OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 22 2010

The Honorable Daniel K. Inouye
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

This letter is in response to the Joint Explanatory Statement accompanying H.R. 3326, the Department of Defense Appropriations Act for Fiscal Year (FY) 2010, which requests the Assistant Secretary of Defense (Health Affairs) (ASD (HA)) to submit to the congressional defense committees a detailed spending plan for the FY 2009 designated carryover funds. This notification is due within 30 days after the enactment of the Act.

Public Law 110-329, making further continuing appropriations for FY 2009 and for other purposes, states the following:

> "For Expenses, not otherwise provided for, medical and health care programs of the Department of Defense as authorized by law $25,825,832,000, of which $1,300,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund; of which $24,611,369,000 shall be for operation and maintenance, of which not to exceed one percent shall remain available until September 30, 2010, and of which up to $12,217,751,000 may be available for contracts entered into under the TRICARE program; of which $311,905,000, to remain available for obligation until September 30, 2011, shall be for procurement; and of which $902,558,000, to remain available for obligation until September 30, 2010, shall be for research, development, test, and evaluation: Provided, That, notwithstanding any other provision of law, of the amount made available under this heading for research, development, test, and evaluation, not less than $8,000,000 shall be available for HIV prevention educational activities undertaken in connection with U.S. military training, exercises, and humanitarian assistance activities conducted primarily in African nations."

As of February 26, 2010, $120 million in unobligated FY 2009 Defense Health Program (DHP) Operation and Maintenance (O&M) appropriation funds have been designated for carryover from FY 2009 into FY 2010. Including these reprogrammed funds, the FY 2009 $120 million unobligated DHP O&M funds, the total amount utilized

for TRICARE contracts does not exceed the statutory ceiling of $14,360,000,000 found in Public Law 111-32. The FY 2009 one percent carryover limit is $246,114,000.

Because our accounting systems identify the funds carried over as "two-year" FY 2009-2010 DHP O&M, the carryover amounts will be obligated against large TRICARE private sector care contracts to mitigate the complications associated with creating a separate accounting structure for the two-year O&M funds by the Military Health System's components, freeing up an identical amount of single year FY 2010 DHP O&M funds. In accordance with the Joint Explanatory Statement funds carried over to FY 2010 will be used for emerging medical information technology requirements. Available funds not needed for medical information technology requirements will then be used to resource emerging requirements that are prioritized and approved by the Military Health System leadership during the FY 2010 mid-year review. This process typically occurs in the May to June timeframe each year. The ASD (HA) will notify the congressional defense committees in writing of the details of any such obligation.

The FY 2008/2009 funds authorized in the carryover were used for private sector care requirements ($217,595,000) and U.S. Army Health Professions Scholarship Program requirements ($8,000,000).

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

Sincerely,

Charles L. Rice, M.D.
President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

cc:
The Honorable Thad Cochran
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 22 2010

The Honorable Daniel K. Inouye
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, DC 20510

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President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

cc:
The Honorable Thad Cochran
Vice Chairman

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 22 2010

The Honorable David R. Obey
Chairman, Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

cc:
The Honorable Jerry Lewis
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 22 2010

The Honorable Norm Dicks
Vice Chairman, Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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Charles L. Rice, M.D.
President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

cc:
The Honorable C. W. Bill Young
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 22 2010

The Honorable Carl Levin
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

cc:
The Honorable John McCain
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 22 2010

The Honorable James H. Webb
Chairman, Subcommittee on Personnel
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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President, Uniformed Services University of the Health Sciences
Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

cc:
The Honorable Lindsey O. Graham
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

MAR 22 2010

The Honorable Ike Skelton
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

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cc:
The Honorable Howard P. "Buck" McKeon
Ranking Member

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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HEALTH AFFAIRS

MAR 22 2010

The Honorable Susan Davis
Chairwoman, Subcommittee on Military Personnel
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

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Performing the Duties of the Assistant Secretary of Defense (Health Affairs)

cc:
The Honorable Joe Wilson
Ranking Member