

**PREPARED STATEMENT
OF
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DEFENSE HEALTH AGENCY**

BEFORE THE

**SENATE APPROPRIATIONS COMMITTEE
MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND
RELATED AGENCIES SUBCOMMITTEE**

APRIL 15, 2015

INTRODUCTION:

Chairman Kirk, Ranking Member Tester and distinguished members of the subcommittee thank you for the opportunity to present and discuss medical military construction (MilCon) submission in the President's Fiscal Year (FY) 2016 budget request for the Department of Defense Medical MilCon program.

I will focus on the FY 2016 budget request in terms of strategic alignment, but also briefly discuss the European Infrastructure Consolidation effort and important projects already underway. This FY 2016 budget request of \$678 million is the lowest since FY 2009 with the exception of FY 2015. It funds seven projects, to include Rhine Ordnance Barracks Hospital Replacement, Germany and the Fort Bliss Hospital Replacement, Texas, both key strategic health care delivery platforms supporting the Services warfighter requirements. We are targeting medical MilCon funds to support enduring readiness platforms; forward deployed missions supporting Combatant Commands (COCOMs), Asia-Pacific rebalance, and optimization of health care delivery market performance at enduring installations stateside and overseas.

STRATEGIC ALIGNMENT:

Our FY 2016 Medical MilCon budget request supports the 2015 National Security Strategy, and the Military Health System Quadruple Aim of: increased readiness, better health, better care, at lower cost. We are committed to sustaining the medical readiness of our force, the clinical skills of our medics, and the world-class treatment and rehabilitation for those who fight our nation's battles today, yesterday and tomorrow, along with their families. This budget request also supports our Military Health System strategy to enhance DoD and our Nation's

security by providing health support for the full range of military operations and maximizing the health of all those entrusted to our care. This strategic guidance is paramount during our annual prioritization of MilCon requirements through a structured Capital Investment Decision Making process that considers COCOM and Service requirements from an enterprise perspective.

FISCAL YEAR 2016 BUDGET REQUEST:

The FY 2016 budget request includes \$673 million for seven projects to upgrade our military treatment facilities. They include \$124 million for a behavioral health/dental clinic addition at Schofield Barracks, Hawaii (COCOM/optimize market performance/Asia-Pacific rebalance); \$122 million for replacement of a medical/dental clinic at Marine Corps Air Station Kaneohe Bay, Hawaii (COCOM/optimize market performance/Asia-Pacific rebalance); \$85 million for the fifth increment of the Rhine Ordnance Barracks Hospital Replacement, Germany (strategic treatment/evacuation hub supporting U.S. European Command (USEUCOM), U.S. Central Command (USCENTCOM), U.S. Africa Command (USAFRICOM) and U.S. Special Operations Command (USSOCOM)); \$239 million for the seventh, and last increment of the Fort Bliss Hospital Replacement, Texas (enduring power projection/readiness platform); \$62 million for the fourth phase of the Ambulatory Care Center at Joint Base San Antonio, Texas (eliminate obsolete excess square footage); \$34 million for the medical/dental Clinic addition at Spangdahlem Air Base, Germany (COCOM, supports force structure realignment due to closure of Bitburg); and \$7 million for the replacement of the Satellite Pharmacy at Wright-Paterson AFB, Ohio (optimize market performance).

These projects are crucial to ensuring we can deliver the quality healthcare our service members and their families deserve when stationed stateside and during overseas deployments.

EUROPEAN INFRASTRUCTURE CONSOLIDATION:

Over the last two years, the Department conducted a comprehensive review of the infrastructure requirements necessary to support U.S. forces and their missions in and around Europe. While this European Infrastructure Consolidation effort resulted in 26 recommendations that will result in more than \$500 million in annual recurring savings once all actions are fully implemented, the medical infrastructure in the USEUCOM theater remained mostly unchanged due to the need to maintain current inpatient services to support Service missions and to provide a U.S. standard of care to assigned service members and their families. This analysis further solidified Kaiserslautern Military Community as an enduring hub and the long term critical need for the Rhine Ordnance Barracks Medical Center Replacement project as long as potential conflicts in USEUCOM, USCENTCOM, USAFRICOM or USSOCOM areas of operation remain. We thank Congress for their continued support of this important strategic requirement.

IMPORTANT PROJECTS IN THE WORKS:

The Department is fortunate to have benefitted from continued support from Congress for military medical construction over the last eight years. Over 50 projects are currently under construction (\$6 billion), to include major replacement facilities at Ft. Hood, TX; Ft. Bliss, TX; Ft. Riley, KS; Rhine Ordnance Barracks, Germany; USARMIID, Ft. Detrick, MD; and Institute of Chemical Defense, Aberdeen, MD. Completed hospitals include Ft. Benning, GA; Camp Pendleton, CA; Ft. Belvoir, VA; and Guam. The Military Health System has also benefitted from a strong collaborative relationship with its Design/Construction agents (U.S. Army Corps of Engineers and Navy Naval Facilities Engineering Command), which has resulted in over 90 percent of projects being completed within cost.

CONCLUSION:

Thank you for the opportunity to present the FY 2016 budget request for the medical MilCon program. As I have outlined above, our request is lower than in the years prior to the Budget Control Act limitations but still allows us to address urgent requirements. We are focused on providing infrastructure to support an integrated world-class Military Health Care system that is safe, reliable, responsive, and efficient. We appreciate Congress' continued support for our enterprise and look forward to working with you as you consider the FY 2016 budget.