OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

AUG 1 2012

The Honorable Howard P. "Buck" McKeon
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

As required by Conference Report 112-331, accompanying H.R. 2055, the Department of Defense (DoD) Appropriations Act, 2012, Public Law (P.L.) 112-10, it is my pleasure to provide you the status of fiscal year (FY) 2011 Defense Health Program (DHP) designated carryover funds.

As of May 5, 2012, a total of $296,717,640 in unobligated FY 2011 DHP Operation and Maintenance (O&M) appropriation funds has been designated for carryover from FY 2011 into FY 2012. The specifics of how these funds will be utilized are found in the enclosure.

The DHP O&M carryover authority has provided the flexibility to manage many issues that emerge during the year of budget execution. In recent years, this has included private sector care, support to our warriors in transition, pandemic influenza preparedness, costs of supporting overseas contingency operations that were not known at the time of the supplemental appropriation request, and medical information technology. These have been all worthwhile efforts in support of our Service members and their families.

A similar letter is being sent to the Chairmen of 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,

Jo Ann Rooney
Principal Deputy

Enclosure:
As stated

Preparation of this report cost the DoD a total of approximately $1,815 in FY 2012.

cc:
The Honorable Adam Smith
Ranking Member

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PERSONNEL AND
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The Honorable Joe Wilson
Chairman
Subcommittee on Military Personnel
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

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The Honorable Susan A. Davis
Ranking Member

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

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Ranking Member

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

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The Honorable Lindsey Graham
Ranking Member

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

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cc:
The Honorable Thad Cochran
Vice Chairman

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The Honorable Harold Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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The Honorable Norman D. Dicks
Ranking Member

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Chairman
Subcommittee on Defense
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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Defense Health Program - Operation & Maintenance (O&M) Appropriation
Fiscal Year (FY) 2012 Carryover Spend Plan*

* FY 2011/2012 O&M carryover funding used on Private Sector Care Contract, making available FY 2012 O&M

Component	Issue	Total ($Million)
Air Force	Additional requirements for air evacuation of patients to Military Treatment Facilities in CONUS	$ 15.0
	Increased supply and pharmacy requirements in the Military Treatment Facilities to support patient care treatment.	$ 41.7
Army	Continues to expand the capacity for Integrated Disability Evaluation System (IDES) throughout the Army to address the backlog of cases and assist soldiers through the process.	$ 62.2
	Increased pharmacy utilization in the Military Treatment Facilities to support patient care requirements.	$ 44.0
	Initial outfitting equipment required for Military Construction Projects for Medical Treatment Facilities such as Fort Campbell (Fort Campbell, Kentucky) and Fort Carson (Colorado Springs, Colorado), and for replacement of medical equipment within Military Treatment Facilities that has exceeded its useful life.	$ 9.6
	Salary adjustments for the remaining physicians and dentists paid under the General Schedule or National Security Personnel System Salary Schedule to transition during FY 2012 to the Provider and Dentist Pay Plan in accordance with the FY 2010 NDAA (Public Law 111-84) to establish salary comparability with external healthcare systems.	$ 10.0
Army, Navy, Air Force and Joint Task Force National Capital Region Medical	Pay for performance to the components for improving patient care outcomes in comparison to nationally recognized quality of care measures.	$ 58.3
Joint Task Force National Capital Region Medical	Prosthetic devices required for Wounded Warriors with amputations receiving rehab illative care at Walter Reed National Military Medical Center, (Bethesda, MD) and Fort Belvoir Community Hospital, (Fort Belvoir, VA).	$ 8.0
Navy	Salary adjustments for the remaining physicians and dentists paid under the General Schedule or National Security Personnel System Salary Schedule to transition during FY 2012 to the Provider and Dentist Pay Plan in accordance with the FY 2010 NDAA (Public Law 111-84) to establish salary comparability with external healthcare systems.	$ 7.5
	Protective ballistic eyewear inserts for service members deploying to combat zones	$ 3.9
	Utility rate increase at Naval Hospital Yokosuka, Japan due to shut down of the nuclear power plant after the earthquake and tsunami in Japan.	$ 1.6
	Replacement of medical, dental and emergency management equipment within Dental Treatment Facilities and Military Treatment Facilities that has exceeded its useful life	$ 6.3
TRICARE Management Activity	Residual initial outfitting requirements, such as furniture, signage, IM/IT and VTC at the Defense Health Headquarters Building (Falls Church, VA).	$ 5.3
Uniformed Services University of Health Sciences	Correct infrastructure safety issues with a focus on upgrading sprinkler/fire alarm systems; renovate multidisciplinary teaching classrooms to meet accreditation standards associated with curriculum reform; and modernize research laboratories to enable basic and clinical-translational research supporting DoD priorities.	$ 23.3
	Total O&M Funds	**$ 296.7**