577	\$ 234,398
4	\$ 2,114	\$ 800	\$ 157	\$ 3,147	\$ 33,782	\$ -	\$ -	\$ 40,000
4CY	\$ -	\$ -	\$ -	\$ -	\$ 25,200	\$ -	\$ -	\$ 25,200
5	\$ 119	\$ -	\$ 72	\$ -	\$ 19,809	\$ -	\$ -	\$ 20,000
6	\$ 745	\$ 9,434	\$ 95	\$ 336	\$ 4,284	\$ -	\$ 106	\$ 15,000
7	\$ 22,195	\$ 45,525	\$ 387	\$ 23,655	\$ 1,535	\$ -	\$ -	\$ 93,297
TOTAL	\$ 298,796	\$ 178,155	\$ 146,063	\$151,145	\$ 293,185	\$ 50,000	\$ 3,683	\$ 1,121,027

CARES Act COVID-19 O&M By Service



CARES Act COVID-19 O&M by BAG

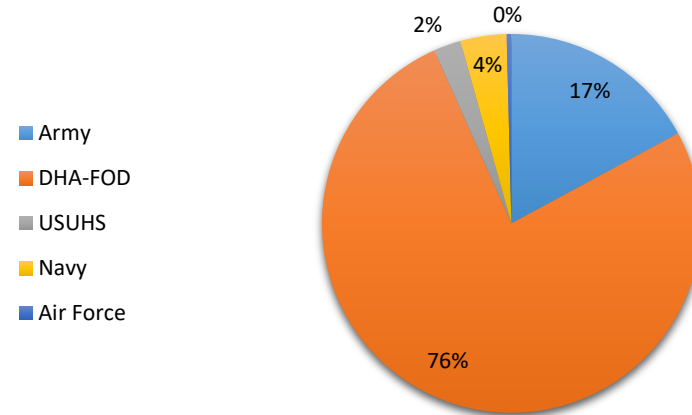




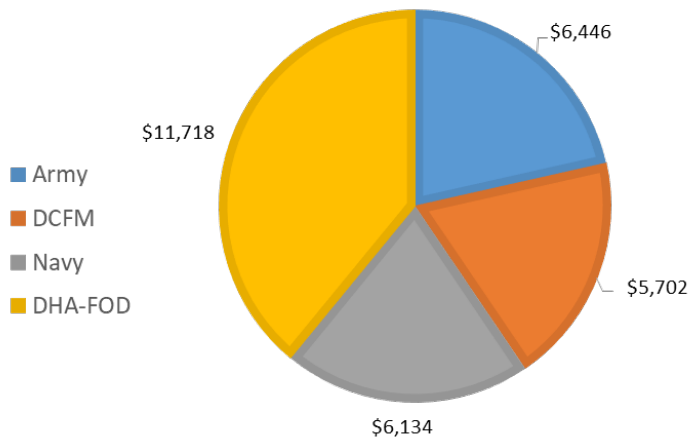
COVID-19 (FY20 PROC & RDTE)

COVID-19 RDTE PROFILE

COVID-19 RDT&E (\$Ks)			
Component	Distributed		
	Non-CARES Act	CARES Act	TOTAL
Army	\$ 100,700	\$ 155,925	\$ 256,625
DHA-FOD	\$ 22,500	\$ 1,120,319	\$1,142,819
USUHS	\$ 24,000	\$ 10,798	\$ 34,798
Navy	\$ 400	\$ 58,800	\$ 59,200
Air Force	\$ -	\$ 6,058	\$ 6,058
TOTAL	\$ 147,600	\$ 1,351,900	\$1,499,500



COVID-19 PROC PROFILE



CARES Act COVID-19 FY20-FY22 PROC (\$Ks)	
Component	Total
Army	\$ 6,446
DCFM	\$ 5,702
Navy	\$ 6,134
DHA-FOD	\$ 11,718
TOTAL	\$ 30,000



COVID-19 (FY21 Status Update)

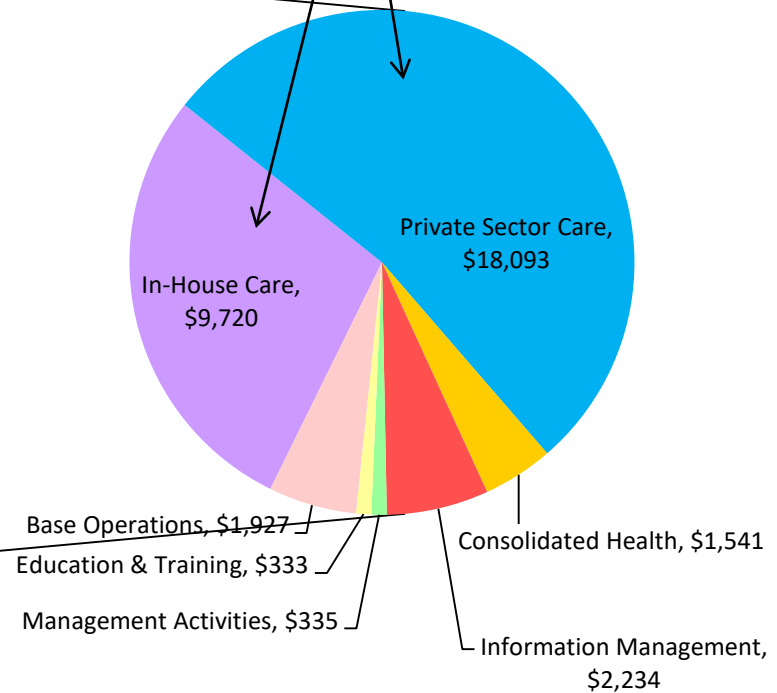
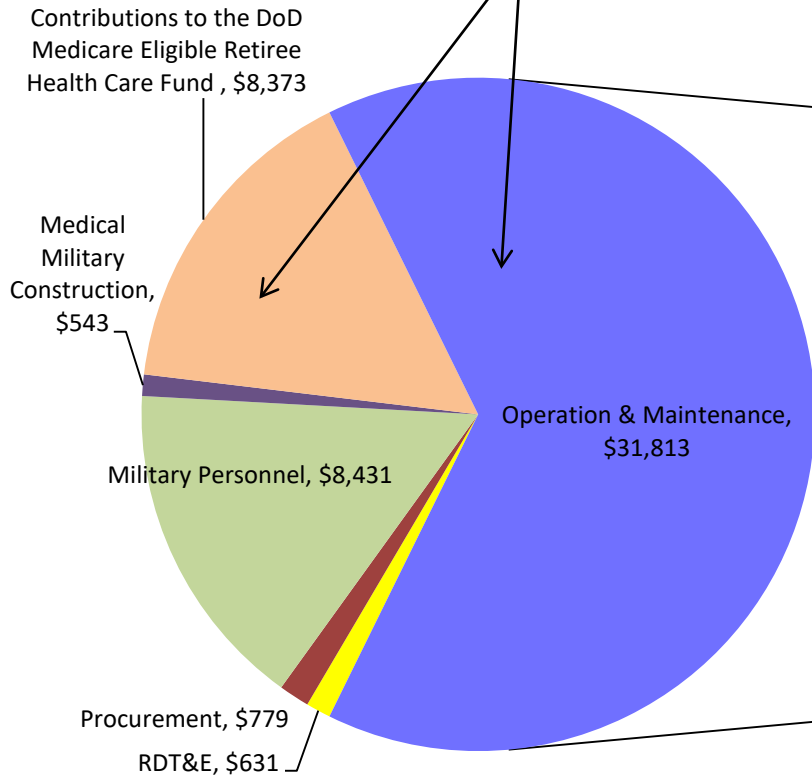
- To date, we have executed over \$1 billion for COVID-19 pandemic response in FY 2021 driving a funding baseline shortfall in both the direct care and private sector care activities
- We continue to collaborate with the Department and communicate with Congress on the impact, our projections, and plans
- There have been no reductions to services or the benefit as a result of this pandemic driven projected shortfall
 - We have advanced all funds required to fully fund our facilities as we work toward resolution
- The majority of the additional expense so far (about 75%) is from claims for COVID-19 care and testing within the private sector
 - The rest is mostly for PPE, Public Health surveillance, and testing within our MTFs



FY 2022 DoD Health Care Funds: \$52,939M

Unified Medical Budget: 76% of total funds consist of DHP O&M and contributions to MERHCF NCC

DHP O&M: 87% for patient care





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COVID-19 (FY22 and Beyond)

- Lessons Learned in the Pandemic Response:
 - Leverage science and technology to integrate essential requirements for prevention, diagnosis and surveillance health activities
 - Public Health Surveillance, Telehealth and the Nurse Advice Line
 - Advanced development of vaccines that will reduce the time for future treatments to reach the warfighter
- FY22 DHP President's Budget Request includes funding for these requirements:
 - Testing - \$303M
 - Vaccine - \$70M
 - Enhanced Public Health Surveillance and Contact Tracing -- \$47M



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Questions