



DEPARTMENT OF THE AIR FORCE

HEADQUARTERS AIR COMBAT COMMAND
LANGLEY AIR FORCE BASE, VIRGINIA

7 February 2003

MEMORANDUM FOR ACC Medical Group Commanders

FROM: HQ ACC/ SGS
162 Dodd Blvd., Suite 100
Langley AFB VA 23665-1995

SUBJECT: Fiscal Year 2003 Funding Guidance

1. ACC recently received formal funding guidance for the FY03 Defense Health Program (DHP) appropriation from HQ USAF/SGMC and the TRICARE Management Activity (TMA). Both of these documents can be found on the ACC/SG Financial Management website. This memo summarizes the Air Staff funding guidance to the MAJCOMs and provides guidance for ACC MTFs.
2. The attachment shows the current distribution to each MTF. The distribution includes the baseline amount plus any one-time amounts validated to date. The FY03 baseline budget for each MTF was determined using the same method Air Staff used to validate ACC's total budget. For most commodities, the amounts are based on the actual FY02 obligations adjusted for one-time distributions and inflation. Underexecution in supplies, pharmacy, travel, equipment, or systems was treated as a one-time distribution. As a result, many commodities are funded at no more than the FY02 baseline amount plus inflation.
3. A portion of the initial budget allocation is sourced from the DoD Medicare Eligible Retiree Health Care Fund, which covers the cost of health care programs for Medicare eligible beneficiaries. Reimbursement to the DHP from this fund will be accomplished with prospective quarterly payments. To date, ACC has received the accrual fund payment for the first quarter only. Therefore, your initial distributions are decremented by the amount we have not yet received for second, third, and fourth quarters. This amount will be distributed to you as soon as it is received from Air Staff. In FY03, the AFMS will receive the same amount that was removed from its program. However, adjustments will be made to future program years based on a comparison between actual workload accomplished for Medicare eligible beneficiaries and budgeted workload.
4. MAJCOMs have been given some flexibility to move funding between commodities (EEIC) within Budget Activity Groups (BAGs) to meet mission requirements. ***However, there are financial implications for significant variations between the target EEIC established for initial validation and actual execution amounts.*** For example, if equipment funds are used this year to fund a contract, ACC may not receive the funds on the equipment line nor the contract line next year. That is, the contract baseline may not be increased because we used equipment funds to buy a contract. In general, funds should be moved only when there is a must pay bill (necessary to sustain FY02 level of effort) without a funding source. ACC will need to justify any significant variations. Requests for additional funding in a particular

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EEIC will be considered based on the target EEIC amount established during initial validation. BAG allocations are based on the annual forecasts submitted in January. Funding realignments of your FY03 budget between BAGs requires approval from SGSC.

5. Current FY03 civilian workyear targets and associated funding are identified in the attachment. Careful management of your civilian manpower execution remains a priority. You should strive to ensure that actual workyear execution meets your target levels in order to avoid potential monetary decrements associated with underexecution. The workyears in the attachment are only a guide and MTFs can execute above or below the figures listed. However, unlike previous years, additional funding will not necessarily be provided for execution of workyears above the amounts listed in the attachment. You will need to manage workyear execution within your baseline budget.
6. Section 8004 of the FY03 Defense Appropriations Act specifies that no more than 20 percent of the annual direct program shall be obligated during the last two months of the fiscal year. The ACC/SG Financial Management Branch (SGSC) will monitor each MTF for adherence to this provision and may reduce an individual MTF's annual program if not in compliance.
7. HQ USAF/SGMC is required to submit monthly reports to TMA on obligations in support of contingency operations. Data for these reports comes in part from ESP-coded obligations from the accounting system. It is extremely important that activities properly ESP code obligations so the reports are as accurate as possible. AFI 65-601, Vol 1, Budget Guidance and Procedures, para 10.26 specifies that line O&M funds are to be used in support of deploying medical personnel. DHP should be used for anything done in the medical facility and ESP-coded as appropriate. Reimbursement for ESP-coded obligations is not guaranteed.
8. MTFs are encouraged to recapture pharmacy workload from the retail network to the greatest extent possible given the current, funded program. It has been established, in general, that providing pharmaceuticals through the retail network costs the Government more than dispensing through the direct care system. MTFs that expect to exceed their current pharmacy budget should submit a request for additional pharmacy funding as soon as possible. ACC can support up to 10.5% inflation. If your requirement is for more than 10.5% inflation, the UFR should explain how the MTF expects to recapture network scripts and should quantify the expected savings in the retail network. Where there may be potential cost savings projected by recapturing workload from the retail network, SGSC will pursue additional funding for your initiative. Without first receiving additional funding, MTFs are expected to cover their own internally generated shortfalls within their funded program.
9. If you have questions or require further assistance please let us know. My POCs are Major Brenda Hanes, DSN 574-1329, Brenda.Hanes@langley.af.mil or Capt Scott Haning, DSN 574-1344, Scott.Haning@langley.af.mil.



RUSSELL J. KILPATRICK
Brigadier General, USAF, MC, CFS
Command Surgeon

Attachment:

Initial Annual Distribution and Civilian Workyear Targets

ACC MTF FY03 Initial Annual Distribution

	Baseline	Equipment	Sustainment, Restoration, and Modernization	Misc One Time Distributions	Accrual Fund	Total Funding
Barksdale	13,870	200	59		(2,980)	11,149
Beale	6,736	200	11		(1,076)	5,871
Cannon	5,665	181			(428)	5,418
Davis-Monthan	15,719	20			(2,545)	13,194
Dyess	9,246	200		297	(1,286)	8,457
Ellsworth	7,059	61	43		(663)	6,500
Holloman	7,922	181		549	(762)	7,890
Langley	36,950	600		14	(1,565)	35,999
Minot	7,972	67	11		(216)	7,834
Moody	8,200	189			(1,445)	6,944
Mtn Home	9,161	124			(870)	8,415
Nellis	22,736	200			(4,574)	18,362
Offutt	23,074	440	10		(2,800)	20,724
Seymour Johnson	19,094	170	25		(1,219)	18,070
Shaw	10,902	32	7		(1,735)	9,206
Whiteman	5,830	60			(802)	5,088
Total	210,136	2,925	166	860	(24,966)	189,121

ACC MTF FY03 Civilian Workyear Targets and Funding

	Civilian Workyear Target	Civilian Pay Funding
Barksdale	44	1,977
Beale	35	1,311
Cannon	34	1,392
Davis Monthan	58	2,688
Dyess	28	1,167
Ellsworth	28	1,231
Holloman	32	1,451
Langley	65	3,064
Minot	35	1,555
Moody	27	1,194
Mountain Home	43	1,808
Nellis	55	1,924
Offutt	96	4,214
Seymour Johnson	27	1,292
Shaw	38	1,814
Whiteman	25	1,193

Total

670

29,274