



STATEMENT

of the

**MILITARY OFFICERS ASSOCIATION OF AMERICA
for
QUALITY OF LIFE PANEL ROUNDTABLE**

1st SESSION of the 118th CONGRESS

before the

HOUSE ARMED SERVICES COMMITTEE

July 26, 2023

EXECUTIVE SUMMARY

MOAA thanks the members of the House Armed Services Committee for their dedicated focus on supporting servicemembers with their Quality of Life panel. The House and Senate's Military Personnel Subcommittees have been strong supporters of our servicemembers and their families, and we welcome the opportunity to have a focused conversation on the experience of serving.

MOAA is committed to working with Congress, the Department of Defense, and stakeholder groups to monitor and assist the panel in meeting the needs of servicemembers, families, veterans, caregivers, and survivors, and ensuring they receive their earned benefits.

FOR COMPENSATION, MOAA RECOMMENDS:

- Reform pay tables and increase enlisted pay to combat the recruiting crisis.
- Restore BAH rate to 100% MHA costs for rent and utilities.
- Increase FSA-II to the rate of \$400 per month and annually adjust it based on the Consumer Price Index to keep this payment up with inflation.
- Eliminate BAH from the calculation for BNA eligibility.
- Reduce CONUS COLA threshold to 105% of the national average.

FOR HEALTH CARE, MOAA RECOMMENDS:

- Limit TRICARE fee increases to military retired pay COLA with no new fee categories added.
- Eliminate the separate premium for TRICARE Young Adult coverage (118th Congress H.R. 1045/S. 956, the Health Care Fairness for Military Families Act).
- Expand TRICARE coverage to include chiropractic care (116th Congress H.R. 344/S. 30 the Chiropractic Health Parity for Military Beneficiaries Act).
- Put FY2022 directive report language into statute to require DHA to establish a medical necessity and prior authorization process for Tier 4/non-covered medications (See attachment for FY2022 DRL).
- Modify language from statute (FY 2018 NDAA, Sec. 702) to cap pharmacy copay increases at military retired pay COLA.: (B) For any year after 2027, the cost-sharing amounts under this subsection for eligible covered beneficiaries shall be equal to the cost-sharing amounts for the previous year adjusted by an amount, if any, determined by the Secretary to reflect changes in the costs of pharmaceutical agents and prescription dispensing, rounded to the nearest dollar.”

FOR HOUSING, MOAA RECOMMENDS:

- Triage the barracks inventory to sustain functional barracks with operational HVAC systems and establish an aggressive demolition schedule for facilities with known mold and other health hazards.
- Require DoD to inspect barracks humidity levels with hydrometers to identify risk for mold problems from ageing HVAC systems.
- Ensure operational air conditioning is available for all servicemembers in barracks/unaccompanied housing.
- Move servicemembers off installation and authorize BAH when acceptable barracks are not available.
- Direct an Independent Review Commission (IRC) to:
 - Review the structure of MHPI and determine if the quality of life for servicemembers and their families would improve if operations transitioned to a strict contract.
 - Determine if any cost savings were achieved through MHPI.
 - Evaluate installation housing inspector manning and Inspector General capacity across the military services to perform annual inspections on installation facilities and housing operations to provide visibility to Congress and ensure there is structure to inspect the inspector.

FOR SPOUSE EMPLOYMENT, MOAA RECOMMENDS:

- Require DoD to work with BLS to include military spouse unemployment in the Current Population Survey questionnaire and include corresponding data in the monthly employment situation report.
- Develop agency-specific Operational Plans for promoting retention intervention for military spouses.
- Allow remote authorization for federally employed military spouses if on PCS orders and/or need location adjustment due to a deployment.
- Create transfer authority to management-reassign federally employed military spouses to an equivalent (series and grade) position (remote or at the new duty station) when remote authorization is not feasible.
- Categorize military spouses as a part of a federal tandem or co-location couple.
- Update DoD assignment policy to encourage coordination of assignments with federally employed military spouses' HR offices.
- Codify administrative leave for military spouse PCS on their servicemember spouse's orders.

- Compile, track, and post on a publicly accessible OPM website Government-wide statistics on the hiring, promotions, and retention of military spouses and caregivers.
- Establish a Military Spouse and Caregiver Employment and Retention Program Office or, at a minimum, a Program Manager within the office of the Secretary of Defense (OSD) modeled after the recent Joint Chiefs of Staff position.

FOR CHILD CARE, MOAA RECOMMENDS:

- Review and reform the child care fee charts to better capture high-income families.
- Establish dedicated installation personnel to operate a well-regulated inspection program and provide assistance to military spouses seeking to become FCC providers.
- Ensure DoD establishes a standardized, robust FCC incentive program across the services.

INTRODUCTION

REPRESENTATIVES BACON AND HOULAHAN, on behalf of the Military Officers Association of America (MOAA) and our over 360,000 members, thank you for the opportunity to share our views with the House Armed Services Committee Quality of Life (QOL) Panel.

While MOAA is an organization of officers, we are not an association about officers. Our association recognizes and carries out our responsibility as officers to support the entire uniformed services community, enlisted and officer, across all eight branches of uniformed service. We advocate for a world-class pay and benefits package for those in uniform, retirees, veterans, their families, and survivors – because they earn it and because it is our sacred duty to match the open-ended commitment of sacrifice they make when they raise their hands and volunteer, with our equal commitment to maintain the benefits they earn. In so doing, we also recognize and support the inextricable link between ensuring the quality of service and quality of life of service members and their families with ensuring our nation’s national security through sustaining a strong all-volunteer force (AVF).

Since our nation’s switch to the AVF in 1973, MOAA has worked to ensure appropriate compensation and effective benefits, and to mitigate the challenges our servicemembers and families endure to support the defense of our country and allies. The compensation and benefits package has evolved over time, meeting the needs of professional military members and the challenges they face. As war has become more technical and sophisticated, so have the force’s personnel staffing needs.

With the wars in Iraq and Afghanistan over, our nation cannot be complacent as greater threats emerge from Russia, China, and other regions. And at this perilous time, we are facing a recruiting crisis we have not seen in over a decade.

Ensuring a high quality of life for our servicemembers and their families is vital to maintaining our national defense. Over the years, we have invested billions of dollars to ensure a technical edge over any rival and to put the best weapons in the hands of our troops. An equal emphasis on people is also often made in words with phrases like “people are our best weapon system” or “people are our most important assets”, but equal commitments and investments have not always been made in our people. While potential recruits may not understand or perceive investments in people or changes in commitments, the influencers among their family and friends do and will always have the biggest impact on whether eligible young Americans choose to serve or not.

As we look for ways to bolster recruiting in this challenging environment, it is also critical that we keep our uniformed services as a standards-based organization and with our national security at stake, those standards should never be lowered or compromised. As such and within an all-volunteer force, any individual willing to put on the uniform and meeting the eligibility standards for service should be allowed to serve. Entrance standards must be commensurate with maintaining a strong AVF and the ever-evolving challenges our nation faces.

Compensation is key, health care is vital for readiness and recruiting, and supporting families is how we unlock the potential to ensure effective personnel power for the next generation. Not only must we deliver for current and future servicemembers, but we also must keep our promises to past generations. A well-known quote attributed to George Washington highlights the risks associated with failure to uphold obligations to our servicemembers, retirees, veterans, and their families: “The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional to how they perceive the Veterans of earlier wars were treated and appreciated by their nation”¹.

Specifically, MOAA would like to highlight:

- Support enlisted pay table proposed by House as an immediate action.
- Look at broader pay table reform.
- Focus on housing with restoring BAH as start and barracks and MPHI reforms in parallel.
- Recognize TRICARE cuts not only betray obligations to servicemembers and retirees, these cuts raise the risk these key influencers in the recruiting process will be dissuaded from recommending military service to current and future generations.
- Recognize the role the federal government has in accurately tracking military spouse unemployment trends and providing employment opportunities for military spouses.
- Implement standardized robust incentives to effectively address the shortage of providers and increasing access to quality child care.

We greatly appreciate the chance to attend this roundtable and share recommendations on how to improve the Quality of Life of our community.

COMPENSATION

The purpose of compensation, as laid out in the Military Compensation Background Papers: Eighth Edition, says, “Compensation should be designed to foster and maintain the concept of the profession of arms as a dignified, respected, sought after, and honorable career. The emotional and spiritual satisfactions gained from the dedicated performance of uniformed service should be coupled with compensation sufficient for an individual member to maintain a standard of living commensurate with the carrying out of responsibilities that directly affect the security

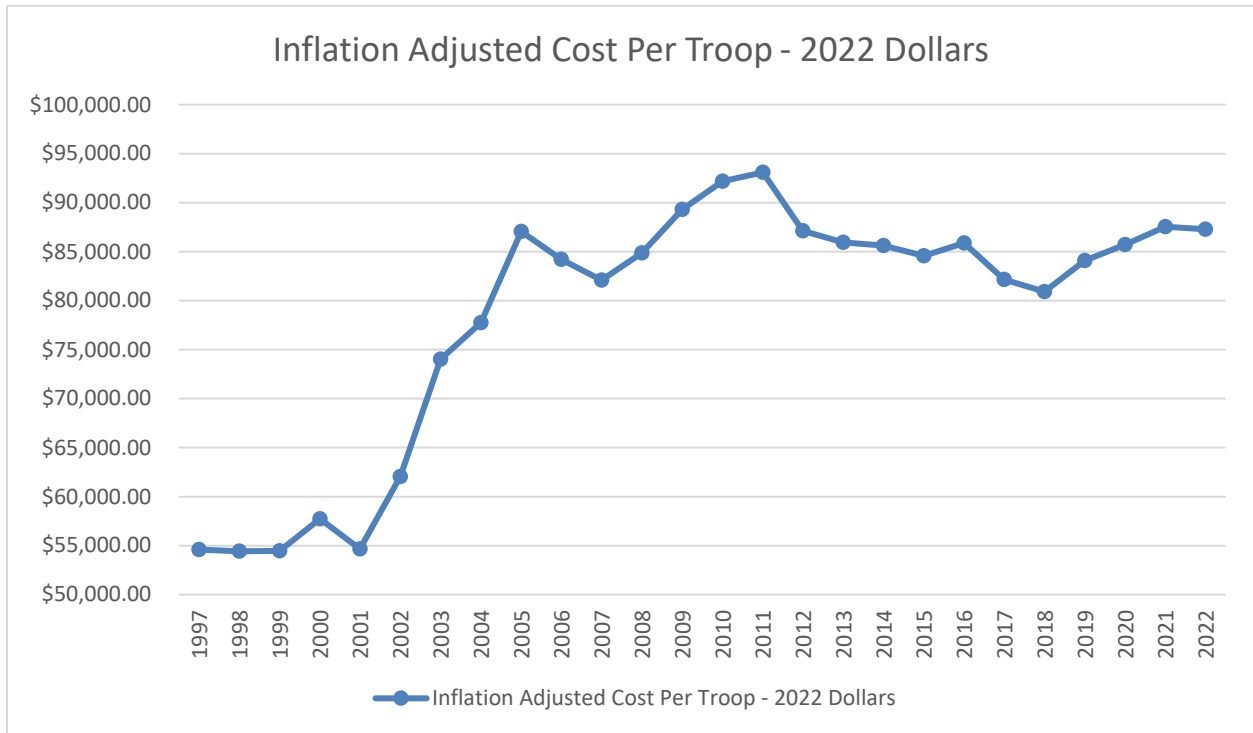
¹ <https://www.mountvernon.org/library/digitalhistory/digital-encyclopedia/article/spurious-quotations/>

of the nation. Without basic patriotism on the part of its members, however, there could be no armed forces. At the same time, in peacetime, patriotism by itself is not an adequate motivation for a service career”².

Over the past two-and-a-half decades, our nation has gone from a state of peace to fighting in two conflicts, faced economic turmoil from a financial crisis, and endured a pandemic. Examining the inflation-adjusted cost per troop provides important insights into how we have compensated our servicemembers over this time.

The data show our nation is paying at similar levels to what we were 10 years ago, when we were recovering from a financial crisis; however, the situation is drastically different. DoD is competing for a smaller pool of eligible 17-to-24-year-olds who are more talented and educated, and in a more competitive labor market – and we’re offering similar inflation-adjusted compensation to what was offered in 2012.

² [Military Compensation Background Papers: Eighth Edition.](#)



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DoD is asking the top 1.5% of men and women ages 17 to 24 to join our ranks. Of the 31.8 million Americans in that age group, just 465,000 meet service requirements and have the propensity to join⁴. This cohort has many options available to them; while DoD is offering a competitive compensation package for many in this group, the reality is most young Americans are ineligible to wear the uniform and we must offer a compensation package that matches the potential of the select few who are able and willing to serve⁵.

To address the recruiting crisis, we must take bold steps to increase compensation to add the talented people needed to sustain the all-volunteer force and protect our nation. While many avenues should be explored by the committee to improve the Quality of Life for our troops and their families, few are as quick and effective as increasing compensation.

³ This figure was calculated using White House Historical Data [Table 3.2](#) Outlays by Function. The Subfunctions of the Military Personnel and Family Housing were added together and then divided by the DoD Total End Strength Figures (sourced from [DMDC](#) and [CNA](#)). The Cost Per Troop was then adjusted to reflect inflation by using the CPI(-U) from the [Federal Reserve](#). This figure does not include health care spending.

⁴ https://www.moaa.org/contentassets/1dfd537c50444e5dbe656f1156c1b009/2023_aia_avf_onepager_go.pdf

⁵ https://militarypay.defense.gov/Portals/3/QRMC-Vol_1_final_web.pdf

PAY TABLE REFORMS

There is not a clear reprieve from our incredibly challenging recruiting environment. With DoD missing last year's targets and 2023 numbers falling short, aggressive action must be taken. We cannot wait for the Quadrennial Review of Military Compensation in 2025 to consider pay table reforms.

Background: When necessary, Congress has taken actions to adjust compensation, either raising or lowering pay across the board or in a targeted manner.

Overview of Pay Table Reforms from 2003 to Present⁶

- 2003 – Targeted additional increases for midgrade and senior grade enlisted, midgrade officers, and some warrant officers.
- 2004 – Targeted additional increases for midgrade and senior grade enlisted, and some warrant officers.
- 2007 – Increased pay for midgrade enlisted and some warrant officers, and extended the pay table to 40 years.
- 2014-2016 – Presidential alternative adjustment used for a smaller raise than the Employment Cost Index, resulting in a cumulative 2.6% pay raise decrement.
- 2015 and 2016 – No increase in pay for O-7 and up.

Challenges/Concerns: The Army missed its FY2022 recruiting goal by 25%, or 15,099 soldiers⁷. Current figures for FY2023 show an even bleaker picture through May, with the Army at 68% of its target, the Navy at 63%, and the Air Force at 83% – cumulatively short by over 23,000 servicemembers⁸.

As our services struggle to meet these goals⁹, it is important to recognize risks such shortfalls pose not just for the current force, but in future years. While we have professional military education systems that train and teach our servicemembers, these courses do not replace the mentoring and team-building that comes from working with a unit. Every time we ship fewer servicemembers to a duty station, reduce crew or unit size, or cut other personnel corners, our ability to develop the next generation of troops and grow the force when needed is severely

⁶ <https://crsreports.congress.gov/product/pdf/IF/IF10260/23>

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https://prhome.defense.gov/Portals/52/Documents/MRA_Docs/MPP/pressreleases/2022/Press%20Release%20September%202022%20-%20FY%202022.pdf?ver=WCikMkd8oW6IYt0PBb3VTA%3d%3d

⁸ <https://prhome.defense.gov/Portals/52/Press%20Release%20May%202023%20-%20Recruiting%20and%20Retention%20Report.pdf>

⁹ <https://prhome.defense.gov/M-RA/Inside-M-RA/MPP/PR/>

hindered. The longer we miss recruiting numbers, the greater the effect will be on our force structure.

Recommendations:

Reform pay tables as prescribed in the current House Appropriations Defense Subcommittee Mark, Section 8138, as an immediate way to increase enlisted pay to combat the recruiting crisis¹⁰.

Conduct broader pay table reform to ensure competitive wages are established and maintained across the entirety of service while also ensuring we eliminate the need for special needs allowances or supplemental food assistance programs. Basic needs for individual and family subsistence should be met within the standard compensation package and not through supplemental means.

BASIC ALLOWANCE FOR HOUSING

Background: In 1998, Congress ordered the shift to the Basic Allowance for Housing (BAH) from the Basic Allowance for Quarters with the Variable Housing Allowance (VHA) system. The move to this market-based approach was intended to build on the VHA setup and remove distortions caused by the calculation methodology. It came in response to the persistent need for congressional action to maintain adequate housing rates given flaws that led to housing costs being nonresponsive to market changes, which led to “unrealistically low costs”¹¹.

The BAH system and congressional oversight led to significant improvements in the Quality of Life for servicemembers, with out-of-pocket costs being completely eliminated in 2005.

With BAH in place for 25 years, the system has proved better than its predecessor, but there are still issues that must be addressed. In 2015, Congress authorized DoD to begin reduction in BAH, one percentage point per year, culminating with BAH being set at 95% of projected housing costs in 2019.

Challenges/Concerns: The availability of affordable rental housing is a national problem — one made worse for servicemembers given the requirement for frequent moves and other unique needs of their profession. Servicemembers don’t choose where they are stationed, and they are

¹⁰ <https://www.congress.gov/118/bills/hr4365/BILLS-118hr4365rh.pdf>

¹¹ [Military Compensation Background Papers: Eighth Edition](#), p.137.

always on call. The challenges mount further for families, with spouses of those in uniform more likely to be unemployed or underemployed¹².

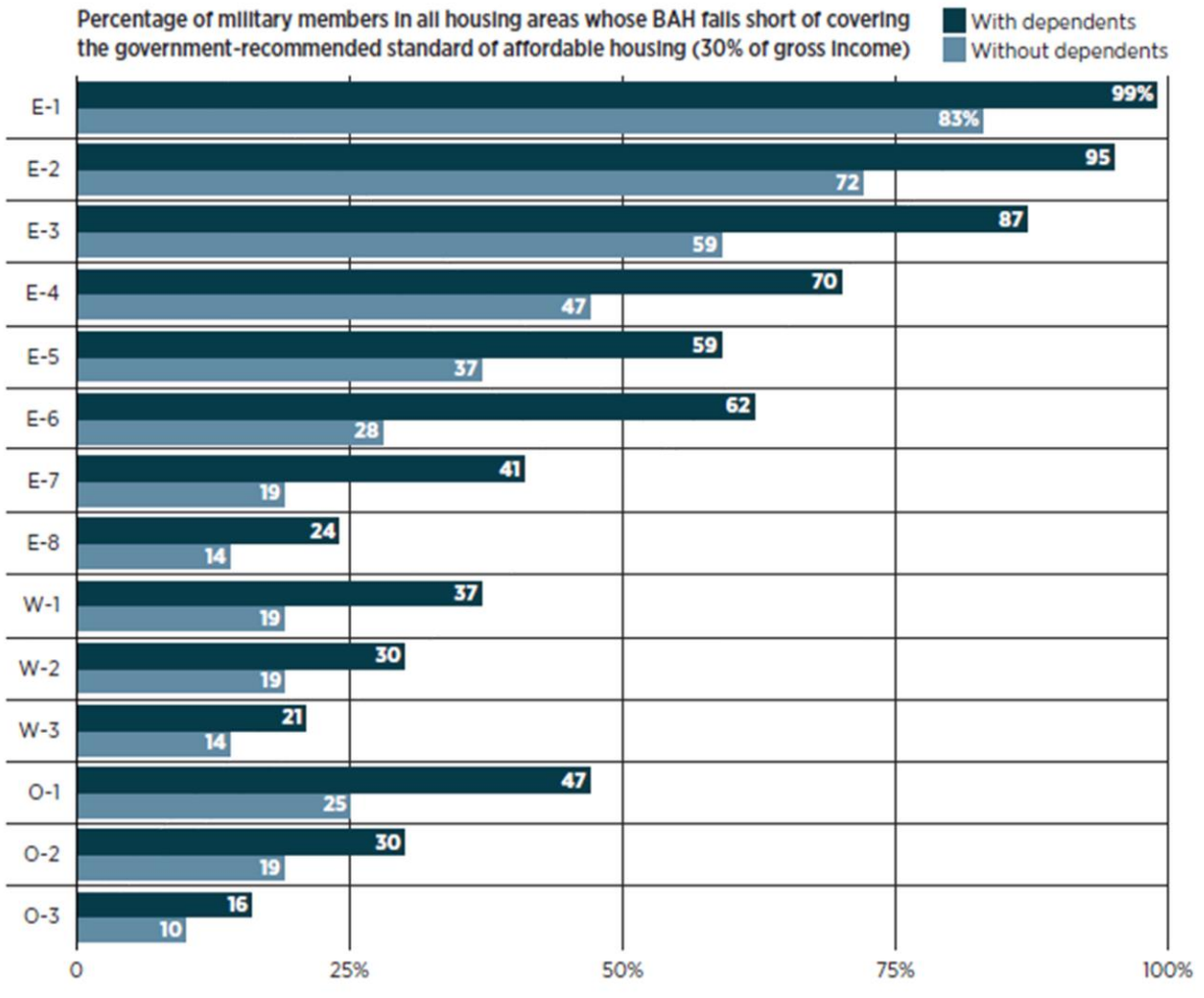
Many enlisted servicemembers, stationed all across the country, are facing financial strain, and housing costs play a big role in their economic struggles. Most of them do not receive a housing allowance in line with federal government standards for “affordable housing,” defined by the Census Bureau and the Department of Housing and Urban Development as “housing on which the occupant is paying no more than 30% of gross income for housing costs, including utilities”¹³.

¹² [Data | United States Military Spouse Chamber of Commerce \(milspousechamber.org\)](https://www.milspousechamber.org/data)

¹³ [HUD Archives: Glossary of Terms to Affordable Housing - HUD](#)

CAN THEY 'AFFORD' TO SERVE?

The housing allowance provided to a majority of servicemembers, including many within the junior enlisted levels, does not cover the federal definition of "affordable housing," leading to significant out-of-pocket costs and other family financial stressors.



As the chart makes clear, the average enlisted servicemember with dependents will not receive a BAH meeting affordable housing standards until the grade of E-7¹⁴. Higher ranks are less impacted by this model, but they have specific situations that are not favorable relative to BAH and housing costs.

¹⁴ https://www.moaa.org/contentassets/c149d76c4be54750b1cdd345f8d8fc3c/2023_aia_bah_onepager_legis.pdf

Recommendation:

Restore BAH rate to 100% of the Military Housing Area (MHA) rental costs and utilities. While this adjustment may still leave some servicemembers short, the return to a 100% baseline for BAH is an important narrative for recruiting and retention.

FAMILY SEPARATION ALLOWANCE

Background: When a servicemember leaves their family for training or deployments, their spouse incurs extra costs that would not exist if their servicemember was present. The Family Separation Allowance (FSA) was created to help cover such costs.

This pay is broken into two types: FSA-I is for situations where a servicemember is forced to live apart from their family and is paid at the rate of the BAH rate for their grade, without dependents. FSA-II is when a servicemember is separated from their family for a period of more than 30 days and is paid a flat rate of \$250 per month.

Challenges/Concerns: FSA-II was adjusted to the current rate of \$250 in 2004¹⁵ and hasn't been adjusted in the nearly two decades since. This payment provides a vital source of income to help families offset additional costs when their servicemember is away. Additionally, there is no regular mechanism to ensure that FSA-II keeps up with rising costs. If FSA-II had been adjusted every month, it would be nearly \$400 per month¹⁶.

Recommendations:

Increase FSA-II to the rate of \$400 per month and annually adjust it based on the Consumer Price Index to keep up with inflation.

BASIC NEEDS ALLOWANCE

Background: The Basic Needs Allowance (BNA) was established in the FY2022 NDAA to address food insecurity within the military. The BNA would provide married servicemembers whose gross household income falls below 130% of the federal poverty guideline based on

¹⁵ The National Defense Authorization Act for Fiscal Year 2005, Pub. L. No. 108-375, 118 Stat. 1811 (2004) - [37 USC 427](#).

¹⁶ <https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=250.00&year1=200411&year2=202306>

family size with a monthly allowance. The FY2023 NDAA directed DoD to increase the threshold to 150%.

Challenges/Concerns: The calculation for BNA eligibility counts all household income, including basic allowance for housing (BAH). The inclusion of BAH in the eligibility calculation prevents many families who need additional help from qualifying for this allowance. A RAND report on food insecurity among the military estimates less than 1,200 families would qualify for the BNA if BAH was included in the calculation of gross household income¹⁷. While getting BNA correct in the near term is essential and would always remain as a backstop in unexpected circumstances, it should be the goal of the QoL panel to ensure compensation for our service members and families is fully sufficient to eliminate the need for BNA except in the most dire or rare of circumstances.

Recommendation:

Eliminate BAH from the calculation for BNA eligibility.

CONUS COLA

Background: The intent of the Cost of Living Allowance in the Continental United States (CONUS COLA) is to partially offset non-housing living costs for servicemembers when assigned to an area with notably higher costs of living in the United States. This is paid as a percentage differential that differs from that national average as a percentage and is based on the duty location of the servicemember and their dependents. The payment is only given for each percentage point above 8% of the national average.

Challenges/Concerns: Across the U.S., only seven MHAs qualify as locations where servicemembers or their families can receive CONUS COLA for 2023¹⁸.

The existing threshold means servicemembers and their families lose eight percent of their everyday purchasing power before DoD steps in to offer financial relief in the form of CONUS COLA.

¹⁷ https://www.rand.org/etc/rand/support/pdfs/viewer.html?file=/content/dam/rand/pubs/research_reports/RRA1200/RRA1230-1/RAND_RRA1230-1.pdf

¹⁸ <https://www.travel.dod.mil/Portals/119/Documents/Allowances/COLA/CONUS/Locations/cclocs23.pdf>

Additionally, areas where servicemembers are feeling financial strain go without reprieve, when they could be helped with a more reasonable threshold.

Recommendation:

Reduce CONUS COLA threshold to 105% of the national average cost of living.

FOR COMPENSATION, MOAA RECOMMENDS:

- Reform pay tables and increase enlisted pay to combat the recruiting crisis.
- Restore BAH rate to 100% MHA costs for rent and utilities.
- Increase FSA-II to the rate of \$400 per month and annually adjust it based on the Consumer Price Index to keep this payment up with inflation.
- Eliminate BAH from the calculation for BNA eligibility.
- Reduce CONUS COLA threshold to 105% of the national average.

HEALTH CARE

TRICARE is a highly valued part of the compensation and benefits package, partly because it is relevant to every beneficiary across all stages of life. When the military health system (MHS) fails to deliver on expectations, it impacts families in a very personal way – often at times of great stress and vulnerability – and leaves a lasting impression.

While healthy, young potential recruits may not spend much time considering TRICARE, it is an important benefit for many currently serving families and retirees – key influencers in the recruiting process. How servicemembers and families are treated both during and after their time in uniform is important. Repeated TRICARE cuts betray our nation’s obligation to those who have earned the benefit. They also raise the risk that servicemembers, retirees, and their families will be less likely to recommend military service to current and future generations.

When examined individually, recent TRICARE fee increases and benefit changes may seem insignificant, but they have resulted in a steady drumbeat of TRICARE cuts for the past five years. Working-age retirees have faced repeated out-of-pocket cost increases. The TRICARE Pharmacy program has eliminated coverage for dozens of medications and slashed the number of TRICARE network retail pharmacies. At the same time, TRICARE policy has failed to evolve with new technology, changing treatment protocols, and benchmarks established by commercial payers resulting in unexpected coverage gaps compared to civilian health plans.

Every TRICARE cut and coverage gap increases the risk that disgruntled influencers will be less likely to endorse military service. TRICARE beneficiary expectations are not unreasonable – the small percentage of citizens who step forward and are responsible for 100% of our national defense have earned and deserve a quality health care benefit they can count on. We appreciate the Quality of Life Panel recognizing the importance of TRICARE to military families and including military health care as one of the panel’s key issue areas.

TRICARE FEES

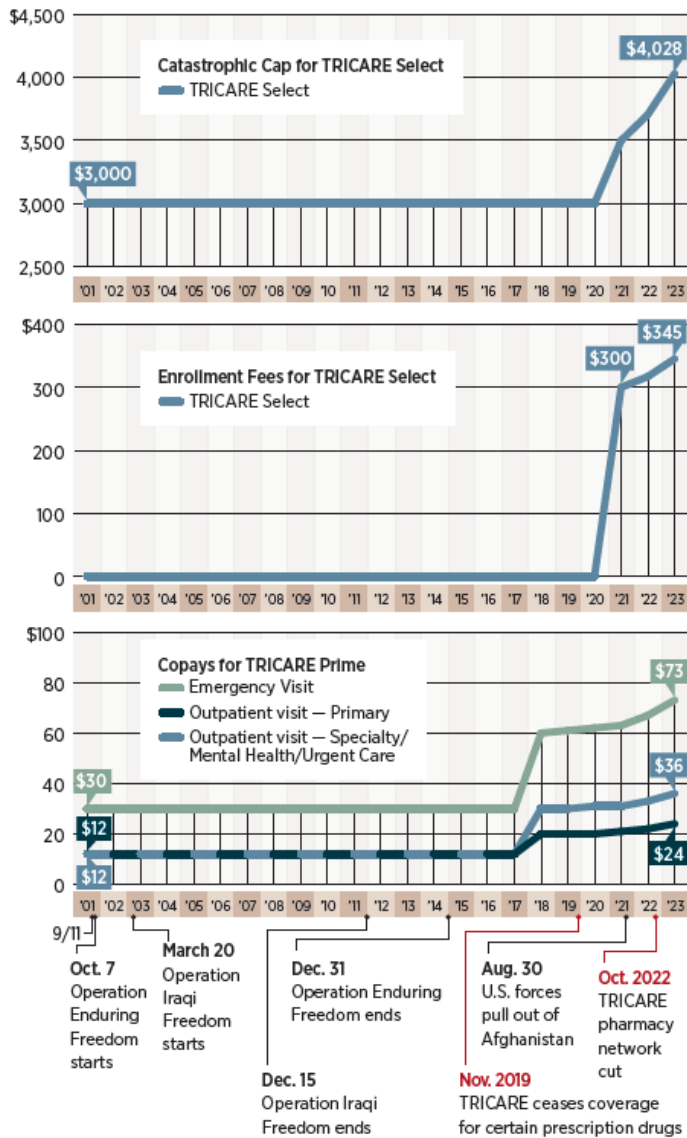
Background: For currently serving families, access to quality medical care is essential to servicemember and family readiness. MOAA appreciates Congress has maintained TRICARE Prime as a zero out-of-pocket cost option for active duty families. This ensures military families can access needed medical care without worrying about unexpected charges and allows them to focus on successfully navigating the challenges associated with military life.

We also thank Congress for responding to MOAA’s fight against TRICARE for Life (TFL) fees. At age 65, beneficiaries transition to TFL – Medicare wraparound coverage for TRICARE beneficiaries with Medicare Parts A and B. MOAA appreciates that Congress did not include any of the numerous TFL fee increase proposals in the FY2017 NDAA MHS reform legislation. When Congress enacted TFL, legislators and Pentagon officials acknowledged the statutory omission of a monthly premium to recognize career servicemembers had pre-paid steep premiums through a career of service and sacrifice in uniform, and we appreciate Congress has preserved the TFL benefit. Keeping this commitment to those who volunteered under the TFL benefit remains essential to that group of volunteers in turn recommending service to future generations of volunteers.

Challenges/Concerns: Career servicemembers count on TRICARE as they transition to military retirement, but MHS reforms have reduced the working-age retiree benefit via multiple fee increases. For nearly two decades, as servicemembers faced years of high OPTEMPO and repeated combat deployments, nearly all TRICARE out-of-pocket costs remained unchanged. Since 2018, military retirees have endured a series of disproportionate TRICARE fee increases, reducing the value of their earned benefit. Retiree fee increases – including an unprecedented Select enrollment fee, medical encounter copays that doubled in many instances, and a higher catastrophic cap – have occurred just as the post-9/11 cohort is transitioning to retirement.

EROSION OF THE TRICARE BENEFIT

A series of TRICARE fee increases and benefit cuts has reduced the health care protections servicemembers have earned. Below are the TRICARE fees for working-age retirees-Group A that entered service before 2018.



SOURCES: TRICARE.MIL; CONGRESSIONAL RESEARCH SERVICE

GRAPHIC BY JOHN HARMAN/NDAA

While these fee increases may seem minor relative to commercial health plan costs, it is critical to remember career servicemembers endure decades of unique challenges and sacrifices to earn TRICARE coverage in retirement. For the post-9/11 generation, this includes two decades of

¹⁹ https://www.moaa.org/contentassets/c149d76c4be54750b1cdd345f8d8fc3c/2023_aia_tricare_onepager_legis.pdf

combat operations. As of 2015, servicemembers had completed nearly 5.4 million deployments for 3.1 million troop years since September 2001. Approximately 1.4 million servicemembers had multiple deployments, with 610,000 at three or more deployments since 9/11²⁰. Deployments involved personal risk regardless of military occupation, with 7,055 killed and 53,337 wounded in action since the start of combat operations in 2001.

The post-9/11 generation transitioning to retirement faced two decades of combat operations in addition to typical military life challenges such as repeated geographic relocations, frequent family separations, high military spouse unemployment, and the lack of control and high degree of unpredictability inherent in military life. The cumulative impact of military life challenges and sacrifices must be weighed when considering TRICARE benefits for working-age retirees. As the tables show, when viewed from the standpoint of a 9/11 service member who is just reaching retirement age, their TRICARE benefit changed significantly during the last few years of their service and the promises and commitments about health care made when they joined after 9/11 were not kept. The resulting drop in the rate of those recommending service to the next generation is a natural byproduct and should not be viewed as a surprise.

MOAA understands the cost of health care is rising, and we do not oppose fee increases that don't exceed the military retired pay annual cost-of-living adjustment (COLA). This ensures rising health care costs don't diminish the overall value of the military retirement package. We do oppose new categories of fees, including TFL enrollment fees and deductibles, particularly when proposed for those who already have earned the TRICARE retirement benefit under the current fee structure.

We also recognize TRICARE fee increases present a tempting opportunity to fund offsets for new benefits or programs, but TRICARE beneficiaries must not be tapped to fund benefit and resource gaps within the military community. Our nation has an obligation to fund the programs, benefits, and resources military families need, were promised and earned, and we reject the notion that offsets must be found within the personnel portfolio – particularly during a recruiting crisis.

Recommendation:

Limit TRICARE fee increases to military retired pay COLA with no new fee categories added.

²⁰ Data specific to post-9/11 career servicemembers is not available – we recommend an analysis of what career military service entailed during the post-9/11 era.

TRICARE PARITY GAPS

Background: Because TRICARE coverage policy is governed by statute, it often requires a change in the law to ensure coverage evolves with new technology, modernized treatment protocols, and benchmarks established by commercial health plans.

For more than a decade, PAYGO and CUTGO budget rules have created an insurmountable hurdle to updating TRICARE coverage. Although most TRICARE spending is discretionary, funding for a small segment of uniformed services retirees is mandatory and requires offsets. We need congressional intervention to find funding solutions that allow updates to TRICARE coverage policy. TRICARE coverage already lags commercial plan benchmarks in several key areas and will continue to fall behind if a funding solution is not identified.

Coverage fixes that exclude retirees and their families would result in a two-tier TRICARE benefit with gaps in coverage policy for retirees and their dependents. Such proposals are unacceptable.

Challenges/Concerns:

TRICARE Young Adult

For more than a decade, military families have faced a TRICARE coverage gap for young adult dependents. Commercial plans that offer dependent child coverage are required to make the coverage available until the adult child reaches the age of 26. Prior to the federal requirement for young adult coverage, nearly 30% of young adults were uninsured, the highest rate of any age group. Now, young adults in civilian families covered by commercial and other employer-sponsored plans have access to affordable health care even if they elect to attend trade school, pursue advanced degrees, or work in entry-level, part-time, or small business jobs that do not offer employer-sponsored coverage.

In contrast, TRICARE policy terminates coverage for young adults at age 21 (or 23 if a full-time student). The TRICARE Young Adult (TYA) plan provides an option to purchase TRICARE coverage up to age 26, but unlike families covered by commercial plans, TYA enrollees cover the full cost of the program via monthly premiums. For 2023, the monthly premium is \$570 for TYA Prime (up 11% versus 2022) and \$291 for TYA Select (up 10% versus 2022)²¹.

²¹ <https://www.tricare.mil/Costs/>

Military families face many challenges. The average military kid will move six to nine times during their school years²². Deployments and other family separations are also a fact of life, and a growing body of research shows many kids suffer emotional and educational impacts from these experiences. We must ensure military families who have sacrificed so much in support of our nation have the same health care protections for their young adult children as their civilian counterparts covered by commercial plans.

TRICARE Coverage for Chiropractic Care

The Joint Commission included chiropractic services to its standard of care for pain management effective January 2015²³, yet TRICARE does not cover chiropractic. The opioid epidemic illustrates the risks of relying on pharmaceutical treatment for pain management. As patients and providers seek alternatives to treat chronic pain, TRICARE policy must evolve to allow affordable access to chiropractic care.

While we appreciate that servicemembers have access to chiropractic care in many military treatment facilities, we are concerned family members, retirees and their families, and survivors face a barrier to accessing chiropractic care given TRICARE's lack of coverage.

Chiropractic is another area where TRICARE has failed to keep up with competitive benchmarks. Commercial plans, including Federal Employee Health Benefits (FEHB) plans and Medicare, have evolved to include chiropractic coverage. We urge the Quality of Life Panel to ensure military families have access to non-pharmaceutical pain management, including chiropractic care.

Recommendations:

- Eliminate the separate premium for TRICARE Young Adult coverage (118th Congress H.R. 1045/S. 956, the Health Care Fairness for Military Families Act).
- Expand TRICARE coverage to include chiropractic care (116th Congress H.R. 344/S. 30, the Chiropractic Health Parity for Military Beneficiaries Act).

²² <https://files.eric.ed.gov/fulltext/EJ1063210.pdf>

²³ [https://cdn.ymaws.com/www.ascachiro.org/resource/resmgr/Docs/Chiropractic Added to Joint .pdf](https://cdn.ymaws.com/www.ascachiro.org/resource/resmgr/Docs/Chiropractic%20Added%20to%20Joint%20.pdf)

TRICARE PHARMACY PROGRAM

Background: TRICARE reforms and the new TPharm5 contract have led to multiple benefit reductions for military families.

The new TPharm5 contract resulted in a 24% cut to the number of TRICARE Pharmacy network locations because DHA reduced the minimum number from 50,000 to 35,000. Hundreds of beneficiaries have shared their feedback with MOAA indicating the network cut has created access challenges for rural residents, the elderly, and those with complex chronic medical conditions. We appreciate Congress has responded to our request for a report requirement on beneficiary impacts with a provision in the House version of the FY2024 NDAA.

MHS reform legislation in the FY2018 NDAA authorized DoD to create a new Tier 4/Non-covered within the TRICARE pharmacy formulary. Previously, TRICARE covered all FDA-approved medications in one of three tiers – Generic, Brand Name, and Non-Formulary – with varying copays. Since 2019, DHA has excluded more than 50 prescription drugs from TRICARE coverage.

The FY2018 NDAA also makes a change to TRICARE pharmacy copays. Since the inception of the integrated pharmacy benefit, Congress has set TRICARE pharmacy copays in statute. As of 2028, DoD will have the authority to modify pharmacy copays to reflect changes in the costs of pharmaceutical agents and prescription drug dispensing.

Challenges/Concerns: MOAA understands the rationale for establishing Tier 4 to improve formulary management and achieve cost savings, but we are concerned about the lack of an appeals process for Tier 4 drug coverage. There is already one non-covered drug – Dexilant – that seems to go against congressional intent to limit Tier 4 to medications that “provide very little to no clinical effectiveness,” per FY2018 legislative language. All FEHB benchmark plans have an appeals process based on medical necessity for their non-covered drugs.

We appreciate report language in the FY2022 NDAA directing DHA to establish a medical necessity and prior authorization process allowing beneficiaries to request coverage of a Tier 4 drug, but this requirement has not been implemented to date. We are also concerned that FY2018 Sec. 702 language authorizing DHA to establish copays beginning in 2028 lacks protections against excessive copay increases.

Recommendations:

- Put FY2022 directive report language into statute to require DHA to establish a medical necessity and prior authorization process for Tier 4/non-covered medications.

- Modify language from statute (FY2018 NDAA, Sec. 702) to cap pharmacy copay increases at military retired pay COLA: “(B) For any year after 2027, the cost-sharing amounts under this subsection for eligible covered beneficiaries shall be equal to the cost-sharing amounts for the previous year adjusted by an amount, if any, determined by the Secretary to reflect changes in the costs of pharmaceutical agents and prescription dispensing, rounded to the nearest dollar.”

FOR HEALTH CARE, MOAA RECOMMENDS:

- Limit TRICARE fee increases to military retired pay COLA with no new fee categories added.
- Eliminate the separate premium for TRICARE Young Adult coverage (118th Congress H.R. 1045/S. 956, the Health Care Fairness for Military Families Act).
- Expand TRICARE coverage to include chiropractic care (116th Congress H.R. 344/S. 30 the Chiropractic Health Parity for Military Beneficiaries Act).
- Put FY2022 directive report language into statute to require DHA to establish a medical necessity and prior authorization process for Tier 4/non-covered medications (See attachment for FY2022 DRL).
- Modify language from statute (FY 2018 NDAA, Sec. 702) to cap increases at military retired pay COLA.: (B) For any year after 2027, the cost-sharing amounts under this subsection for eligible covered beneficiaries shall be equal to the cost-sharing amounts for the previous year adjusted by an amount, if any, determined by the Secretary to reflect changes in the costs of pharmaceutical agents and prescription dispensing, rounded to the nearest dollar.”

HOUSING

The conditions of servicemember barracks (unaccompanied housing) and family housing on military installations have resulted in significant service-discrediting headlines and impacts to recruiting and retention^{24 25 26}. Servicemembers and their families routinely turn to the media out

²⁴ <https://www.reuters.com/investigates/section/usa-military/>

²⁵ <https://www.military.com/daily-news/2023/04/24/these-soldiers-say-mold-barracks-isnt-just-disgusting-its-making-them-sick.html>

²⁶ <https://www.military.com/daily-news/2023/03/01/better-housing-health-care-pay-and-call-national-service-needed-buoy-recruitment-enlisted-chiefs-say.html>

of frustration with substandard living conditions. A focus on improving the systems of inspections and accountability requires restructuring and timely, predictable appropriations for multiyear construction projects.

BARRACKS

Background: The preponderance of DoD barracks was constructed in the 1960s and had a projected 50-year lifespan. Demolition of old barracks and construction of new barracks is expensive, and deferred maintenance in the past has contributed to current problems. Congress and DoD have worked to fast-track demolition and construction of barracks. During the long wars in Iraq and Afghanistan, servicemembers living in Containerized Housing Units (CHUs) often commented that they were better than their barracks rooms at home station.

Challenges/Concerns: The current state of deferred maintenance resulted in an inventory of barracks that cannot be demolished and rebuilt fast enough for our servicemembers. “For every barracks we build, there are three more that need to be torn down” said one DoD senior leader. The lack of regular and predictable multiyear appropriations makes it impossible to plan for construction at this magnitude. Costs for construction increase with the practice of continuing resolutions.

Recommendations:

- Triage the barracks inventory to sustain functional barracks with operational HVAC systems and establish an aggressive demolition schedule for facilities with known mold and other health hazards.
- Authorize DoD to use organic engineer units and demolitions capability from the active and reserve components to speed the rate of removing old barracks.
- Require DoD to inspect barracks humidity levels with hydrometers to identify risk for mold problems from aging HVAC systems that can no longer keep humidity levels below 50%.
- Ensure operational AC is available for all servicemembers in barracks/unaccompanied housing. (Shared recommendation with DoD's recent Independent Review Commission on Suicide Prevention)²⁷.
- Move servicemembers off installation and authorize BAH when acceptable barracks are not available.

²⁷ [DoD's recent Independent Review Commission on Suicide Prevention](#)

MILITARY HOUSING PRIVATIZATION INITIATIVE (MHPI)

Background: Approximately 30% of military families live on military installations in military privatized housing.

In 1996, privatization of housing was embraced by Congress and DoD as an innovative way to achieve cost savings and meet the demand to modernize older housing and build new military family housing. The FY1996 NDAA authorized the Military Housing Privatization Initiative (MHPI)²⁸, which allowed partnerships with private companies to build and renovate military housing faster and cheaper than military installations could execute with appropriated funds. BAH would serve as rent to private landlords, who were entrusted to build and maintain family housing as part of a 50-year lease.

Goals for MHPI included²⁹:

- Obtain private capital to leverage government dollars.
- Make efficient use of limited resources.
- Use a variety of private-sector approaches to build and renovate military housing faster and cheaper for American taxpayers.

DoD enjoyed initial success with MHPI with the speed of construction. Unfortunately, poor construction quality and maintenance costs resulted in scandals concerning unhealthy living conditions, including black mold and infestations³⁰.

Because MHPI was a partnership, not a contract, DoD and Congress cannot unilaterally make changes to the program, an arrangement which has contributed to struggles with accountability.

Poor housing conditions eroded trust in the chain of command when a surge of complaints were met with poor results. In 2019, families were forced to turn to the media, and only after scandals hit the headlines, was Congress able to encourage the private partners to implement a Tenant “Bill of Rights”^{31, 32}. It is important to note that even Congress cannot make changes to the

²⁸ <http://www.gpo.gov/fdsys/pkg/PLAW-104publ106/html/PLAW-104publ106.htm>

²⁹ https://web.archive.org/web/20220712211849/https://www.acq.osd.mil/eie/FIM/Housing/Housing_index.html

³⁰ <https://www.moaa.org/content/publications-and-media/news-articles/2019-news-articles/Horror-Stories-From-Military-Families-in-Privatized-Housing-Shock,-Outrage-Lawmakers/>

³¹ <https://www.reuters.com/investigates/section/usa-military/>

³² <https://www.moaa.org/content/publications-and-media/news-articles/2021-news-articles/advocacy/moaa-backed-tenant-bill-of-rights-nears-full-deployment/>.

partnership without the complicated process of gaining consent from private companies and their investors, even with the housing physically located on military installations.

Challenges/Concerns: MHPI is not a contract and does not have the formal structure of a contracting officer and contracting officer representative to monitor the quality of housing operations and maintenance. The formal dispute resolution process with privatized housing landlords requires improvements as highlighted by the April 2023 GAO report: *Military Housing: DOD Can Further Strengthen Oversight of Its Privatized Housing Program*³³.

MHPI landlords conduct operations as part of a business for profit, and this function may be inherently governmental or require a different structure, such as a contract. Our U.K. allies embarked on a similar MHPI family housing structure in 1996 with their Ministry of Defense (MoD) that resulted in predictable, embarrassing scandals and awful living conditions for British military families³⁴. Damage to DoD's reputation and credibility has impacted recruiting and retention and has contributed to the erosion of the once-vibrant military community on installations.

Recommendations:

- Direct an Independent Review Commission (IRC) to:
- Review the structure of MHPI and determine if the quality of life for servicemembers and their families would improve if operations transitioned to a strict contract .
- Determine if any cost savings was achieved through MHPI.
- Evaluate installation housing inspector manning and Inspector General capacity across the military services to perform annual inspections on installation facilities and housing operations to provide visibility to congress and ensure there is structure to inspect the inspector.

FOR HOUSING, MOAA RECOMMENDS:

- Triage the barracks inventory to sustain functional barracks with operational HVAC systems and establish an aggressive demolition schedule for facilities with known mold and other health hazards.

³³ <https://www.gao.gov/assets/gao-23-105377.pdf>

³⁴ <https://www.theguardian.com/politics/2022/jan/27/guy-hands-terra-firma-annington-homes-mod-ministry-defence>

- Require DoD to inspect barracks humidity levels with hydrometers to identify risk for mold problems from ageing HVAC systems.
- Ensure operational air conditioning is available for all servicemembers in barracks/unaccompanied housing.
- Move servicemembers off installation and authorize BAH when acceptable barracks are not available.
- Direct an Independent Review Commission (IRC) to:
 - Review the structure of MHPI and determine if the quality of life for servicemembers and their families would improve if operations transitioned to a strict contract .
 - Determine if any cost savings were achieved through MHPI.
 - Evaluate installation housing inspector manning and Inspector General capacity across the military services to perform annual inspections on installation facilities and housing operations to provide visibility to Congress and ensure there is structure to inspect the inspector.

SPOUSE EMPLOYMENT

For more than a decade, the military spouse unemployment rate has hovered above 20%³⁵. Significant efforts and funding have gone into addressing this issue – from the development of the Military Spouse Employment Partnership to President Biden’s recent executive order designed to enhance career stability and expand employment resources for the military [and veteran] spouses. However, the problem persists, and there are additional programmatic and legislative options that must be considered.

ENHANCED DATA COLLECTION

Background: On a bi-annual basis, DoD surveys roughly 52,000 active duty military spouses to collect data on a variety of topics, including employment status. With an average response rate of 24% and demographic representation across service, paygrade, race/ethnicity, sex, and age, the results serve as a valuable resource for measuring certain aspects of military life. The regular data gathering and reports from the departments of Labor, Defense, Veterans Affairs, and others were critical to bringing down veteran unemployment from its high in the 2010s to an average of 2.8% in 2022, better than the national average³⁶.

³⁵ Department of Defense [Active Duty Spouse Survey 2021](#)

³⁶ "[Military Spouse Unemployment](#)," Deloitte

Challenges/Concerns: Data doesn't lie. If the goal is to change something, it must be accurately measured. For years, DoD and a number of different organizations have attempted to measure spouse unemployment; they've used different methodologies, and the results have varied widely. Additionally, gathering data every other year does not accurately capture the employment challenges that come with frequent military-mandated moves and assignment OCONUS or at remote installations without economic opportunities.

Recommendation:

Require DoD to work with Bureau of Labor Statistics to include military spouse unemployment in the Current Population Survey questionnaire and include corresponding data in the monthly employment situation report.

FEDERALLY EMPLOYED MILITARY SPOUSES

Background: Between the DoD Military Spouse Preference (MSP) program and non-competitive hiring authority, the federal government should be the “employer of choice” for military spouses and eligible dependents. However, the latest data available from the Office Personnel Management shows there are less than 16,300 military spouses (only 5,505 of which are spouses of current active duty servicemembers) working within the federal government³⁷.

Challenges/Concerns: A lack of formal policies, coupled with increased desire for employees to return to the workplace, impacts the government's ability to capitalize on the talent military spouses have to offer. Executive Order (EO) 14101, signed by President Biden on June 9, 2023, directs OPM and OMB to develop a government-wide strategic plan for hiring and retaining military spouses, as well as veteran spouses, caregivers, and survivors³⁸. The EO outlines important initiatives designed to enhance employment opportunities within the federal government for these populations; however, it is necessary to recognize that currently serving spouses face significantly different employment challenges than veteran spouses, caregivers, and survivors. Additionally, the EO lacks the enforcement mechanisms necessary for ensuring agencies adhere to the recommendations by encouraging, not requiring, action in many areas.

Recommendations:

³⁷ [2022 Office of Personnel Management Federal Employee Viewpoint Survey: Report by Demographics](#)

³⁸ Advancing Economic Security for Military and Veteran Spouses, Military Caregivers, and Survivors ([EO 14100](#))

- Develop agency-specific Operational Plans for promoting retention intervention for military spouses.
- Allow remote authorization for federally employed military spouses if on PCS orders and/or need location adjustment due to a deployment.
- Create transfer authority to management-reassign federally employed military spouses to an equivalent (series and grade) position (remote or at the new duty station) when remote authorization is not feasible.
- Categorize military spouses as a part of a federal tandem or co-location couple.
- Update DoD assignment policy to encourage coordination of assignments with federally employed military spouses' HR offices.
- Codify administrative leave for military spouse PCS on their servicemember spouse's orders.
- Compile, track, and post on a publicly accessible OPM website government-wide statistics on the hiring, promotions, and retention of military spouses and caregivers.
- Establish a Military Spouse and Caregiver Employment and Retention Program Office or, at a minimum, a Program Manager within the office of the Secretary of Defense (OSD) modeled after the recent Joint Chiefs of Staff position.

FOR SPOUSE EMPLOYMENT, MOAA RECOMMENDS:

- Require DoD to work with BLS to include military spouse unemployment in the Current Population Survey questionnaire and include corresponding data in the monthly employment situation report.
- Develop agency-specific Operational Plans for promoting retention intervention for military spouses.
- Allow remote authorization for federally employed military spouses if on PCS orders and/or need location adjustment due to a deployment.
- Create transfer authority to management-reassign federally employed military spouses to an equivalent (series and grade) position (remote or at the new duty station) when remote authorization is not feasible.
- Categorize military spouses as a part of a federal tandem or co-location couple.
- Update DoD assignment policy to encourage coordination of assignments with federally employed military spouses' HR offices.
- Codify administrative leave for military spouse PCS on their servicemember spouse's orders.
- Compile, track, and post on a publicly accessible OPM website Government-wide statistics on the hiring, promotions, and retention of military spouses and caregivers.

- Establish a Military Spouse and Caregiver Employment and Retention Program Office or, at a minimum, a Program Manager within the office of the Secretary of Defense (OSD) modeled after the recent Joint Chiefs of Staff position.

CHILD CARE

DoD operates the largest employer-sponsored child care program in the U.S., which is essential to overall mission readiness, retention, and recruitment for the military. As of September 2021, approximately 49,300 children were enrolled in DoD's on-base child development centers (CDC), 24,700 children were enrolled in DoD's school-age care (SAC) programs, and 2,700 children received care in DoD family child care (FCC) homes. As of March 2022, DoD was providing fee assistance for the care of more than 25,800 military-connected children at eligible civilian child care providers within the community³⁹. Since the Military Child Care Act of 1989, there have been a significant number of vast improvements to DoD-sponsored child care programs. Unfortunately, at most installations, reduced capacity and staffing shortages mean this touted benefit for servicemembers is fairly limited.

CHILD CARE PROVIDER PAY INCREASE

Background: Many installations, including those awaiting new child care facilities, are not functioning at full capacity due to staffing shortages. Most DoD child care providers earn between \$15 and \$20 per hour depending on their position. In some high-cost areas, the pay is adjusted minimally.

Challenges/Concerns: The physical, mental, and emotional investment of child care workers must be met with adequate pay. Low pay limits the pool of potentially qualified candidates from which DoD child care programs can draw from.

Recommendation:

Review and reform the child care fee charts to better capture high-income families. The Department of Health and Human Services defines affordable child care as no more than 7% of

³⁹ Military Child Care: DoD Efforts to Provide Affordable, Quality Care for Families ([GAO-23-105518](#))

household income⁴⁰. There are 14 categories of FY2023 Child Care Fee Assistance Total Family Income (TFI) ranging from category I (\$1-\$30,810) to category XIV (\$154,051+) with correlating parent fees. On average, military families with lower TFI pay a higher percentage of total income (ex: mid-range category II pays 8.4% of TFI versus category XIV, which pays 6.4% of TFI). The current fee structure undercharges higher-income families at the expense of junior enlisted servicemembers.

FAMILY CHILD CARE

Background: Family Child Care (FCC) providers offer military families personalized care in a home-like setting and flexible schedules to support families with full-time, part-time, hourly, weekend, and extended duty hours' care, including 24/7 child care. To become a certified FCC provider, one must undergo initial and annual criminal history background checks, complete a health screening that includes a review of immunizations, and obtain liability insurance, in addition to other requirements.

Challenges/Concerns: DoD reports a requirement of 1,400 FCC homes to meet the needs of military families; however, as of 2022, there were just 700 FCC homes. Operating an FCC business requires long operating hours – more than a typical eight-hour workday – and can be difficult to sustain over time. The services have implemented incentive programs to recruit and retain FCC providers, but there is not standardization across the branches. [Navy refers to FCCs as Child Development Homes (CDHs)]

Recommendations:

DoD must establish a standardized, robust incentive program across the services. The Air Force is currently piloting an incentive campaign that combines increased per-child compensation rates and housing preference to attract and retain FCC providers⁴¹. By comparison, the Army is offering a \$1,000 incentive payment upon certification as an FCC provider and an additional \$1,000 if the provider transfers to a different installation⁴². Establishing a robust incentive program that clearly communicates the value of the services provided and ensuring an effective

⁴⁰ <https://www.govinfo.gov/content/pkg/FR-2016-09-30/pdf/2016-22986.pdf>

⁴¹ <https://www.andrewsfss.com/fcc>

⁴² <https://www.dvidshub.net/news/375778/family-child-care-program-provides-incentives-caregivers>

marketing strategy is necessary to increase FCCs across DoD. Additionally, standardizing the FCC program across the services will better accommodate the inter-installation transfers process when a servicemember must execute PCS orders.

Becoming an FCC provider is administratively difficult and requires a well-regulated inspection program from installation services. Because this issue can address spouse employment and child care problems, investing in installation personnel to administratively assist and inspect FCC providers is warranted.

FOR CHILD CARE, MOAA RECOMMENDS:

- Review and reform the child care fee charts to better capture high-income families.
- Establish dedicated installation personnel to operate a well-regulated inspection program and provide assistance to military spouses seeking to become FCC providers.
- Ensure DoD establishes a standardized, robust FCC incentive program across the services.

CONCLUSION

On behalf of our 360,000 members and all veterans, servicemembers, their families, and survivors MOAA represents, we offer our appreciation for the leadership and arduous work of each of the Committee members. You honor their service and sacrifice by passing meaningful legislation. We look forward to working with the QOL Panel and your teams to better the lives of those who serve this country faithfully. MOAA is here to help however we can. Through our collective resolve, we assure those in the uniformed service and veteran communities that we will Never Stop Serving them.