

EXECUTIVE SUMMARY

Active Force Issues

End Strength and Associated Funding – The Coalition strongly urges the Subcommittee to provide additional recruiting and retention resources to enable uniformed services to achieve required optimum-quality personnel strength skills/occupational mix and the health of the entire force.

Pay Comparability and Targeted Pay Increases – The Coalition urges the Subcommittee to propose a military pay raise of at least 3.5% for FY2008 (one-half percentage point above private sector pay growth) and to continue such increases until the current 4% pay comparability gap is closed. The Coalition also urges the Subcommittee to continue periodic targeted pay raises as appropriate to recognize the growing education and technical qualifications of enlisted members and warrant officers.

Access to Quality Housing – The Military Coalition urges correction of military housing standards that inequitably depress BAH rates for mid to senior enlisted members by assuming their occupancy of inappropriately small quarters.

Family Readiness and Support – The Coalition urges the Subcommittee to expand family support and financial education programs to meet growing needs associated with extended deployments and the more complex insurance, retirement, and savings choices faced by overworked military families in today's complicated world.

Predatory Lending – The Coalition urges the Subcommittee most strongly to oppose any changes to the statutory provisions enacted in the FY2007 Defense Authorization Act.

Flexible Spending Accounts – TMC urges the Subcommittee to continue pressing the Defense Department until service members are provided the same eligibility to participate in Flexible Spending Accounts that all other federal employees and corporate employees enjoy.

Permanent Change of Station (PCS) Allowances – The Military Coalition supports upgrading permanent change-of-station allowances to reflect the expenses members are forced to incur in complying with government-directed relocations, with priority on adjusting the twenty two year old PCS mileage rates. Additionally, the Coalition urges authorizing a shipment of a second Privately Owned Vehicle at government expense to overseas accompanied assignments.

BRAC/Rebasing/Military Construction/Commissaries – The Coalition urges the Subcommittee to ensure family support/quality of life programs and services are not reduced, but are expanded to fully accommodate rebasing/BRAC needs at closing and gaining installations – to include housing, education, child care, military construction, exchanges and commissaries, health care, family centers, unit family readiness, and other support services.

Morale, Welfare, and Recreation Programs – TMC urges the Subcommittee to ensure that DoD funds MWR programs at least to the 85 percent level for Category A and 65 percent for Category B requirements.

National Guard & Reserve Issues

Reserve Retirement and ‘Operational Reserve’ Policy – TMC urges Congress to lower the Reserve retirement age, starting with an adjustment for active duty service, in recognition of the increase in service and sacrifice of Guard and Reserve service members and as an inducement to longer service.

A Total Force Approach to the Montgomery GI Bill – The Coalition strongly supports enactment of H.R. 1102 to consolidate active duty and reserve MGIB programs in Title 38 and align benefit rates according to the length and type of service performed – a Total Force MGIB.

Guard and Reserve End Strength and Readiness – The Coalition urges Congress to maintain and increase Guard and Reserve force end-strengths consistent with the demands being imposed upon them, in addition to providing proper funding for their equipment and training.

Family Support Programs and Benefits – TMC urges Congress to continue and expand its emphasis on providing consistent funding and increased outreach to connect Guard and Reserve families with relevant support programs.

Reserve Compensation System – The Coalition urges the Subcommittee to address the inequities of the “1/30th” rule for special and incentive pays, the cap on annual training points creditable for retirement, housing allowance restrictions and other compensation elements that disadvantage Guard and Reserve members.

Tangible Support for Employers – The Coalition urges the Subcommittee to use all possible influence with the Ways and Means Committee to support needed tax relief for employers of Selected Reserve personnel.

Retirement Issues

Concurrent Receipt – The Coalition urges the Subcommittee to authorize full concurrent receipt of earned military retired pay and VA disability compensation at the earliest possible time, with particular priority for immediate “vesting” of earned military retired pay for Chapter 61 retirees forced into medical retirement before attaining 20 years of service and full, immediate concurrent receipt for retirees deemed “unemployable” by the VA.

Uniformed Services Retiree Entitlements and Benefits – The Coalition urges the Subcommittee to oppose initiatives to “civilianize” the military retirement system in ways that reduce the value of the current retirement system and undermine long-term retention.

Former Spouse Issues – The Coalition urges the Subcommittee to move forward on initiatives to ease at least the most significant inequities under the USFSPA.

Survivor Issues

SBP-DIC Offset – The Military Coalition urges the Subcommittee most strongly to take immediate action to provide relief for this most-aggrieved group of military widows, and pledges

to work with the Subcommittee as needed to avoid another year with no progress at all toward this important goal.

30-Year Paid-Up SBP – The Coalition urges the Subcommittee to seize the opportunity to provide at least one year of relief for the “Greatest Generation” retirees who already have paid nearly 30% more SBP premiums than their successors ever will.

Final Retired Pay Check – The Coalition urges the Subcommittee to end the insensitive practice of recouping the final month’s retired pay from the survivor of a deceased retired member.

Health Care Issues

Full Funding for the Defense Health Program – The Military Coalition strongly urges the Subcommittee to take all possible steps to restore the \$1.8 billion in TRICARE-related budget authority and ensure continued full funding for Defense Health Program needs.

Protecting Beneficiaries Against Cost-Shifting – The Coalition urges the Subcommittee to require DoD to pursue greater efforts to improve TRICARE and find more effective and appropriate ways to make TRICARE more cost-efficient without seeking to “tax” beneficiaries and make unrealistic budget assumptions.

TMC Healthcare Cost Principles – The Coalition most strongly recommends Rep. Chet Edwards’ and Rep. Walter Jones’ Military Retirees Health Care Protection Act (H.R. 579) and Sen. Frank Lautenberg’s and Sen. Chuck Hagel’s Military Health Care Protection Act (S. 604) as models to establish statutory findings, a sense of Congress on the purpose and principles of military health care benefits, and more explicit guidelines for and limitations on adjustments.

- Active duty members and families should be charged no fees except retail pharmacy co-payments, except to the extent they make the choice to participate in TRICARE Standard or use out-of-network providers under TRICARE Prime.
- For retired and survivor beneficiaries, the percentage increase in fees, deductibles, and co-payments that may be considered in any year should not exceed the percentage increase beneficiaries experience in their compensation.
- The TRICARE Standard copay should not be increased further for the foreseeable future. At \$535 per day, it already far exceeds inpatient copays for virtually any private sector health plan.
- There should be no enrollment fee for TRICARE Standard, since Standard does not offer assured access to TRICARE-participating providers. An enrollment fee implies enrollees will receive additional services, as Prime enrollees are guaranteed access to providers in return for their fee.
- There should be one TRICARE fee schedule for all retired beneficiaries, just as all legislators, Defense leaders and other federal civilian grades have the same health fee schedule. The TRICARE schedule should be significantly lower than the lowest tier recommended by the Defense Department, recognizing that all retired members paid

large up-front premiums for their coverage through decades of arduous service and sacrifice.

TRICARE Standard Enrollment – The Coalition recommends strongly against establishment of any TRICARE Standard enrollment system; to the extent enrollment may be required, any beneficiary filing a claim should be enrolled automatically, without denying the claim.

Private Employer Incentive Restrictions – The Coalition recommends Congress modify the law restricting private employer TRICARE incentives to explicitly exempt employers who offer only cafeteria plans (i.e., cash payments to all employees to purchase care as they wish) and employers who extend cash payments (e.g., \$100 per month) to any employee who uses health coverage other than the employer plan (e.g., FEHBP, TRICARE, or commercial insurance available through a spouse or previous employer).

TRICARE Standard Improvements – The Coalition urges the Subcommittee to establish requirements for TRICARE Standard beneficiary surveys and a definition of what level of provider participation shall be deemed to require positive action to increase it.

Administrative Deterrents to Provider Participation – The Coalition urges the Subcommittee to continue its efforts to reduce administrative impediments that deter providers from accepting TRICARE patients.

TRICARE Reimbursement Rates – The Coalition urges the Subcommittee to exert what influence it can to persuade the Ways and Means/Finance Committees to reform Medicare/TRICARE statutory payment formula. To the extent the Medicare rate freeze continues, we urge the Subcommittee to encourage the Defense Department to use its reimbursement rate adjustment authority as needed to sustain provider acceptance.

The Coalition urges the Subcommittee to require a Comptroller General report on the relative propensity of physicians to participate in Medicare vs. TRICARE, and the likely effect on such relative participation of a further freeze in Medicare/TRICARE physician payments along with the affect of an absence of bonus payments.

Minimize Medicare/TRICARE Coverage Differences – The Coalition urges the Subcommittee to align TRICARE coverage to at least match that offered by Medicare in every area.

Setting the TRICARE Reserve Select (TRS) Premium – The Coalition recommends that the percentage increase in TRS premiums should not exceed the percentage increase in military basic pay, and that there should be no increases for at least two years in light of the 8% increase imposed in 2006. The Coalition further recommends that the Subcommittee request a report from the Department of Defense on options to assure TRS enrollees' access to TRICARE-participating providers.

Private Insurance Premium Option – The Coalition recommends developing a cost-effective option to have DoD subsidize premiums for member's private insurance as an alternative to TRICARE Reserve Select coverage.

Involuntary Separatees – The Coalition recommends authorizing one year of post-TAMP TRS coverage for every 90 days deployed in the case of returning members of the IRR or members who are involuntarily separated from the Selected Reserve. The Coalition further recommends that voluntarily separating Reservists subject to disenrollment from TRS should be eligible for participation in the Continued Health Care Benefits Program (CHCBP).

Gray Area Reservists – The Coalition urges the Subcommittee to authorize an additional premium-based option under which members entering “gray area” retiree status would be able to avoid losing health coverage.

Reserve Dental Coverage – The Coalition supports providing dental coverage to Reservists for 90 days pre and 180 days post mobilization (during TAMP), unless the individual's dental readiness is restored to T-2 condition before demobilization.

Restoration of TRICARE for Widows – The Coalition recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

TRICARE Prime Remote exceptions – The Coalition recommends removal of the requirement for the family members to reside with the active duty member to qualify for the TRICARE Prime Remote Program.

BRAC, Re-Basing, and Relocation – The Coalition recommends codifying the requirement to provide TRICARE Prime in BRAC-affected areas and ensuring, via a report from DoD, that adequate health resources are available to provide care within access standards for those affected by re-basing plans.

Mental Health – The Coalition strongly recommends requiring DoD and the VA to work in concert to ensure a unified strategy to address PTSD and other mental health problems, providing consistent guidance, coordination of efforts, and cross-feed of results of segmented studies, task forces and programs that are currently underway among military services and the two departments.

Pharmacy Co-payment Changes – The Coalition recommends no increases to the co-payment rates until all medications are available in the mail order program. The Coalition further recommends that the percentage of any future pharmacy co-payment increase should be limited to the percentage increase in retired pay since the last co-payment increase, rounded down to the next lower dollar.

Mail-Order Pharmacy – The Coalition recommends eliminating beneficiary co-payments in the mail-order pharmacy system for generic and preferred brand name medications to incentivize use of this lowest-cost venue and generate substantial cost savings.

Rapid Expansion of “Third Tier” Formulary – The Coalition urges the Subcommittee to monitor DoD’s consideration of Beneficiary Advisory Panel input in future Uniform Formulary decisions and reassert its intent that the Panel should have a substantive role in the process, including access to meaningful data on relative drug costs in each affected class.

Referral and Authorization System – The Coalition recommends that Congress require a cost analysis report concerning the referral process within DoD and reliance on Civilian Network Providers within an MTF’s Prime Service Area.

DoD/VA Health Care – The Military Coalition recommends that Congress mandate a single Joint Transition Office, permanently staffed with personnel from both VA and DoD and having primary responsibility for top-down planning and execution of all “seamless transition” initiatives, including a joint in-patient electronic health record; joint DoD/VA physical; traumatic brain injury, PTSD, and special needs care; coordinated access to care (including long-term support services), and joint research.

Health-Related Tax Law Changes – The Coalition urges all Armed Services Committee members to seek the support of the Ways and Means and Finance Committees to approve legislation to allow all beneficiaries to pay TRICARE-related insurance premiums in pre-tax dollars, to include TRICARE dental premiums, TRICARE Reserve Select premiums, TRICARE Prime enrollment fees, premiums for TRICARE Standard supplements, and long-term care insurance premiums.