THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-1200

HEALTH AFFAIRS

AUG 0 3 2004

The Honorable John W. Warner
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Mr. Chairman:

This letter provides information requested in the House Appropriations Committee (HAC) Report 108-187 on the Department's release of the remaining funds from the Fiscal Year 2003 Emergency Supplemental Appropriations Act (Public Law 108-11) for the Defense Health Program. Specifically, the HAC requested to be informed once all the funds had been released.

The remaining $301.7 million of the $501.7 million appropriated for the Defense Health Program was released to the Services' medical departments and TRICARE Management Activity in the fourth quarter Fiscal Year 2003 for costs associated with Operation Iraqi Freedom and other ongoing operations as delineated below.

$215.1 million to the TRICARE Management Activity to pay for the cost of TRICARE benefits incurred by mobilized Reserve and National Guard personnel and their family members, and to pay the costs resulting from a Department decision not to activate additional Reserve personnel to backfill military personnel deployed from military treatment facilities.

$63.2 million to the Army to pay for military treatment facility force protection costs (utility protection, barriers, cameras), an increase in operations tempo for non-military treatment facility operations (veterinary, preventive medicine, logistics and headquarters operations), contract security personnel, increased enlisted medical training requirements, Operation NOBLE EAGLE support to installations, information security, and travel requirements to sustain health care operations with movement of staff.

$21.3 million to the Air Force to pay for military treatment facility force protection costs (utility protection, barriers, cameras), reconstitution of patient movement items, aeromedical evacuation costs, medical preparation of deploying forces, and revised financing and supplemental care costs.

$2.1 million to the Navy for contract security personnel.

Thank you for your continued support of the Military Health System.

Sincerely,

William Winkenwerder, Jr., MD

cc:
Senator Carl Levin