



WRITTEN TESTIMONY FOR THE RECORD

OF

THE

ASSOCIATION of the UNITED STATES NAVY

Submitted to

United States Senate

Committee on Armed Services

Military Personnel Subcommittee

Military Personnel Overview

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Submitted By

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Director of Government Affairs

The Association of the United States Navy

The Association of the United States Navy (AUSN) recently changed its name as of May 19, 2009. The association, formerly known as the Naval Reserve Association, traces its roots back to 1919 and is devoted solely to service to the Nation, Navy, the Navy Reserve and Navy Reserve officers and enlisted. It is the premier national education and professional organization for Active Duty Navy, Navy Reserve personnel, Veterans of the Navy, families of the Navy, and the Association Voice of the Navy and Navy Reserve.

Full membership is offered to all members of the U.S. Navy and Naval Reserve. Association members come from all ranks and components.

The Association has active duty, reserve, and veterans from all fifty states, US Territories, Europe, and Asia. Forty-five percent of AUSN membership is active reservists, active duty, while the remaining fifty-five percent are made up of retirees, veterans, and involved DoD civilians. The National Headquarters is located at 1619 King Street Alexandria, VA. 703-548-5800.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

AUSN does not currently receive, and has not received during the current fiscal year, or either of two previous years, any federal money for grants. All activities and services of the Association are accomplished free of any direct federal funding.

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Military Experience summary:

Joint Chief of Staff. Team Leader, J-8, Resource, Requirements, Assessments, Inspection Team Leader

Office of Secretary of Defense. Team Leader, Secretary of Defense Strategic Studies Group: Conducted national & international research and study on Information Technology and National Security Strategy for 2025.

Commanding Officer; Naval Air Station, Atlanta.

Office of Secretary of the Navy. Military Assistant, Assistant Secretary of the Navy (ASN), Manpower & Reserve Affairs:

Secretary of State, Military & Executive Assistant, Ambassador Richard Armitage, New Independent States;

Secretary of State, Chief of Staff, **Ambassador Tom Simmons,** New Independent States:

Commanding Officer, Naval Patrol Squadron

Officer in Charge, Project Manager, Various positions with the US Navy, Naval Flight Officer/Mission Commander

EDUCATION//Awards

- **National War College,** National Security Strategy, Washington, DC
- **Naval War College,** US Navy Security Policies graduate
- **Pepperdine University,** Human Resource Management, Santa Ana, California
- **East Carolina University,** BS, Political Science, Greenville, North Carolina
- **University of Pennsylvania,** classes in business & future trends, Philadelphia, Pennsylvania
- Published: *Report for SECEDF, Information Technology in 2025 and Changes to DoD* – as team leader and member of SECDEF Strategic Studies Group
- Defense Superior Service Medal, Legion of Merit(2), Meritorious Service Medal(3), Navy Accommodation(3), Navy Achievement(4)

Summary

Mr. Chairman, The Association of the United States Navy extends our thanks to you and the entire Subcommittee for your strong support of our Active Duty Navy, Navy Reserve, retired members, and veterans of the uniformed services and their families and survivors. Your decisions have had a significant and positive impact in the lives of the entire uniformed services community.

This past year was more than arduous, with Navy service members still at war on two separate fronts in southwest Asia, several ongoing humanitarian operations, the continuous vigilance against piracy, Libya operations, and the nation slowly recovering from the recent economic crisis. Congress and the Administration have had difficult choices to make as they attempted to stimulate the economy while facing record-breaking budget deficits.

As we enter the tenth year of intense wartime operations, and worldwide deployment of the US Navy, AUSN believes that prioritization on personnel issues should continue for FY2012. Despite the extraordinary demands, men and women in the Navy and the Navy Reserve are still answering the call – thanks in no small measure to the Subcommittee’s strong and consistent support – but only at the cost of ever-greater sacrifices.

Dramatic increases in suicide rates, reported divorce rates, and unemployment rates reflect the long-term effects of requiring the same people to return to combat again and again – and yet again.

In these times of growing political and economic pressures, AUSN relies on the continued good judgment of the Armed Services Committees to ensure the Nation allocates the required resources to sustain a strong national defense, a sustained National Maritime Strategy, and in particular, to properly meet the pressing needs of the less than one percent of the American population – service members and their families – who protect the freedoms of the 99 percent.

Executive Summary of Key Issues

Endstrength – A major concern and priority for AUSN is the constant budgetary cuts to manpower. Since 2001 during war time, Navy and Navy Reserve has taken unnecessary cuts due to budget pressure in manpower. Navy and Navy Reserve Operational requirements have not subsided and the out look for increased usage of Navy and Navy Reserve assets grows. We encourage Congress to not take budget driven manpower cuts and review the manpower requirements as a cost savings vice a budget equalizer.

Cost-of-Living Adjustments (COLAs) -- A top AUSN priority is to guard against any discriminatory treatment of retired members of the uniformed services compared to other Federal COLA- eligibles and to ensure continued fulfillment of congressional COLA intent "to provide every military retired member the same purchasing power of the retired pay to which he was entitled at the time of retirement [and ensure it is] not, at any time in the future...eroded by subsequent increases in consumer prices."

Military Pay --AUSN urges against short-sighted proposals to freeze or cap uniformed services pay raises below private sector pay growth, and strongly recommends a 2012 raise of at least 1.6% to match ECI growth.

Military Retirement --AUSN strongly opposes initiatives that would “civilianize” the military retirement system and inadequately recognize the unique and extraordinary demands and sacrifices inherent in a military career.

Reducing incentives for serving arduous careers of 20 years or more can only undermine long-term retention and readiness, with particularly adverse effects in times of war. Simultaneously increasing compensation for those who leave short of fulfilling a career would only compound those adverse effects.

Health Care Enrollment Fees

In response to member feedback on the Department of Defense proposal for TRICARE Prime fee increases, AUSN has embraced a policy that is congruent with a majority of its members.

Health care for our serving military and their families is a matter of absolute necessity to sustain a fighting force. It is an obligation of government with a constitutional basis much higher than other forms of public service. When a nation puts its citizens (the military) at physical risk from disease, traumatic injury and death it absolutely owes them health care not health insurance. The military is not a Public Service union looking for a benefit package and should never be so equated! An overwhelming majority of AUSN members believe this is where all discussion must start.

By extension, as a guiding principal, a primary entitlement for undertaking a career of unique and extraordinary sacrifices that few Americans are willing to accept is a range of exceptional retirement benefits that a grateful Nation provides for those who choose to dedicate a majority of their working lives to the national interest. DoD must work in partnership with associations, stakeholders, the Department of Veterans Affairs (VA) and other governmental agencies to ensure that our past, present and future military members and families receive cost effective, high quality health care. Before seeking increases in enrollment fees, deductibles or co-payments, the DoD and the Services should pursue any and all options to constrain the growth of health care spending in ways that do not disadvantage military members – past, present, and future – active duty, reserve and veteran, and provide incentives to promote healthy lifestyles. Such options should include addressing the duplicative overhead expense of Service unique health care programs.

Our members – active, retiree, veterans, reserve and family – strongly desire to do their part in controlling the fiscal debt of this country. Fiscal realities demand that they do. However, our members, along with other service members, have already invested heavily in our nation. They have and continue to sacrifice in ways not recognized by the overwhelming majority of the American population. Military members and veterans earn, have earned, their health care and other benefits in a special way every day.

AUSN desires to negotiate realistically but we must be very careful in our terminology. Bureaucrats want to frame this conversation as a benefit package to recruit and retain to meet requirements. We must never forget the military and veterans are not civilian contractors with the right to quit if they don't like the orders. They are different and the Congress owes a very different debt to those citizens who can be ordered to potentially suffer serious losses, or die for their country. A nation that desires to provide guaranteed health care to all citizens and non-citizens alike surely can provide an extraordinary health care benefit to those who defend that very nation. The last dollar of Military Health Care should be funded before the first dollar is put into other social programs.

Therefore, with these guiding principals,

- **AUSN membership believes the President's FY 2012 proposed enrollment fee increase can be accepted as a one time increase of 13%. However, AUSN strongly objects to any future open-indexing increases based on civilian health care indices in future years for any TRICARE program including TRICARE Prime for retirees.** As a whole, military (active and reserve) and former military members are by nature a healthier population.
- **AUSN urges Congress to make the decisions on future increases based on what the Cost of Living Allowances are for veterans. We are asking Congress to reject the proposal of open-ended indexing for future increases and to control future increases, if any – based solely on what the COLA is for retirees.**

Wounded Warrior Care

DoD and VA Oversight --AUSN urges joint hearings by the Armed Services and Veterans Affairs Committees to assess the effectiveness of current seamless transition oversight efforts and systems and to solicit views and recommendations from DoD, VA, the military services, and non-governmental organizations concerning how joint communication, cooperation, and oversight could be improved. In addition, the hearings should focus on implementation progress concerning:

- Single separation physical;

- Single disability evaluation system;
- Bi-directional electronic medical and personnel records data transfer;
- Medical centers of excellence operations and research projects;
- Coordination of care and treatment, including DoD-VA federal/recovery care coordinator clinical and non-clinical services and case management programs; and
- Consolidated government agency support services, programs, and benefits.

Continuity of Health Care:

- Authorizing service-disabled members and their families to receive active-duty-level TRICARE benefits, independent of availability of VA care for three years after medical retirement to help ease their transition from DoD to VA.
- Ensuring Guard and Reserve members have adequate access and treatment in the DoD and VA health systems for Post Traumatic Stress Disorder and Traumatic Brain Injury following separation from active duty service in a theatre of operations.

Caregiver/Family Support Services --AUSN recommends:

- Providing enhanced training of DoD and VA medical and support staff on the vital importance of involving and informing designated caregivers in treatment of and communication with severely ill and injured personnel.
- Providing health and respite care for non-dependent caregivers (e.g., parents and siblings) who have had to sacrifice their own employment and health coverage while the injured member remains on active duty, commensurate with what the VA authorizes for medically retired or separated members' caregivers.
- Authorizing up to one year of continued residence in on-base housing facilities for medically retired, severely wounded service members and their families.

Active Forces and Their Families

End Strength --AUSN strongly urges the Subcommittee to:

- Sustain or increase end strength as needed to sustain Navy deployments for war and the continuous operational requirements and ensure dwell time for Navy service members and families.

Family Readiness and Support --AUSN recommends that the Subcommittee:

- Encourage DoD to assess the effectiveness of programs and support mechanisms designed to assist military members and their families with deployment readiness, responsiveness, reintegration, and health care.
- Expand child care availability and funding to meet the needs of the total force uniformed services community.
- Monitor and continue to expand family access to mental health counseling.
- Promote expanded opportunities for military spouses to further educational and career goals, such as the My Career Advancement Account (MyCAA) program.
- Promote implementation of flexible spending accounts to enable military families to pay health care and child care expenses with pre-tax dollars.
- Ensure access to mental health care programs in remote areas

Retiree Issues

Concurrent Receipt --AUSN's continuing goal is to fully eliminate the deduction of VA disability compensation from earned military retired pay for all disabled retirees. In pursuit of that goal, AUSN's immediate priorities include:

- Phasing out the VA disability offset for all chapter 61 (disability) retirees, as previously endorsed by the President and the Subcommittee;
- Clarifying the law to resolve technical disparities that inadvertently cause underpayment of certain eligibles for Combat Related Special Compensation (CRSC); and,
- Clarifying the law to ensure a disabled retiree's CRSC payment is not reduced when the retiree's VA disability rating increases, until the retiree is afforded the opportunity to elect between CRSC and CRDP.

Disability Severance Pay --AUSN recommends:

- Further expanding eligibility to include all combat-related injuries, using the same definition as CRSC; and ultimately
- Expanding eligibility to include all service-connected disabilities, consistent with AUSN view that there should not be a distinction between the treatment of members disabled in combat vice members with non-combat, service-caused disabilities.

Survivor Issues

SBP-DIC Offset –AUSN recommends:

- Repeal of the SBP-DIC offset.
- Reinstating SBP for survivors who previously transferred payments to children when the youngest child attains majority, or upon termination of a remarriage.
- Allowing SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member's death.

Health Care

Enrollment Fees – AUSN accepts the need to increase TRICARE Prime (for retirees 34-65) fees on a one time bases at 13%. However, AUSN objects to any future index increase that is solely based on civilian health care. Any increase must be controlled by Congress, and based only on the COLA for retirees.

TRICARE Reimbursement Rates -- AUSN urges reversal of the 30% cut in Medicare/TRICARE payments to doctors scheduled for January 2012 and a permanent fix for the flawed formula that mandates these recurring annual threats to seniors' and military beneficiaries' health care access.

TRICARE Cost Efficiency Options – AUSN continues to believe strongly that DoD has not sufficiently investigated options to make TRICARE more cost-efficient without shifting costs to beneficiaries several GAO reports indicates that DoD can find more efficiencies.

TRICARE Prime – AUSN urges the Subcommittee to:

- Require reports from DoD and the managed care support contractors on actions being taken to improve Prime patient satisfaction, provide assured appointments within Prime access standards, reduce delays in preauthorization and referral appointments, and provide quality information to assist beneficiaries in making informed decisions.
- Require increased DoD efforts to ensure consistency between the MTF and purchased care sectors in meeting Prime access standards.
- Ensure timely notification of and support for beneficiaries affected by elimination of Prime service areas under the new TRICARE contracts.

TRICARE Standard –AUSN urges the Subcommittee to:

- Insist on immediate delivery of an adequacy threshold for provider participation, below which additional action is required to improve such participation.
- Require a specific report on participation adequacy in the localities where Prime Service Areas will be discontinued under the new TRICARE contracts.
- Oppose establishment of a TRICARE Standard enrollment fee, since Standard does not entail any guaranteed access to care.
- Increase locator support to beneficiaries seeking providers who will accept new Standard patients, particularly for mental health specialties.
- Seek legislation to eliminate the limit when TRICARE Standard is second payer to other health insurance (OHI): e.g., return to the policy where TRICARE pays up to the amount it would have paid, had there been no OHI.
- Bar any further increase in the TRICARE Standard inpatient copay for the foreseeable future.

TRICARE For Life –AUSN urges the Subcommittee to:

- Resist initiatives to establish an enrollment fee for TFL, as many beneficiaries already experience difficulties finding providers who will accept Medicare patients.
- Seek ways to include TFL beneficiaries in DoD programs to incentivize compliance with preventive care and healthy lifestyles.
- Resolve the discrepancy between TRICARE and Medicare treatment of the shingles vaccine.

Survivors' Coverage –AUSN recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

Pharmacy –AUSN urges the Subcommittee to:

- Advance the use of the mail order option by lowering or waiving copays, enhancing communication with beneficiaries, and using technological advances to ease initial signup.
- Require DoD to include alternate packaging methods for pharmaceuticals to enable nursing home, assisted living, and hospice care beneficiaries to utilize the pharmacy program. Packaging options should additionally include beneficiaries living at home who would benefit from this program because of their medical condition.
- Create incentives to hold down long-term health costs by eliminating copays for medications for chronic conditions, such as asthma, diabetes, and hypertension or keeping copays at the lowest level regardless of drug status, brand or generic.

Health Care Fees --AUSN believes military beneficiaries from whom America has demanded decades of extraordinary service and sacrifice have earned health care that is the best America has to offer, consistent with their extraordinarily high pre-paid premiums of decades of service and sacrifice.

Congress needs to protect military beneficiaries against dramatic budget-driven fluctuations in this vital element of service members' career compensation incentive package.

Reducing the value of TRICARE for Life by \$3,000 per year (\$6,000 for a couple) as recommended by the Deficit Commission would be inconsistent with military beneficiaries' sacrifices and would undermine Congress' intent when it authorized TFL in 2001 -- less than 10 years ago.

Reducing military retirement benefits would be particularly ill-advised when an overstressed force already is at increasing retention risk despite the current downturn of the economy and current recruiting successes.

AUSN believes:

- **All retired service members earned exceptional health care by virtue of their service.**
- **Indexing to civilian medical care and means-testing has no place in setting military health care enrollment.**
- **Congress should direct DoD to pursue any and all options to constrain the growth of health care spending in ways that do not disadvantage beneficiaries.**

Navy Reserve

Operational Reserve Retention and Retirement Reform – AUSN recommends:

- Upgrade access – by providing ease to access the Federal Reserve in time of National Emergency or Contingency operations that do not impact the Active Components, and provide the appropriate resources to do so.
- Authorizing early retirement credit to all Guard and Reserve members who have served active duty tours of at least 90 days, retroactive to September 11, 2001.
- Eliminating the fiscal year limitation which effectively denies full early retirement credit for active duty tours that span the Oct 1 start date of a fiscal year.
- Modernizing the reserve retirement system to incentivize continued service beyond 20 years and provide fair recognition of increased requirements for active duty service.

End Strength --AUSN strongly urges the Subcommittee to:

- Sustain or increase end strength as needed to sustain Navy Reserve deployments for war and the continuous operational reserve requirements and ensure dwell time for Navy Reserve service members and families.

Office of Chief of Naval Reserve – AUSN strongly urges the Subcommittee to:

- **To Maintain the Chief of the Naval Reserve as an 0-9 Billet as authorized by public law.**

Reserve Compensation System – AUSN recommends:

- **Create a Single Pay System** -- Reserve Components need a single pay system that integrates better into the active component system
- Crediting all inactive duty training points earned annually toward reserve retirement.
- Parity in special incentive pay for career enlisted/officer special aviation incentive pay, diving special duty pay, and pro-pay for reserve component medical professionals.
- Authorizing recalculation of retirement points after 1 year of mobilization. A recent law change allowed certain flag and general officers to recalculate retirement pay after one year of mobilization. AUSN believes this opportunity should be made available to all ranks.

Health Care Access Options –AUSN recommends:

- Requiring DoD to justify the sevenfold increase in TRICARE rates for individual TRR premiums for reservists who immediately enroll in TRR upon retirement from the Selected Reserve and have TRS coverage until separation.
- Seeking a GAO review of the TRR program premium rates and implementation
- Authorizing TRICARE for early Reserve retirees who are in receipt of retired pay prior to age 60
- Permitting employers to pay TRS premiums for reservist-employees as a bottom-line incentive for hiring and retaining them.
- Authorizing an option for the government to subsidize continuation of a civilian employer’s family coverage during periods of activation, similar to FEHBP coverage for activated Guard-Reserve employees of Federal agencies.
- Extending corrective dental care following return from a call-up to ensure G-R members meet dental readiness standards.
- Allowing eligibility in Continued Health Care Benefits Program (CHCBP) for Selected Reservists who are voluntarily separating and subject to disenrollment from TRS.
- Allowing beneficiaries of the FEHBP who are Selected Reservists the option of participating in TRICARE Reserve Select.
 - Reserve members must have access to proper mental health care prior to deployment and after deployment. Ensure access to mental health care programs in remote areas
- **Navy Reserve Member and Retirees that are in the Individual Ready Reserve – need to be recognized as honorable service members and deserve to have access to TRR at reasonable rates or similar rates as TRS due to their being subjected to recall.**

Yellow Ribbon Reintegration Program – AUSN urges the Subcommittee to hold oversight hearings and direct additional improvements in coordination, collaboration and consistency of Yellow Ribbon services between states and maintain this valuable program.

Reserve Family Support Programs – AUSN recommends:

- Ensuring programs are in place to meet the special information and support needs of families of Navy and Navy Reserve individual augmentees or those who are geographically dispersed.
- Funding programs between military and community leaders to support service members and families during all phases of deployments, especially demob.
- Providing preventive counseling services for service members and families and training so they know when to seek professional help related to their circumstances.
- Authorizing and funding child care, including respite care, family readiness group meetings and drill time.
- Improving the joint family readiness program to facilitate understanding and sharing of information between all family members and commands.

Morale, Welfare and Recreation and Quality of Life Programs

Consolidation of DoD Retail Operations --AUSN supports continuing efforts to improve commissary and exchange program efficiency, but objects to initiatives that reduce benefit value for patrons and the associated retention value for the uniformed services.

AUSN urges the Subcommittee to:

- Seek report updates from DoD and the Services to ensure delivery of needed MWR and quality of life program support at gaining and losing locations affected by BRAC and rebasing.
- Direct DoD to report to Congress on all DoD and Service active and reserve component MWR Category A, B, and C Programs and Family Support/Readiness (Quality of Life [QoL] Programs), including the Yellow Ribbon Program.
- Protect recreational and alternative therapy programs that integrate MWR, fitness and other quality of life programs and infrastructure to facilitate warrior treatment and care and to promote psychological health and welfare of troops and their families.

Military Construction

AUSN recommends the Subcommittee:

- Support military construction projects that modernize or replace the following infrastructure to meet increased personnel and operational deployment requirements:
 - child development centers (CDCs) and youth centers;
 - bachelor and family housing; and,
 - other traditional QoL program facilities.
- Ensure MWR, Milcon, housing, and family support construction policies and projects improve access for persons with disabilities.

Statement on Deficit Reduction Proposals

The National Commission on Fiscal Responsibility and Reform and several less publicized deficit-reduction panels have proposed a wide range of spending cuts, including proposed cutbacks in federal cost of living adjustments (COLAs); defense spending, including military pay and retirement; and federal health care programs, including TRICARE and TRICARE for Life. The rapidly growing debt problem facing our country is all too real, and there is no easy fix. Solving this problem for the long term will involve shared pain by all Americans.

Congress has improved retention and readiness by addressing a number of quality of life issues for the military community over the last decade, authorizing TRICARE For Life and TRICARE Senior Pharmacy coverage, establishing concurrent receipt for most severely disabled and combat-disabled retirees, improving pay and allowances for currently serving personnel, upgrading health coverage for the Reserve community who have answered the call for war.

Now, ironically, some critics decry the growth in personnel and health care spending since 2000. Twelve years ago, military leaders were complaining of retention problems as decades of pay raise caps had depressed military pay nearly 14 percent below private sector pay. Military retirees and their spouses were being unceremoniously dumped from military health coverage at age 65 and all disabled retirees were forced to fund their own VA disability compensation from their service-earned retired pay. Survivor Benefit Program (SBP) widows suffered a 34-percent benefit cut at age 62, and GI Bill benefits had eroded dramatically, among many other challenges. Congress' actions to address those problems were spurred in no small part by national concern to protect the interests of military people whose severe and extended wartime sacrifices have been highlighted on every front page and every evening newscast for nearly a decade.

History demonstrates that public and congressional support for protecting military people programs can fade quickly in times of strained budgets or when a period of extended military conflict is (or is expected to be) coming to an end. That was true in the 1940s, '50s, '70s, '80s and '90s.

As Congress assesses how to fairly allocate necessary sacrifices among the various segments of the population, AUSN urges that you bear in mind that:

- No segment of the population has been called upon for more sacrifice than the military community. Currently serving military members have been asked to bear 100% of our nation's wartime sacrifice while the broader

population was asked to contribute to the war effort by “going shopping.” The US Navy has always been a deployed force.

- Assertions about personnel and health cost growth since 2000 are highly misleading, because 2000 is not an appropriate baseline for comparison. As mentioned above, that was the nadir of the erosion of benefits era, when military pay was nearly 14% below private sector pay, currently serving members had suffered a major retirement cutback, older retirees and their families were being jettisoned from any military health coverage, disabled retirees and survivors were suffering dramatic financial penalties, and retention and readiness were suffering as a result. Congressional action (and spending) to fix those problems was a necessary thing, not a bad thing.
- Retired service members, their families and survivors also have been no stranger to sacrifice. Hundreds of thousands of today’s retirees served in multiple wars, including Iraq and Afghanistan, Gulf War I, Vietnam, Korea, and WWII eras, and the multiple conflicts and cold wars in between. Older retirees endured years when the government provided them no military health coverage, and those under 65 already have forfeited an average 10% of earned retired pay because they retired under pay tables that were depressed by decades of capping military pay raises below private sector pay growth.
- There is a readiness element to military compensation and military health care decisions beyond the budgetary element. Regardless of good or bad budget times, a military career is a unique and arduous calling that cannot be equated to civilian employment. Sufficient numbers of high-quality personnel will choose to pursue a career in uniform only if they perceive that the extreme commitment demanded of them is reciprocated by a grateful nation, and the unique rewards for completing such a career are commensurate with the unique burden of sacrifice that they and their families are required to accept over the course of it.
- Military members’ and families’ sacrifices must not be taken for granted by assuming they will continue to serve and endure regardless of significant changes in their career incentive package.
- History shows clearly that there are unacceptable retention and readiness consequences for short-sighted budget decisions that cause service members to believe their steadfast commitment to protecting their nation’s interests is poorly reciprocated.
- The US Navy has and will be a deployed force world wide. End-strengths are critical to maintaining dwell times and deployed forces.

Wounded Warrior Care

AUSN urges joint hearings by the Armed Services and Veterans Affairs Committees to assess the effectiveness of current seamless transition oversight efforts and systems and to solicit views and recommendations from DoD, VA, the military services, and non-governmental organizations concerning how joint communication, cooperation, and oversight could be improved.

In addition, the hearings should focus on implementation progress concerning:

- *Single separation physical;*
- *Single disability evaluation system;*
- *Bi-directional electronic medical and personnel records data transfer;*
- *Medical centers of excellence responsibilities vs. authority, operations, and research projects;*
- *Coordination of care and treatment, including DoD-VA federal/recovery care coordinator clinical and non-clinical services and case management programs; and*
- *Consolidated government agency support services, programs, and benefits.*

Continuity of Health Care – Transitioning between DoD and VA health care systems remains challenging and confusing to those trying to navigate and use these systems. Systemic, cultural, and bureaucratic barriers often prevent the service member or veteran from receiving the continuity of care they need to heal and have productive and a high level of quality of life they so desperately need and desire.

Service members and their families repeatedly tell us that DoD has done much to address trauma care, acute rehabilitation, and basic short-term rehabilitation. They are less satisfied with their transition from the military health care systems to longer-term care and support in military and VA medical systems.

We hear regularly from members who have experienced significant disruptions of care upon separation or medical retirement from service.

One is in the area of cognitive therapy, which is available to retired members under TRICARE only if it is not available through the VA. Unfortunately, members are caught in the middle because of differences between DoD and VA authorities on what constitutes cognitive therapy and the degree to which effective, evidenced-based therapy is available.

Action is needed to further protect the wounded and disabled. The Subcommittee has acted previously to authorize three years of active-duty-level TRICARE coverage for the family members of those who die on active duty. AUSN believes we owe equal transition care continuity to those whose service-caused illnesses or injuries force their retirement from service.

Navy Reserve

The Navy Reserve has always deployed in support of our Nations wars and contingency operations. Currently there are over 5,500 members serving in some capacity in OIF/OEF with another 1,500 being prepared to deploy. The Navy Reserve has maintained this pace since 2001. Over 91,000 Guard and Reserve service men and women are serving on active duty (as of January 2011).

Since Sept. 11, 2001, more than 793,853 Guard and Reserve service members have been called up, including over 250,000 who have served multiple tours. There is no precedent in American history for this sustained reliance on citizen-soldiers and their families. To their credit, Guard and Reserve combat veterans continue to reenlist, but the ongoing pace of routine, recurring activations and deployments cannot be sustained indefinitely.

Guard and Reserve members and families face unique challenges in their readjustment following active duty service. Unlike active duty personnel, many Guard and Reserve members return to employers who question their contributions in the civilian workplace, especially as multiple deployments have become the norm. Many Guard-Reserve troops return with varying degrees of combat-related injuries and stress disorders, and encounter additional difficulties after they return that can cost them their jobs, careers and families.

Despite the continuing efforts of the Services and Congress, most Guard and Reserve families do not have access to the same level of counseling and support that active duty members have. In short, the Reserve components face increasing challenges virtually across the board, including major equipment shortages, end-strength requirements, wounded-warrior health care, and pre- and post-deployment assistance and counseling.

AUSN strongly urges the Subcommittee to;

- **Not allow SECDEF, the Secretary of the Navy, or Chief of Naval Operations to downsize the Chief of the Naval Reserve office to an 0-8 billet as expressed in SECDEF Memorandum – MAR14 2011 – OSD 02974-11.** This is done solely for the purpose of budgetary concerns and does not reflect the needs and requirements of the Navy Reserve or those that have served this country during the war time of 2001 to 2008. AUSN notes that no other Reserve Chief billet will be denigrated in opposition to Public Law that authorizes 0-9 billet for Reserve Chiefs.

Guard and Reserve Health Care Access Options –AUSN is very grateful for sustained progress in providing reservists' families a continuum of government-sponsored health care coverage options throughout their military careers into retirement, but key gaps remain.

For years, AUSN has recommended continuous government health care coverage options for Guard and Reserve (G-R) families. Operational reserve policy during two protracted wars has only magnified that need. DoD took the first step

in the 1990s by establishing a policy to pay the Federal Health Benefits Program (FEHB) premiums for G-R employees of the Department during periods of their active duty service.

Thanks to this subcommittee's efforts, considerable additional progress has been made in subsequent years to provide at least some form of military health coverage at each stage of a Reserve Component member's life, including:

- TRICARE Reserve Select (TRS) for actively drilling Guard and Reserve families, with premiums set at 28% of the actual program cost. The 2011 monthly premiums are \$53.16 for individual reservists in drill status and \$197.76 for member-and-family coverage.
- TRICARE Retired Reserve (TRR) for "gray area" reservists who have retired from active drilling status but have not yet attained age 60, with premiums set to cover 100% of program cost. Rates for 2011 are \$408.01 for member-only coverage, or \$1020.05 for TRR member-and-family coverage.
- TRICARE Standard/Prime for retired reservists with 20 or more years of qualifying service, once they attain age 60 and retired pay eligibility.
- TRICARE for Life as second-payer to Medicare for career reservists with 20 or more years of qualifying service at age 65 provided they enroll in Medicare Part B.

However, as noted earlier in this statement, early Reserve retirees who are in receipt of non-regular retired pay before age 60 are ineligible for TRICARE.

AUSN continues to support closing the remaining gaps to establish a continuum of health coverage for operational reserve families, including members of the Individual Ready Reserve subject to call-up.

AUSN recommends:

- ***Requiring a GAO audit of TRR program***
- ***Requiring DoD to justify the sevenfold increase in TRICARE rates for individual TRR premiums for reservists who immediately enroll in TRR upon retirement from the Selected Reserve and have TRS coverage until separation.***
- ***Authorizing TRICARE for early Reserve retirees who are in receipt of retired pay prior to age 60***
- ***Permitting employers to pay TRS premiums for reservist-employees as a bottom-line incentive for hiring and retaining them.***
- ***Authorizing an option for the government to subsidize continuation of a civilian employer's family coverage during periods of activation, similar to FEHBP coverage for activated Guard-Reserve employees of Federal agencies.***
- ***Extending corrective dental care following return from a call-up to ensure G-R members meet dental readiness standards.***
- ***Allowing eligibility in Continued Health Care Benefits Program (CHCBP) for Selected Reservists who are voluntarily separating and subject to disenrollment from TRS.***
- ***Allowing beneficiaries of the FEHBP who are Selected Reservists the option of participating in TRICARE Reserve Select.***

Yellow Ribbon Reintegration Program – Congress has provided increased resources to support the transition of warrior-citizens back into the community. But program execution remains spotty from state to state and falls short for returning Federal Reserve warriors in widely dispersed regional commands. Military and civilian leaders at all levels must improve the coordination and delivery of services for the entire operational reserve force. Many communities are

eager to provide support and do it well. But yellow ribbon efforts in a number of locations amount to little more than PowerPoint slides and little or no actual implementation.

DoD must ensure that state-level best practices – such as those in Maryland, Minnesota and New Hampshire – are applied for all operational reserve force members and their families, and that Federal Reserve veterans have equal access to services and support available to National Guard veterans. Community groups, employers and service organization efforts need to be encouraged and better coordinated to supplement unit, component, Service and VA outreach and services.

AUSN urges the Subcommittee to hold oversight hearings and direct additional improvements in coordination, collaboration and consistency of Yellow Ribbon services between states.

Reserve Family Support Programs – We have seen considerable progress in outreach programs and services for returning Guard-Reserve warriors and their families. Family support programs promote better communication with service members. Specialized support and training for geographically separated Guard and Reserve families and volunteers are needed.

AUSN recommends:

- ***Ensuring programs are in place to meet the special information and support needs of families of individual augmentees or those who are geographically dispersed.***
- ***Funding programs between military and community leaders to support service members and families during all phases of deployments.***
- ***Providing preventive counseling services for service members and families and training so they know when to seek professional help related to their circumstances.***
- ***Authorizing and funding child care, including respite care, family readiness group meetings and drill time.***
- ***Improving the joint family readiness program to facilitate understanding and sharing of information between all family members.***

Health Care

TRICARE Reimbursement Rates – Physicians consistently report that TRICARE is virtually the lowest-paying insurance plan in America. Other national plans typically pay providers 25-33% more. In some cases the difference is even higher.

Unless Congress acts before the end of the year, current law will force a 30% reduction in Medicare and TRICARE payments as of January 1, 2012, which would cause many providers to stop seeing military beneficiaries.

AUSN urges reversal of the 30% cut in Medicare/TRICARE payments scheduled for January 2012 and a permanent fix for the flawed formula that mandates these recurring annual threats to seniors' and military beneficiaries' health care access.

TRICARE Cost Efficiency Options – AUSN continues to believe strongly that DoD has not sufficiently investigated options to make TRICARE more cost-efficient without shifting costs to beneficiaries. AUSN has offered for several years a long list of alternative cost-saving possibilities, including:

- Positive incentives to encourage beneficiaries to seek care in the most appropriate and cost effective venue;
- Encouraging improved collaboration between the direct and purchased care systems and implementing best business practices and effective quality clinical models;
- Focusing the military health system, health care providers, and beneficiaries on quality measured outcomes;
- Improving MHS financial controls and avoiding overseas fraud by establishing TRICARE networks in areas fraught with fraud;

- Promoting retention of other health insurance by making TRICARE a true second-payer to other insurance (far cheaper to pay another insurance's co-pay than have the beneficiary migrate to TRICARE);
- Encouraging DoD to effectively utilize data from their electronic health records to better monitor beneficiary utilization patterns to design programs which truly match beneficiaries needs;
- Sizing and staffing military treatment facilities to reduce reliance on network providers and develop effective staffing models which support enrolled capacities;
- Reducing long-term TRICARE Reserve Select (TRS) costs by allowing service members the option of a government subsidy of civilian employer premiums during periods of mobilization;
- Encouraging retirees to use lowest-cost-venue military pharmacies at no charge, rather than discouraging such use by limiting formularies, curtailing courier initiatives, etc.
- Utilizing the current GAO reviews to implement changes to improve efficiencies

TRICARE Prime –There appears to be growing dissatisfaction among TRICARE Prime enrollees – which is actually higher among active duty families than among retired families. The dissatisfaction arises from increasing difficulties experienced by beneficiaries in getting appointments, referrals to specialists, and sustaining continuity of care from specific providers.

AUSN supports implementation of a pilot study by TMA in each of the three TRICARE Regions to study the efficacy of revitalizing the resource sharing program used prior to the implementation of the TRICARE-The Next Generation (T-NEX) contracts under the current Managed Care Support contract program.

AUSN supports adoption of the “Medical Home” patient-centered model to help ease such problems.

AUSN strongly advocates the transparency of healthcare information via the patient electronic record between both the MTF provider and network providers. Additionally, institutional and provider healthcare quality information should be available to all beneficiaries so that they can make better informed decisions.

We are concerned about the impact on beneficiaries of the elimination of some Prime service areas under the new contract. This will entail a substantive change in health care delivery for thousands of beneficiaries, may require many to find new providers, and will change the support system for beneficiaries who have difficulty accessing care.

AUSN urges the Subcommittee to:

- *Require reports from DoD and the managed care support contractors on actions being taken to improve Prime patient satisfaction, provide assured appointments within Prime access standards, reduce delays in preauthorization and referral appointments, and provide quality information to assist beneficiaries in making informed decisions.*
- *Require increased DoD efforts to ensure consistency between both the MTFs and purchased care sectors in meeting Prime access standards.*
- *Ensure timely notification of and support for beneficiaries affected by elimination of Prime service areas.*

TRICARE Standard –AUSN appreciates the Subcommittee’s continuing interest in the specific problems unique to TRICARE Standard beneficiaries. TRICARE Standard beneficiaries need assistance in finding participating providers within a reasonable time and distance from their home. This is particularly important with the expansion of TRICARE Reserve Select and the upcoming change in the Prime Service Areas, which will place thousands more beneficiaries into TRICARE Standard.

AUSN is concerned that DoD has not yet established benchmarks for adequacy of provider participation, as required by section 711(a)(2) of the FY2008 NDAA. Participation by half of the providers in a locality may suffice if there is not a large Standard beneficiary population, but could severely constrain access in other areas with higher beneficiary density. AUSN hopes to see an objective participation standard (perhaps based on the number of beneficiaries per provider) that would help shed more light on which locations have participation shortfalls of Primary Care Managers and Specialists that require positive action.

AUSN continues to oppose initiatives that would establish an enrollment fee for TRICARE Standard. If a beneficiary is to be required to pay an enrollment fee, the beneficiary should gain some additional benefit from enrollment. TRICARE Prime features an enrollment fee, but in return offers guaranteed access to care. In contrast, Standard offers no such guaranteed access, and beneficiaries typically are on their own in finding a participating provider who is accepting new patients.

A source of recurring concern is the TRICARE Standard inpatient copay for retired members, which now stands at \$535 per day. For each of the last several years, Congress has had to insert a special provision in the Defense Authorization Act to preclude increasing that by another \$115 per day or more. AUSN believes the \$535 per day amount already is excessive, and should be capped at that rate for the foreseeable future.

AUSN urges the Subcommittee to:

- ***Insist on immediate delivery of an adequacy threshold for provider participation, below which additional action is required to improve such participation.***
- ***Require a specific report on participation adequacy in the localities where Prime Service Areas will be discontinued under the new TRICARE contracts.***
- ***Oppose establishment of a TRICARE Standard enrollment fee, since Standard does not entail any guaranteed access to care.***
- ***Increase locator support to TRICARE Standard beneficiaries seeking providers who will accept new Standard patients, particularly for mental health specialties.***
- ***Seek legislation to eliminate the limit when TRICARE Standard is second payer to other health insurance (OHI): e.g., return to the policy where TRICARE pays up to the amount it would have paid, had there been no OHI.***
- ***Bar any further increase in the TRICARE Standard inpatient copay for the foreseeable future.***

TRICARE For Life (TFL) – When Congress enacted TFL in 2000, it explicitly recognized that this coverage was fully earned by career service members’ decades of sacrifice, and that the Medicare Part B premium would serve as the cash portion of the beneficiary premium payment. AUSN believes that this remains true today.

Some have proposed establishing an enrollment fee for TFL. AUSN believes this is inappropriate, since beneficiaries have no guarantee of access to Medicare-participating providers.

AUSN is aware of the challenges imposed by Congress’ mandatory spending rules, and appreciates the Subcommittee’s efforts to include TFL-eligibles in the preventive care pilot programs included in the FY2009 NDAA. We believe their inclusion would, in fact, save the government money and hope the Subcommittee will be able to find a more certain way to include them than the current discretionary authority, which DoD has declined to implement.

AUSN also hopes the subcommittee can find a way to resolve the discrepancy between Medicare and TRICARE treatment of medications such as the shingles vaccine, which Medicare covers under pharmacy benefits and TRICARE covers under doctor visits. This mismatch, which requires TFL patients to absorb the cost in a TRICARE deductible or purchase duplicative Part D coverage, deters beneficiaries from seeking this preventive medication.

AUSN urges the Subcommittee to:

- ***Resist initiatives to establish an enrollment fee for TFL, given that many beneficiaries already experience difficulties finding providers who will accept Medicare patients.***
- ***Seek ways to include TFL beneficiaries in DoD programs to incentivize compliance with preventive care and healthy lifestyles.***
- ***Resolve the discrepancy between TRICARE and Medicare treatment of the shingles vaccine.***

Survivors' Coverage – When a TRICARE-eligible widow/widower remarries, he/she loses TRICARE benefits. When that individual's second marriage ends in death or divorce, the individual has eligibility restored for military ID card benefits, including SBP coverage, commissary/exchange privileges, etc. – with the sole exception that TRICARE eligibility is not restored. This is out of line with other federal health program practices, such as the restoration of CHAMPVA eligibility for survivors of veterans who died of service-connected causes. In those cases, VA survivor benefits and health care are restored upon termination of the remarriage. Remarried surviving spouses deserve equal treatment.

AUSN recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

Pharmacy –AUSN supports a strong TRICARE pharmacy benefit which is affordable and continues to meet the pharmaceutical needs of millions of eligible beneficiaries through proper education and trust. The AUSN will oppose any degradation of current pharmacy benefits, including any effort to charge fees or copayments for use of military treatment facilities.

AUSN urges the Subcommittee to:

- ***Advance the use of the mail order option by lowering or waiving copays, enhancing communication with beneficiaries, and using technological advances to ease initial signup.***
- ***Require DoD to include alternate packaging methods for pharmaceuticals to enable nursing home, assisted living, and hospice care beneficiaries to utilize the pharmacy program. Packaging options should additionally include beneficiaries living at home who would benefit from this program because of their medical condition (for example beginning stages of Alzheimer's).***
- ***Create incentives to hold down long-term health costs by eliminating copays for medications for chronic conditions, such as asthma, diabetes, and hypertension or keeping copays at the lowest level regardless of drug status, brand or generic.***

"A Veteran - AD, Reserve, NG, or Retired is someone who, at one point in their life, wrote a blank check made payable to "The United States of America," for an amount of "up to and including my life."