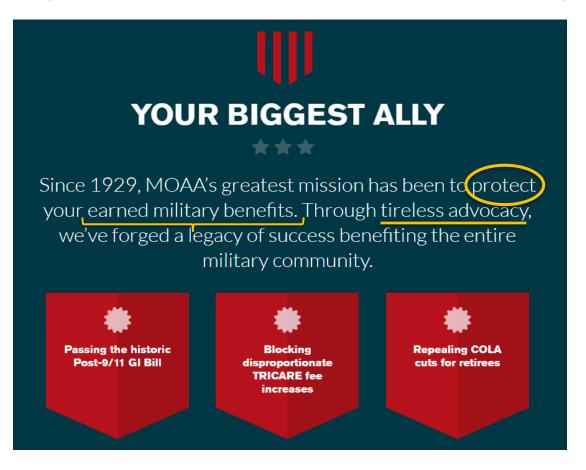
Legislative Update on Military and Veterans Benefits

Paul Frost, AFC®
CAPT, USN (Ret)
Program Director, Finance and Benefits Information
MOAA Transition Center



MOAA = Advocacy

When earned pay and benefits are threatened, MOAA stands ready to protect and defend all of the uniformed services present, past and future.



Military Compensation Concurrent Receipt **❖ SBP/DIC *** TRICARE fees ❖ Veteran Healthcare THE HILL'S 2021 **TOP LOBBYISTS**



Never Stop Serving

MOAA operates two charity subsidiaries to help military and veteran families enjoy a quality of life they have earned through their service.



- ✓ Career Transition
- Military Spouse Professional Development
- ✓ Professional Education Outreach
- ✓ Community Outreach & Emergency Relief
- Active duty
- Reserve & National Guard
- Retirees





- 100% of your donation goes to a student
- \$160M to 16,000 students
- 2021-2022: 1,100+ students awarded \$8M
 - Veterans
 - Military Spouses & Families
 - Extended Military Community

To learn more and to join the efforts, visit www.moaa.org/donate



To All of You Who...

are wearing the uniform...

have worn the uniform...

supported your Service member...

THANK YOU!



The Military Coalition



AAAA	CWOA	MOAA	TIF
AFA	EANGUS	MOPH	TREA
AFSA	FRA	NERA	USAWOA
AMSUS	GSW	NCOA	USCGPOA
AMVETS	IAVA	NGAUS	VFW
AUSA	JWV	NMFA	VVA
AUSN	MCA	ROA	VETS FIRST
BVA	MCL	SWAN	WWP
COA	MCRA	TAPS	

35 Organizations—5.5 million strong

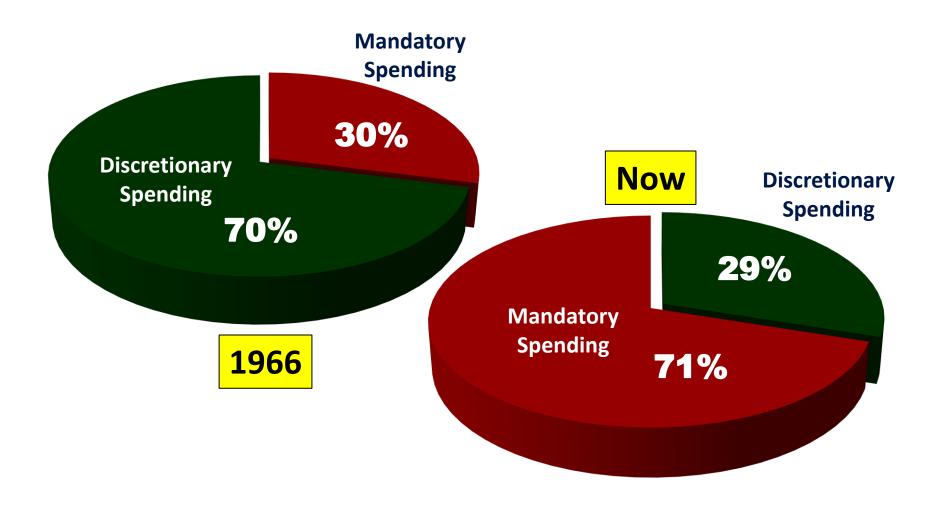
Source: The Military Coalition



The Legislative Big Picture



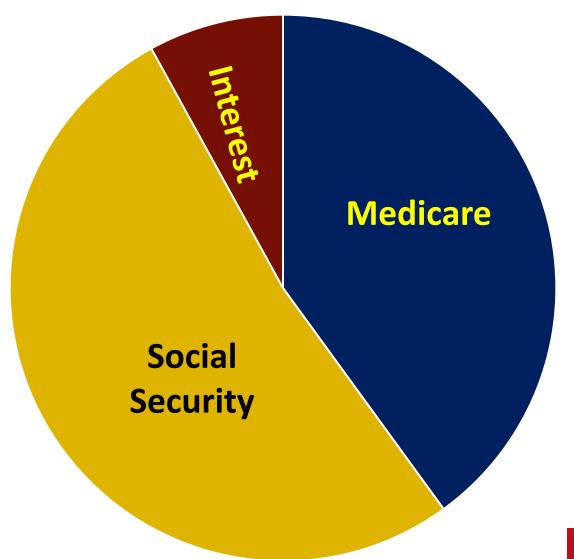
Where the Fed Money Goes



"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 1966, 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 and Congressional Research Service, "Mandatory Spending Since 1962." March 2015.

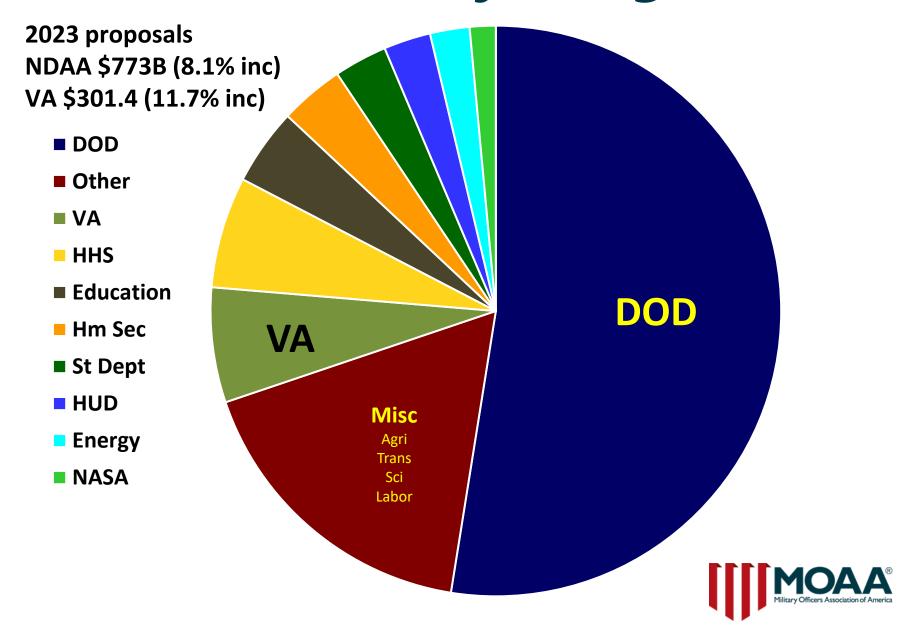


Mandatory Spending





Discretionary Budget



The Political Environment

- Trillions spent for virus issues and economy
- Virus management
- Unemployment
- Restarting the economy
- Police reforms
- Social unrest

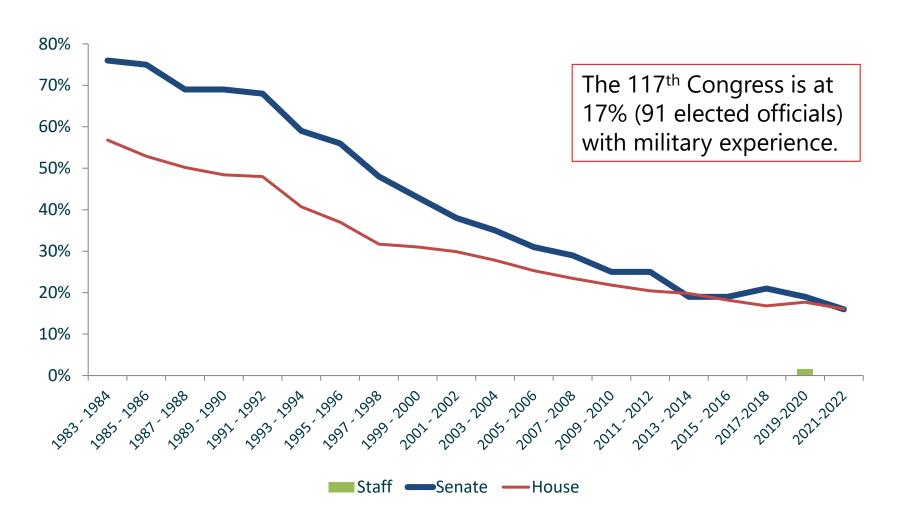


DoD Environment

- Flat DoD budgets in the future will require tough prioritization (Year-long CR is a threat)
- Pivot from Contingency Operations to near peer threat requires significant modernization and funding
- Planned cuts to Military Health System difficult to reconcile with COVID lessons learned
- Congress desires to reduce entitlement costs
- Sexual assault and privatized housing scandals
- Suicide rates are moving in the wrong direction
- Each fiscal year, for the last 20 years, has started either under a CR or a government shutdown



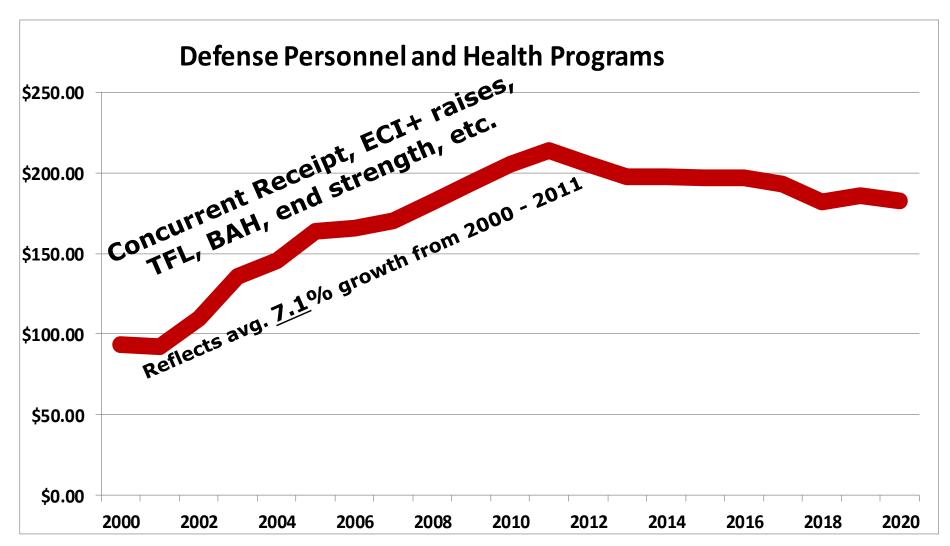
Military Experience in Congress



Sources: Military Times, Pew, and HillVets



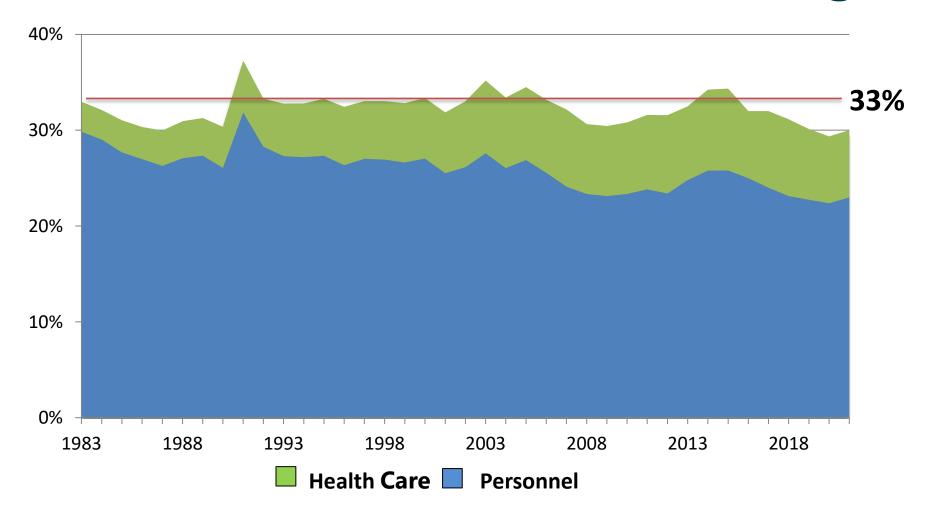
DOD Personnel-Health Care Expense



Outlays in \$ Billions Source: NDAAs



Personnel Costs as % of DoD Budget



For decades, on average, less than one-third of the defense budget (under subtotal of "DoD-Military") went to military personnel and health care costs. Sources:

Table 3.2 Outlays by Function: https://www.whitehouse.gov/omb/historical-tables/



FY 2022/2023 Legislative Priorities



MOAA's 2022/23 Priorities

- Sustain pay raises, adequate BAH for troops / COLA for retirees
- Ensure CG/USPHS/NOAA continue getting paid during shutdowns
- Protect value of military health benefit
- Protect Military Health System pharmacy benefit, and achieve flexibility in TRICARE pharmacy co-pays
- Address barriers to accessing care within MHS, including TRICARE coverage gaps and mental health access challenges
- Protect family support programs, and ensure military-provided services (housing, PCS, childcare, youth programs, financial counseling) are readily available and meet standards for quality and costs
- Achieve equity of benefits, protections and administrative support for Guard/Reserve members consistent with counterparts

MOAA's 2022/23 Priorities

- Sustain Veterans Health Administration (VHA) foundational missions and services
- Reform the presumptive claim process to support veterans claiming service-connected conditions for toxic exposures
- Achieve concurrent receipt of service-earned retirement pay and VA disability compensation.
- Protect full military honors and burial at Arlington National Cemetery for those currently eligible
- Improve survivor benefits
- Support a quality transition experience from AD to veteran status for all servicemembers
- Recognize the pandemic continues to affect the lives of our servicemembers and their families



Arlington National Cemetery

- Sec Army released proposed changes to ANC internment eligibility:
 - KIA, to include repatriated remains
 - Silver Star and above who also served in combat
 - Purple Heart
 - Combat related service deaths
 - Former POW
 - Presidents and VP of the US
 - Veterans with combat service who also served in
- Proposed Changes posted to Federal Register 9/15

https://www.federalregister.gov/documents/2020/09/15/202 0-17801/army-cemeteries



Advocacy in Action Campaign

Each Spring, MOAA Councils and Chapters, with support from the National Headquarters, bring 3 specific, high priority legislative actions to every member of Congress

This year's campaign focused on:

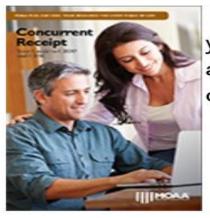
- Support the Major Richard Star Act (concurrent receipt for combat-injured servicemembers) H.R. 1282 & S. 344
- Reduce TRICARE Mental Health Copayments H.R. 4824
- Enact a 4.6% Military Pay Raise in the FY 2023 National Defense Authorization Act (NDAA)



Concurrent Receipt

- Two Types
 - Concurrent Retirement and Disability Pay (CRDP)
 - Combat Related Special Compensation (CRSC)

Concurrent Receipt: Your Guide to CRDP and CRSC



Use this publication to help you better understand CRDP and CRSC and answer commonly asked questions.



Concurrent Receipt – How it

CR – restoration of vested retired pay due to years of service/disability rating

Without CR

Retired pay
- <u>VA Waiver</u>
Net Retired Pay
+
<u>Full VA comp</u>

Total compensation

Without CR

<50% VA rating <u>or</u>
<20 years of service
No Service combat rating

With CRDP

Retired pay



Full Retired pay

+

Full VA comp

Total compensation

<u>CRDP</u>

50%(+) VA rating <u>and</u> 20(+) years of service Automatic approval

With CRSC

Retired pay

- VA Waiver

Net Retired pay

+

Full VA comp

+

CRSC Check

Total compensation

CRSC

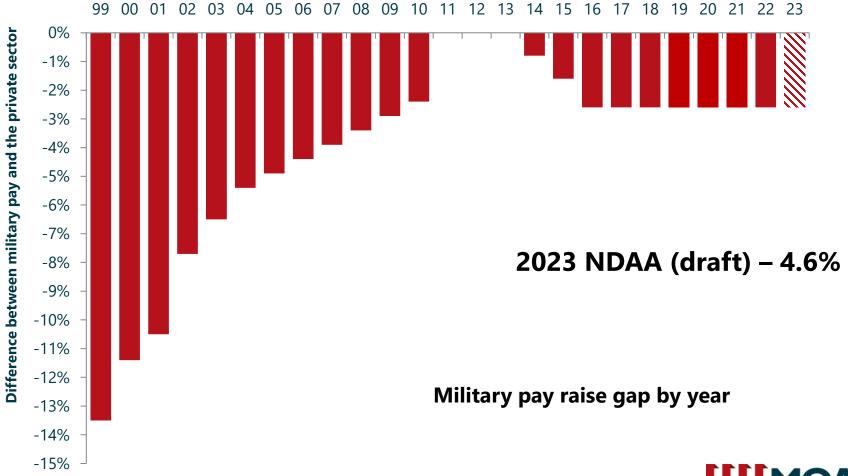
Any VA rating
Any years of service

Must be combat rated by applying to Service



Military Pay Steady but Behind

After years of hard work by MOAA and Congress to eliminate the 1999 13.5% pay gap, military pay raises once again edged into the negative territory currently projected at a 2.4% gap behind the private sector for 2021.





MOAA's Legislative Action Center



Action Center Tutorial

Return to MOAA.org

Sign Up









Active Legislative Campaigns

Ask Congress to Preserve Arlington National Cemetery Eligibility

Help MOAA stay in the middle of this important conversation - Contact your elected officials and urge them to designate in the FY 2023 NDAA the next national cemetery as ANC reaches capacity.



Ask Your Senators to Pass the Honoring Our PACT Act

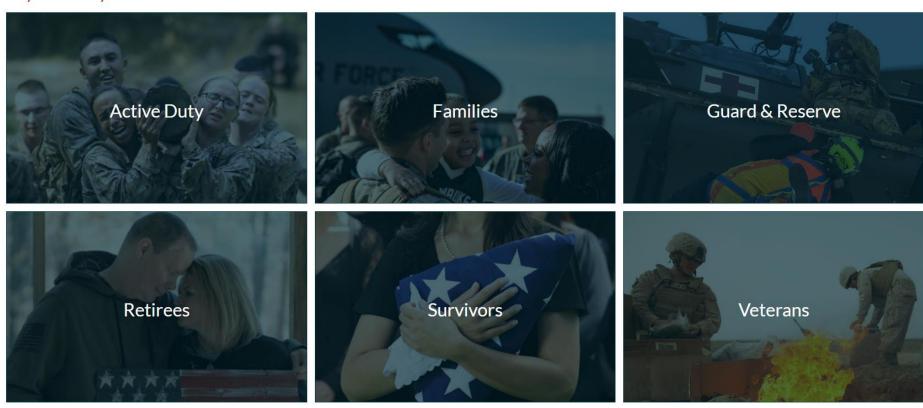
On March 3, the House of Representatives passed the Honoring Our PACT Act (H.R. 3967) 256-174. Please contact your senators and urge them to continue the work of their counterparts from the other side of Capitol Hill.





MOAA's Legislative Action Center

Key Advocacy Issues





MOAA's Legislative Action Center

MOAA-Supported Legislation

MOAA's experts in Washington are constantly reviewing and assessing any and all legislation that may impact the earned pay, benefits, and support programs of the uniformed services and veteran communities. The organization's endorsement process is deliberative; MOAA will not support or oppose any legislation without a thorough review of its potential effects, positive or negative.

The list of bills below offers to you, our advocates, a comprehensive list of legislation that MOAA has publicly endorsed for the current session of Congress.

MOAA-Supported Legislation					
eard	ch by title				Q & Download
	Bill	Last Timeline Action Date	Last Timeline Action	Number of Cosponsors	Source Link
	S. 2533: Making Advances in Mammography and Medical Options for Veterans Act	03/24/2022	Held at the desk.	5 	External Link 🗗
	S. 2794: Supporting Families of the Fallen Act	03/24/2022	Held at the desk.	8	External Link 🗗
	S. 3909: Military Spouse Hiring Act	03/23/2022	Introduced in Senate	3	External Link 🗗
	H.R. 7041: Record of Military Service for Members of the Armed Forces Act of 2022	03/09/2022	Introduced in House	37	External Link 🗗
	S. 3781: A bill to amend the Food and Nutrition Act of 2008 to exclude a basic allowance for housing from	03/08/2022	Introduced in Senate	13	External Link 🗗
	H.R. 3967: Honoring our PACT Act of 2021	03/03/2022	Passed/agreed to in House: On passage Passed by the Yeas and Nays: 256 - 174	100	External Link 🗗
	S. 3734: Gold Star Families Day Act	03/02/2022	Introduced in Senate	3	External Link 🗗
	S. 3025: Servicemembers and Veterans Empowerment	00/04/0000	Committee on Veterans' Affairs. Reported	4 I	Cohemat Lints CN



Review Recent Developments/Changes



Dependency & Indemnity Compensation (DIC)

- Survivor (Spouse) benefit if:
 - Active-Duty death
 - Veteran passes from a service-connected disability
 - Veteran rated 100% "permanent & total" for 10 years
- Child if:
 - Not included on the surviving spouse's DIC, AND
 - Unmarried, AND
 - Under age 18, or between the ages of 18 and 23 (attending school)
- 2022 Rate = \$1437.66 per month (tax free)



SBP-DIC Offset Elimination Timeline

- 2020 was for legal interpretation and process development
- 2021-2023 are for phased-in of DIC-offset elimination in SBP
 - No payback of past refunded premiums
- Survivors of Currently Serving members who chose "Child" beneficiary rather than face the SBP-DIC offset will be able to change their beneficiary back to "Spouse"



SBP-DIC Offset Elimination Process

The DIC offset amount will be phased-out over three years

- Nothing happened in 2020
- DIC offset will be reduced by 1/3rd over three years

2021		
SBP	\$1500	
DIC offset	<u>- \$905</u>	
Net SBP	\$595	
SSIA	+ \$327	
Actual SBP payment	\$922	

2022		
SBP	\$1500	
DIC offset	<u>- \$479</u>	
Net SBP	\$1021	
SSIA	<u>+ \$346</u>	
Actual SBP payment	\$1367	

2023		
SBP	\$1500	
DIC offset	<u>- \$0</u>	
Net SBP	\$1500	
SSIA	<u>+ \$0</u>	
Actual SBP payment	\$1500	



Tricare Select Changes

Jan 1, 2021, "Select" new annual enrollment fee

- \$150 individual; \$300 family (now \$158/317)
 - Not for med retirees, currently serving, survivors of active duty or medical retirees
- COLA applies to enroll fee in future years
- Deductibles still apply at current rates (\$150/\$300)
- SBP payments do not qualify for allotment

Select Catastrophic Cap increased to \$3500 (now \$3706)

- Retirees only
- COLA in future years
- Currently serving remains \$1000



TRICARE Changes

Open Season—Annual enrollment at end of year

- Tricare "Prime" and "Select" Only*
- Automatic rollover if no change
- Must make changes during the Open Season
- Open Season held in Nov Dec
- "Qualifying Life Event" changes allowed any time

*Tricare Open Season doesn't apply to TRICARE For Life, TRICARE Young Adult, TRICARE Reserve Select, TRICARE Retired Reserve, or the Continued Health Care Benefit Program.



Tricare for Life (TFL)

What About Tricare for Life?...

- Nothing happened!—a very good thing
 - Only Tricare changes are in "Prime" and "Select"
- No discussion of Tricare for Life fee
- Nothing is on the horizon—at this point
 - We remain vigilant



Pharmacy Increases Phased Increases Over 10 Years / Adjusts Even Years

	2020/1 Rate	2022/3 Rate	2026/7 Proposed Rate
MTF Pharmacy (90-days)	0	0	0
Retail (30-days)			
Generic	\$13	\$14	\$16
Brand	\$33	\$38	\$48
Non-Formulary	\$60	\$68	\$85
Mail Order (90-days)			
Generic	\$10	\$12	\$14
Brand	\$29	\$34	\$44
Non-Formulary	\$60	\$68	\$85



Medicare Part B 2023 Monthly Premiums

2021 Individual Tax Returns with Income:	2021 Joint Tax Returns with Income:	2022/2023 Monthly Premium
≤ \$97,000	≤\$194,000	\$170.10/\$164.90
>\$97,001 & ≤ \$123,000	> \$194,001 & ≤ \$246,000	\$238.10/\$230.80
> \$123,001 & ≤ \$153,000	> \$246,001 & ≤ \$306,000	\$340.20/\$329.70
> \$153,001 & ≤ \$183,000	> \$306,001 & ≤ \$366,000	\$442.30/\$428.60
> \$183,001 & ≤ \$500,000	> \$366,001 & <\$750,000	\$544.30/\$527.50
≥\$500,000	≥\$750,000	\$578.30/\$560.50



Three New Agent Orange Diseases

- Hypothyroidism, Bladder Cancer and Parkinsonism
- https://www.publichealth.va.gov/exposures/agentor ange/conditions/
- Still waiting on Hypertension for all (now a presumptive for terminally ill, homeless, under extreme hardship or over 85 years old)
- Remaining Vietnam Vets on Oct 2026
- Blue Water Navy now implemented for submariners



PACT Act

- The Sergeant First Class Heath Robinson Honoring Our Promise to Address Comprehensive Toxics Act
- Signed Aug 10th by President Biden
- Three current burn pit exposure presumptive conditions (asthma, rhinitis and sinusitis)
- When signed, immediately add head, neck, respiratory, gastro-intestinal, reproductive, lymphoma, and lymphomatic cancers of any type, plus kidney and brain cancers, melanoma and granulomatous disease (blood)
- Secretary's discretion, plus other conditions will be added over time
- Expands Agent Orange and radiation exposure locations



Hodgepodge

- Proposal to increase SGLI/VGLI from \$400K to \$500K
- Proposal to increase DIC rates to 55% of veterans final VA disability compensation.
- TRICARE costs will increase on average 8.7%
- FEDVIP price increases 0.21% Dental / 0.41% Vision
- RACHAP (Retiree-at-Cost Hearing Aid Program)
 - Fort Rucker, Fort Benning, Fort Campbell are closest
- Neighborhood pharmacy issue
- Next Generation ID cards



COLA Watch

The Latest

The 2023 COLA will be 8.7%.

The FY 2023 COLA baseline will be **291.901**, compared with the FY 2022 baseline of 268.241, resulting in the above percentage increase. This baseline is determined by averaging the monthly Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the final three months of the fiscal year (July, August, September).

The September 2022 CPI-W, released Oct. 13, is 291.854, which is also 8.7% above the FY 2022 COLA baseline.

Protecting the value of service-earned benefits has long been a pillar of MOAA's advocacy. MOAA has led previous efforts to rebuff budget plans seeking to reduce or eliminate COLA for military retirees, many of which have taken root shortly after large increases. The nature of a higher COLA is to preserve purchasing power for retirees, VA beneficiaries, and surviving spouses – not to fund other government programs.

[JOIN THE FIGHT: Visit MOAA's Legislative Action Center]

The CPI-W for October 2022, the first of the new fiscal year, is scheduled for release Nov. 10.

Equates to \$87 Per \$1000 of

- 1) Retired pay
- 2) SSA
- 3) SBP
- 4) VA Comp/DIC



Highest since 1982 – 7.4%

5.9%

Was the highest since 2008 - 5.8%

BASE OCT-21 NOV-21 DEC-21 JAN-22 FEB-22 MAR-22 APR-22 MAY-22 JUN-22 JUL-22 AUG-22 SEP-22



Military Officers Association of America WWW.MOAA.ORG

Please contact your elected representatives

Strength comes in numbers

Your single voice does matter

Join MOAA at MOAA.org

