

## HCMOAA Legislative Addendum – September 2017

By Lt Col Charles Clements, USAF (Ret.) – Legislative Affairs Officer

### The US Senate Proposes to Fund DoD Programs on the Back of Beneficiaries

What is the reward beneficiaries receive for a career of service and sacrifice? They get to pay more for their health benefit while also funding DoD's other programs! Sounds unbelievable, but sadly it is true - if the Senate gains traction with its proposed defense authorization bill.

The Senate, unlike the House, has proposed legislation to raise all TRICARE beneficiaries' health care fees and intends to use the funds to pay for other legislative fixes, such as the continuation of the Special Survivor Indemnity Allowance.

The practice of finding offsets by taxing beneficiaries to subsidize other budgetary items has become a familiar behavior by Congress. For example, a provision in the FY 2016 National Defense Authorization Act (NDAA) raised TRICARE pharmacy copayments to fund lump-sum retirement payments for future entrants under the military's new retirement system.

Increasing the retail generic copayment for military beneficiaries to \$10 results in beneficiaries paying more than twice as much as civilians without health insurance pay for generic drugs at Walmart.

What does all this mean for beneficiaries? The Senate Armed Services Committee's draft bill telegraphs its intentions to continue to extract more money from you. This money would come directly through the repeal of the grandfathering of TRICARE fees for currently serving troops and through exorbitant increases in pharmacy fees.

Historically, DoD and some in Congress continue to assert TRICARE fee increases are needed based on concerns about potential health care cost growth and a desire to shift a greater share of DoD health care costs to beneficiaries.

MOAA believes the FY 2018 budget-proposed reversal of the TRICARE fee grandfathering and the additional pharmacy increase provisions in the FY 2018 NDAA are inappropriate for many reasons.

***One of the main reasons is DoD health costs are declining, not rising.*** The Pentagon's own data from its annual reports to Congress show health care cost areas of the DoD budget continue to decline from past levels. Both TRICARE for Life and purchased care costs continue to decline.

Data supplied by the Defense Health Agency (DHA), which oversees the TRICARE program, shows a more detailed view of how health care costs continue to decrease. The DHA is a relatively new organization, which was established a few short years ago and charged with consolidating duplicative functions within the three service medical departments.

Examples of these functions, termed enterprise-wide support activities (ESAs), include pharmacy programs, information technology, logistics, facilities, and research development and acquisition.

MOAA has strongly supported this consolidation for a number of years. By all accounts, DHA continues to succeed in increasing efficiencies and driving the cost of health care down - well ahead of

schedule. *According to the data, the DHA's current six-year plan will deliver an estimated \$4.3 billion in cost savings and avoidance for DoD by 2019.*

The pharmacy program is one of the largest cost centers in the military's health system. A deeper dive into DoD's pharmacy program shows how military beneficiaries continue to do their part to drive pharmacy costs down.

Beneficiaries have directly contributed to these cost savings by 1) changing their prescriptions from the retail sector to TRICARE's home delivery program 2) changing some prescriptions from brand-name to generic medications, and 3) paying higher copayments. Again, these savings have been achieved well beyond what had been forecasted.

**The bottom line is this:** Congressional intent in last year's NDAA legislation was to pave the way for sweeping changes to the Military Health System and the TRICARE program. The reforms focused on improving the beneficiary experience, ranging from access to care to streamlining TRICARE benefit options. Part of MOAA's accepting this package of improvements meant acceptance of some fee increases. However, central to this package of sweeping TRICARE reforms was that all who had entered service prior to Jan. 1, 2018, would be grandfathered into the existing pharmacy fee structures. New entrants into the services after that date would be subject to higher fees in the future.

Now the Senate's proposed legislation wants to roll this back and have you pay not just more, but much more. Send your elected officials a letter or e-mail to prevent these steep increases.

## **Congress Poised to Expand Post-9/11 GI Bill Benefits**

The Post 9/11 GI Bill might be getting some drastic improvements if the Senate approves a bill passed by the House earlier this week, and if the president signs it into law. The bill would make the following changes that MOAA supported as priorities:

- Guard and Reserve members placed on medical hold status now will see that time count toward their eligibility, retroactive to Sept. 11, 2001;
- Time spent by Guard and Reserve members on 12304(b) will count toward eligibility, beginning Aug. 1, 2018;
- Recipients of the Purple Heart will receive full eligibility, regardless of how much time they have spent on active duty;
- Fry Scholarship and Purple Heart recipients now will qualify for the Yellow Ribbon program;
- Benefits will be restored to veterans whose colleges closed before obtaining their degree; and
- If the dependent to whom the benefit was transferred dies, the benefit can be transferred to another dependent.

The bill also would make other changes, including:

- Eliminating the 15-year deadline to use the Post-9/11 GI Bill for those who became entitled to it after Jan. 1, 2013;

- Providing a monthly stipend on a pro-rated basis for reserve members attending school while also performing active duty service;
- Allowing the benefit to be used toward certain licensure and certification tests;
- Providing additional benefits for individuals pursuing a STEM (science, technology, engineering, or mathematics) degree;
- Creating a High Technology Pilot Program that will provide veterans with the opportunity to use the benefit in high-tech programs of education that do not lead to a degree;
- Authorizing use of the benefit toward independent-study programs (such as a technical school); and
- Providing for priority enrollment in courses by veterans.

Many veterans have expressed concern about whether this change would in any way affect the transferability of the benefit to dependents. There is no change to the transferability rules - a service member may still transfer the benefit to an eligible dependent while in the service. At discussions with members of both the House and Senate that MOAA attended, congressional members mentioned that keeping the transferability option means that service members will not be incentivized to leave service just to use the benefit because the benefit still can be used by their family.

Military and veterans' service organizations opposed previous attempts to expand the Post-9/11 GI Bill because of the way Congress proposed to fund the expansion: through cutting other benefits. This bill, however, is funded by subjecting the housing allowance paid by the VA to the same calculations as DoD housing allowances. The 2015 and 2016 National Defense Authorization Acts (NDAA) both made changes to the DoD housing allowance (BAH) calculation leading to a reduction in housing allowances paid to active duty service members. However, the FY 2015 NDAA specifically stated such reductions could not apply to the housing allowance paid by VA. This bill would apply that change to the VA and, thus, fund the expansion of the Post-9/11 GI Bill.

The Post-9/11 GI Bill is a generous benefit available to this generation's warfighter, and Congress clearly intends to ensure its continued growth and relevance. The House passed the bill in a rare unanimous vote of 405-0. The bill already has cleared the Senate Veterans' Affairs Committee, but it is unclear whether it will be called to the Senate floor for a full vote prior to the August recess.

## **The Forever GI Bill One Step Closer to Law**

The Harry W. Colmery Veterans Educational Assistance Act of 2017, affectionately known as the "Forever GI Bill," is making its way quickly through the halls of Congress, gaining a great deal of bipartisan, bicameral support along the way.

This week the House held a number of meetings and hearings on the bill, [H.R. 3218](#), introduced by House Veterans Affairs Committee chair Tim Roe (R-Tenn.), ultimately passing it through the committee on Wednesday.

The massive bill, incorporating 17 separate bills and 28 provisions, is complex and far-reaching if implemented.

In a letter to Chairman Roe and ranking member Rep. Tim Walz (D-Minn.), MOAA President and CEO Lt. Gen. Dana T. Atkins, USAF (Ret), thanked committee members for addressing a number of long-overlooked inequities and needs of service members falling through the cracks of a benefit intended to recognize and reward the sacrifices they and their families have voluntarily shouldered over many years at war.

Four key elements of the bill address long-standing goals of MOAA and The Military Coalition:

- Equity for Guard and Reserve service members currently ineligible for or with limited ability to accrue Post-9/11 GI Bill benefits due to order status, convalescent leave, or medical leave
- Correction of limitations on Yellow Ribbon Program eligibility for survivors using the Marine Gunnery Sergeant John David Fry Scholarship
- Restoration of Post-9/11 GI Bill benefits to veterans affected by closure of their educational institution
- Extension of Post-9/11 GI Bill benefits to recipients of the Purple Heart

MOAA believes this educational benefit plays a pivotal role in our current national security landscape supported by an all-volunteer force.

“As such, in recognition of the authority granted to the Department of Defense (DoD) in offering this benefit, eventually delivered by the Department of Veterans Affairs (VA), we want to amplify the importance of a comprehensive evaluation of the second-and third-order effects of changes to its structure,” Atkins wrote.

“Those necessary to complete such an evaluation will include, at a minimum, DoD, VA, and the Department of Education,” he added. “Changes to the benefit without full exploration by all stakeholders could put the viability of the benefit and its utility at risk.”

So is this really a forever GI bill, and what's in the bill for you?

Perhaps most significantly, the bill would eliminate the current time limit to use the Post-9/11 GI Bill for new service members entering the military beginning Jan. 1, 2018. Currently veterans have 15 years from their time of separation or retirement from the military to use the benefit.

Other educational enhancements include: aligning the living stipend payments for the GI Bill to the same basic allowance for housing rates (E-5 with dependent rate) used for active duty members; changing payments for certain licensure and certifications and national tests; increasing tuition for veterans pursuing science, technology, engineering, or mathematics degrees; and increasing monthly payments by \$200 for those under the Survivors' and Dependent Educational Assistance Program.

“We can anticipate this very complex bill will have some bumps along the way during implementation,” said Cmdr. René Campos, USN (Ret), MOAA's director of government relations for veterans' health and wounded, ill and injured matters, at a meeting this week with House members. “It will require Congress and stakeholders all working together through the process to ensure VA has the resources and funding required to make these necessary improvements.”

Some members and veterans' groups have indicated this is just the beginning of a number of other changes to the bill they'd like to see. Time will tell if the Forever GI Bill will become a reality - but we do know, for the time being, the full House and Senate are poised to take up the bill and expected to move it quickly through the legislative process.