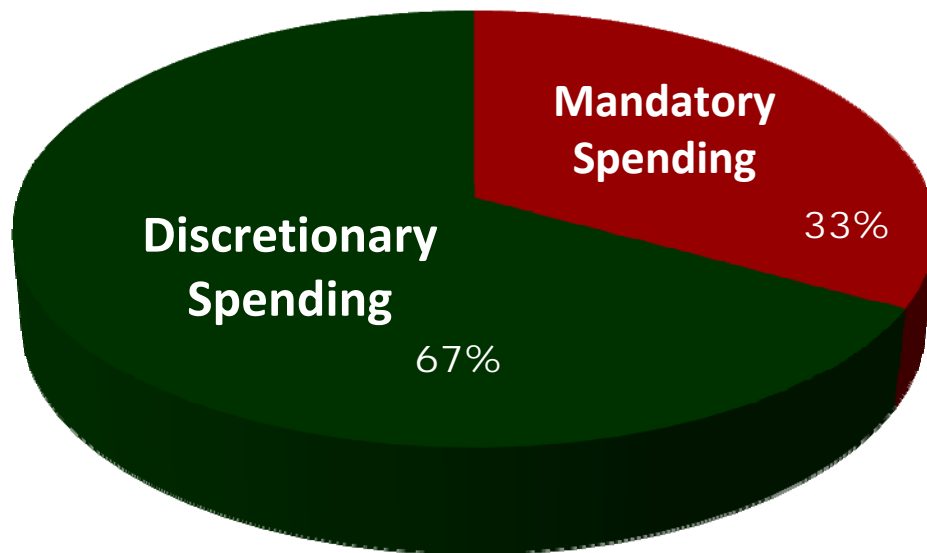


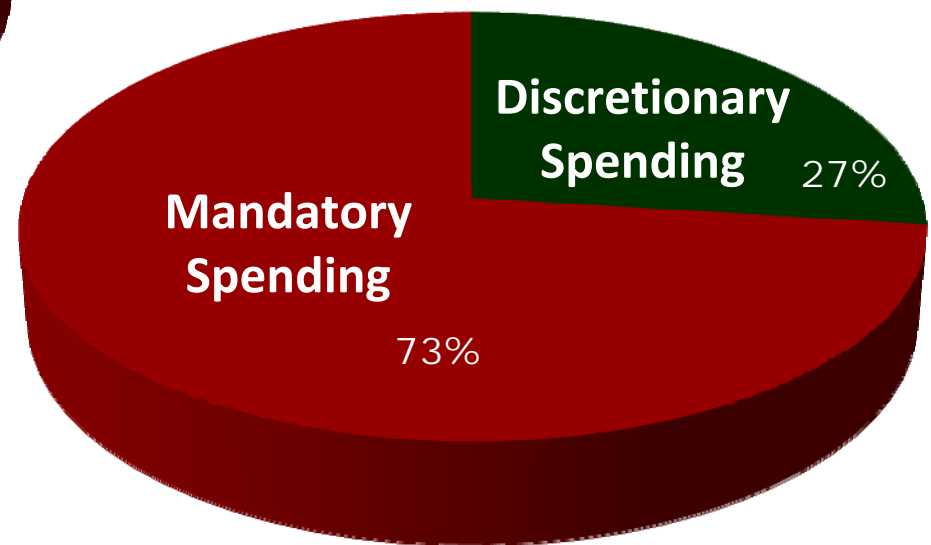
# DoD Personnel and Health Care Costs

# Where the Fed Money Goes

1965

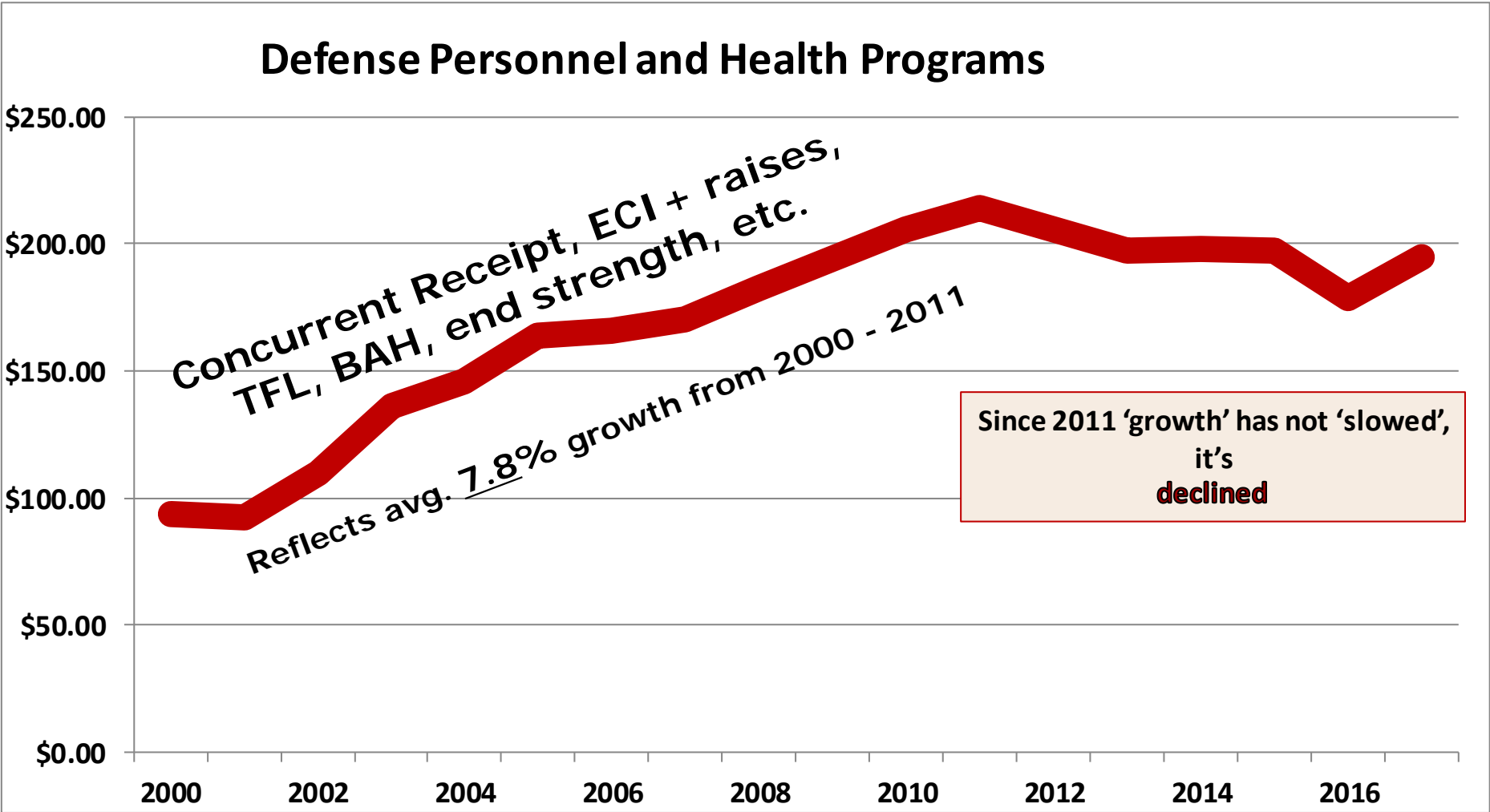


Now



“Discretionary spending now makes up only about a third of the federal budget, with the remaining two-thirds coming from entitlement programs and other “mandatory” spending, according to figures from the **House Budget Committee**. And it wasn’t always so. In 1965, those ratios were almost precisely reversed, with entitlement money making up just a third of the budget, committee figures show.” Congressional Quarterly 5Feb16 “Evading the Elephant” Numbers from OMB, @Federal-Budget.insidegov.com

# Personnel-Health Care Growth Rate



Outlays in \$ Billions  
Source: OMB historical tables

# Media Marketing Matters

## As told by DoD...

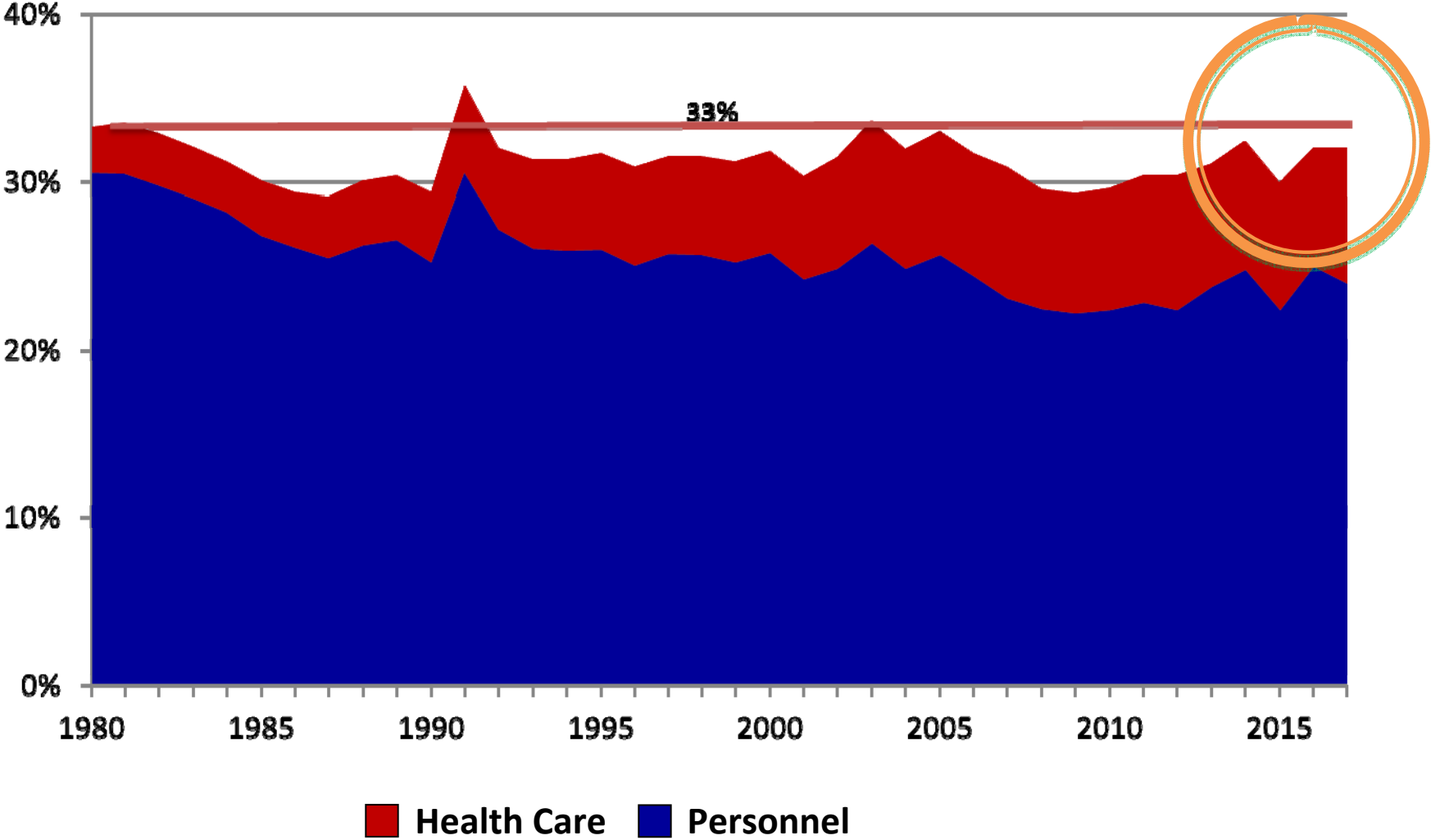
- Officials say they:
  - Must “slow the growth”
  - “Overshot the mark”
- However they use FY2000 as the benchmark for increases
- Real baseline should be 1990s

## Fact

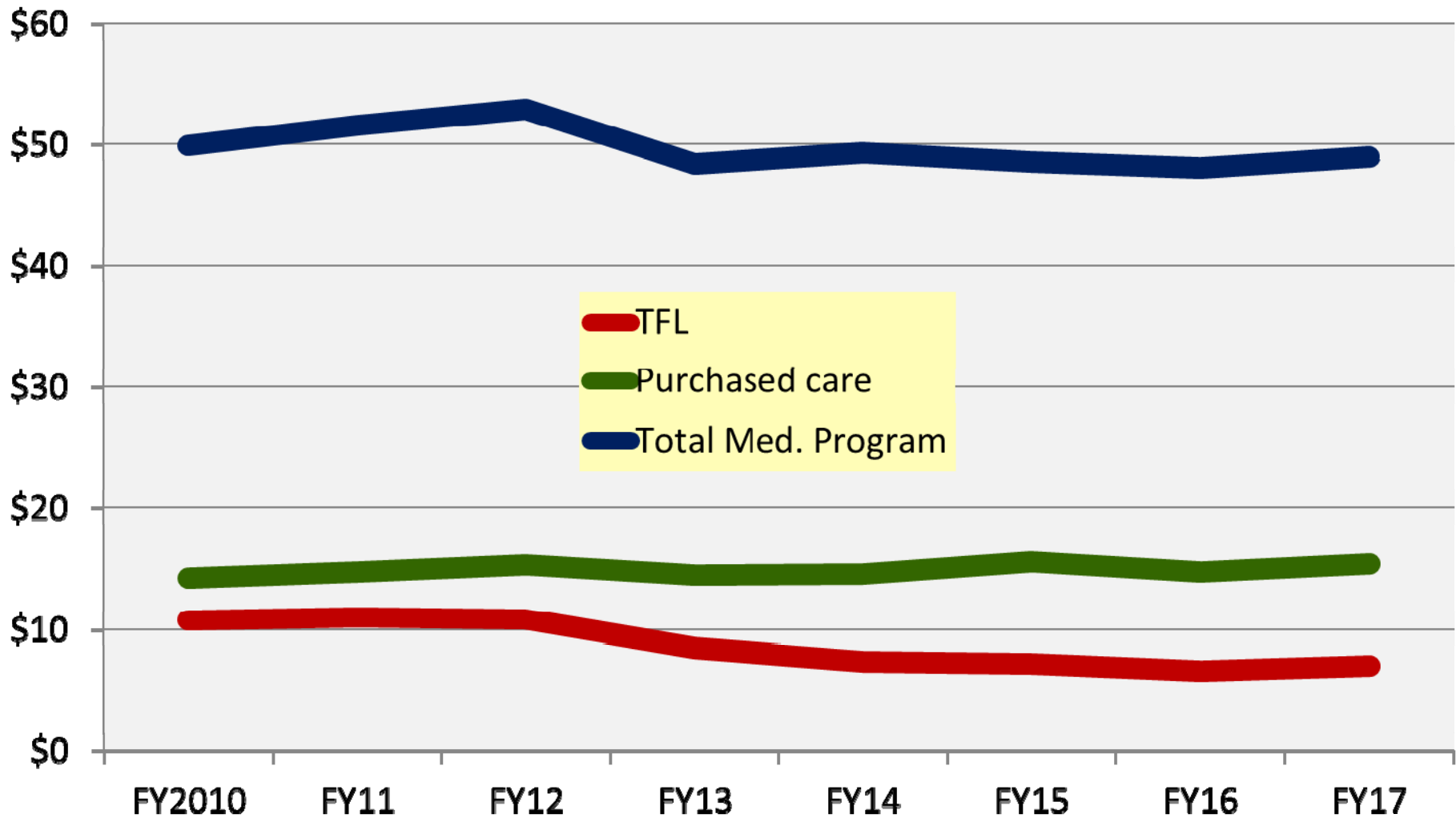
- MOAA helped **fix** serious problems from budget cuts in the 1990s
  - **13.5%** private sector pay gap
  - **25%** lifetime reduction in retirement value
  - 20% **out-of-pocket** housing costs
  - **Health care** for retirees age 65+
  - Ability for DoD to **recruit and retain**

# Costs Aren't Exploding Military Personnel

About one-third of the defense budget goes to military personnel and health care costs – the same share it has been for more than 38 years. That's no more unaffordable now than in the past.



# DOD Health Care Costs

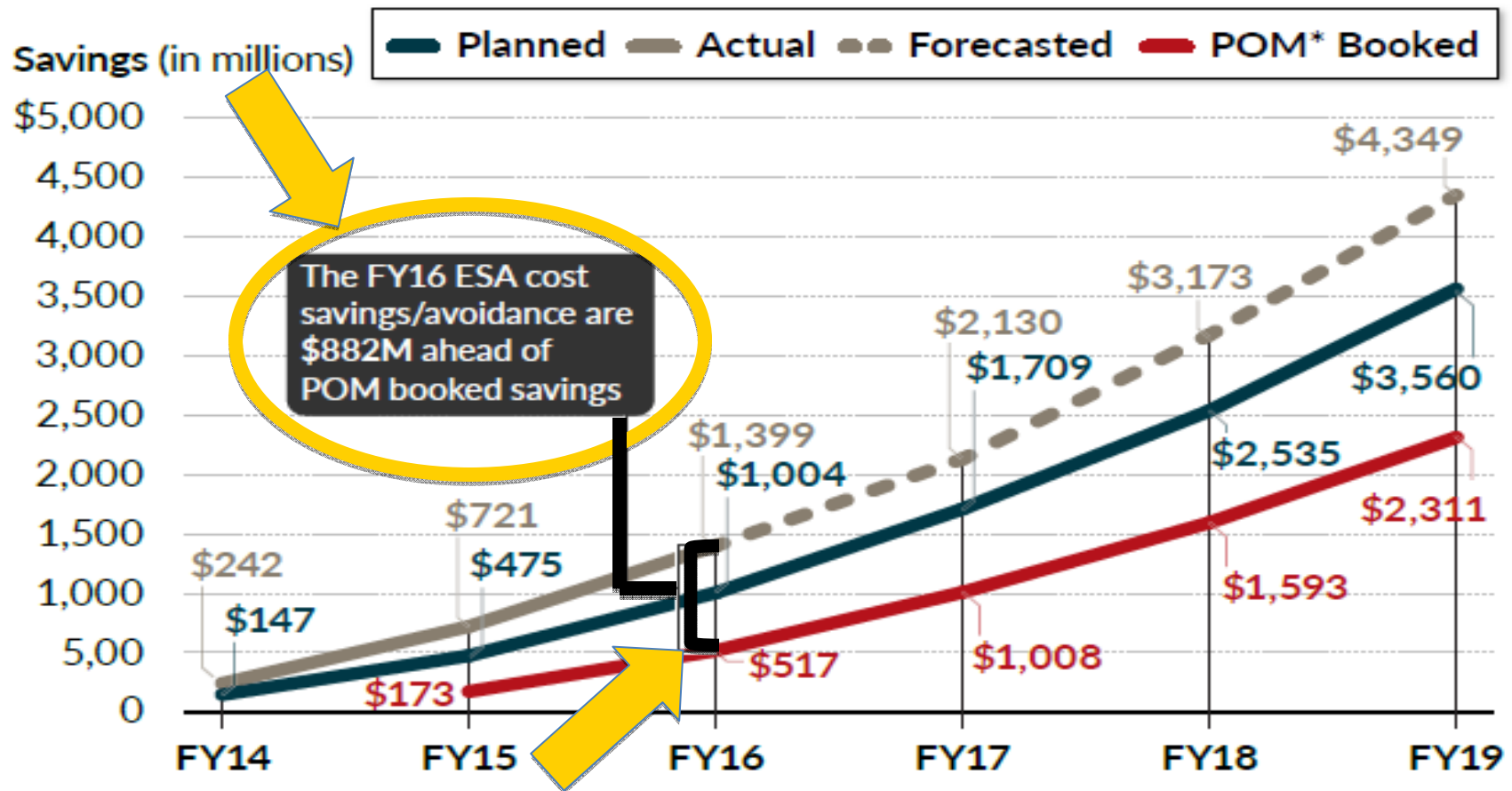


Dollars in billions

Source: DOD Report to Congress FY2017

# Enterprise Support Activities (ESAs)

DoD's health care savings have increased ahead of plan.



\*Program Objective Memorandum (POM) booked savings are formal projections of estimated savings to DoD.

SOURCE: DEFENSE HEALTH AGENCY

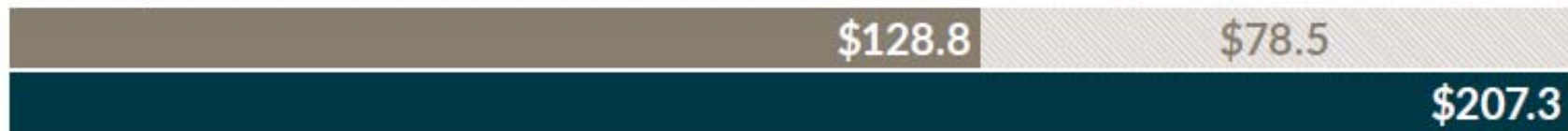
GRAPHIC BY JOHN HARMAN/STAFF

# Pharmacy Savings

Beneficiaries are doing their part

FY16 Savings (in millions)

Prescription moves from Retail to Mail/MTF



P&T Formulary Management Processes



Brand to Generic & Contract Compliance



SOURCE: DEFENSE HEALTH AGENCY

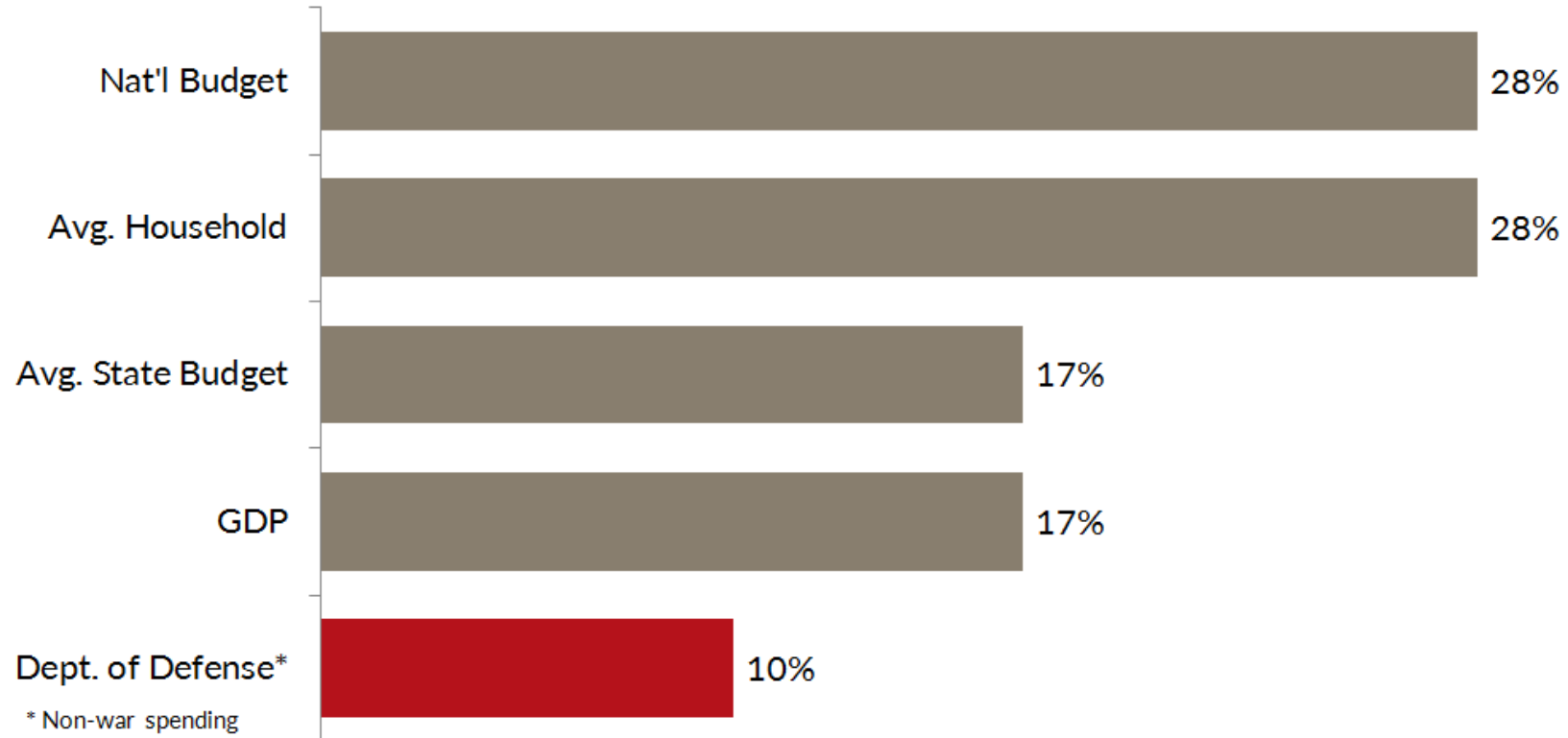
**\$203 mil in total savings**

GRAPHIC BY JOHN HARMAN/STAFF



# Health Care Costs in Perspective

## Health Care Spending As A Percentage Of The:



Source: Center for Medicare and Medicaid Services (CMS) National Health Care Expenditures for 2014