

MISTER CHAIRMAN AND DISTINGUISHED SUBCOMMITTEE MEMBERS:

On behalf of The Military Coalition, we are grateful to the Subcommittee for this opportunity to express our views concerning issues affecting the uniformed services community. This testimony provides the collective views of the following military and veterans organizations, which represent more than 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

- ? Air Force Association
- ? Air Force Sergeants Association
- ? Army Aviation Association of America
- ? Association of Military Surgeons of the United States
- ? Association of the United States Army
- ? Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
- ? Commissioned Officers Association of the U.S. Public Health Service, Inc.
- ? Enlisted Association of the National Guard of the United States
- ? Fleet Reserve Association
- ? Gold Star Wives of America, Inc.
- ? Jewish War Veterans of the United States of America
- ? Marine Corps League
- ? Marine Corps Reserve Officers Association
- ? Military Chaplains Association of the United States of America
- ? Military Order of the Purple Heart
- ? National Guard Association of the United States
- ? National Military Family Association
- ? National Order of Battlefield Commissions
- ? Naval Enlisted Reserve Association
- ? Naval Reserve Association
- ? Navy League of the United States
- ? Non Commissioned Officers Association
- ? Reserve Officers Association
- ? Society of Medical Consultants to the Armed Forces
- ? The Retired Enlisted Association
- ? The Retired Officers Association
- ? United Armed Forces Association
- ? United States Army Warrant Officers Association
- ? United States Coast Guard Chief Petty Officers Association
- ? Veterans of Foreign Wars
- ? Veterans' Widows International Network

The Military Coalition, Inc., does not receive any grants or contracts from the federal government.

EXECUTIVE SUMMARY
RECOMMENDATIONS OF THE MILITARY COALITION
to the
Senate Subcommittee on Military Personnel

Adequate Funding for the Defense Health Budget

The Military Coalition strongly recommends this Subcommittee authorize sufficient appropriations to fully fund the Defense Health Program, to include military medical readiness, TRICARE and the DoD peacetime health care mission, and full funding for TFL.

Legislative Adjustments to TFL

Medicare Part B Penalty

The Military Coalition recommends that individuals who become age 65 prior to April 1, 2001, who would otherwise be subject to a Medicare Part B penalty, should have the option to decline enrollment in Medicare Part B, with TRICARE assuming first-payer responsibilities, as applicable, for such beneficiaries.

Inpatient Hospitalization

The Military Coalition recommends that TFL assume 100% of the costs for service beneficiaries who incur hospital stays that exceed the Medicare maximum (90 days plus 60-day lifetime reserve).

Beneficiaries Residing Overseas

The Military Coalition recommends that this Subcommittee eliminate the requirement to enroll in Medicare Part B for beneficiaries who reside in foreign countries.

Under 65 Medicare -Eligible Beneficiaries

The Coalition urges the Subcommittee to investigate this issue and provide the necessary support in order that the under 65 Medicare-eligible beneficiaries benefit from the same electronic claims processing afforded to the rest of the TFL beneficiaries and ultimately resolve this so TFL can be implemented as Congress intended.

FEHBP-65 Demonstration

The Military Coalition recommends that the current FEHBP-65 demonstration be extended to Dec. 31, 2003.

Dual Eligible DoD-VA Beneficiaries

The Coalition strongly recommends that the Subcommittee work with its counterparts on the Veterans Affairs Committee to ensure that disabled military retirees eligible for VA care under Priority Categories 1-6, should not be forced to make an election between VA and DoD health care.

Improvements in TRICARE

Provider Participation

The Military Coalition recommends that the Subcommittee continue monitoring provider participation problems to determine whether additional actions will be required to resolve these issues.

TRICARE Prime Equity Innovations

The Military Coalition strongly recommends that Subcommittee authorize TRICARE Prime Remote to be extended to retirees, their family members and survivors at the same locations where it is established for active duty family members.

Travel Reimbursement for Prime Beneficiaries

The Military Coalition recommends that the Subcommittee include a parent or guardian of minors as eligible for travel reimbursement when they accompany their dependents to distant specialty centers.

Fully Implement Portability and Reciprocity

The Military Coalition strongly urges the Subcommittee to direct DOD to expend the resources it needs to facilitate immediate implementation of portability and reciprocity to minimize the disruption in TRICARE Prime services for beneficiaries.

Custodial Care

The Military Coalition recommends Congress provide continued oversight to further define what medically necessary care will be provided to all Custodial Care beneficiaries; and that Congress direct a study to determine how TFL beneficiaries will be integrated into ICMP-PEC in an equitable manner; and that Beneficiary Advisory Groups' inputs be sought in the integration of TFL beneficiaries into the ICMP-PEC.

Coordination of Benefits and the 115% Billing Limit Under TRICARE Standard

The Military Coalition strongly recommends that the Subcommittee direct DOD to eliminate the 115% billing limit when TRICARE Standard is second payer to other health insurance and to reinstate the "coordination of benefits" methodology.

Requirements for Non Availability Statements under TRICARE Standard

The Military Coalition strongly recommends that all requirements for Non Availability Statements be removed from the TRICARE Standard option effective immediately and that members of the Subcommittee work with their counterparts in the House to enact legislation such as S 1096 .

PRIORITY PERSONNEL ISSUES

ACTIVE FORCE ISSUES

Personnel Strengths and Operations Tempo. The Military Coalition (TMC) strongly recommends restoration of service end strengths consistent with long-term sustainment of expected deployments and fulfillment of national military strategy. The Coalition supports the application of recruiting resources/voluntary recall policies as necessary to meet this requirement. The Coalition urges the Subcommittee to consider all possible manpower options to ease the operational stresses on active and Reserve personnel that have proven so detrimental to retention and readiness.

Pay Raise Comparability and Pay Table Reform. The Military Coalition recommends additional increases in annual pay adjustments well above the Employment Cost Index (ECI) with the objective of restoring pay comparability for uniformed service personnel as soon as possible. The Coalition further recommends that the Subcommittee consider the recommendations of the Ninth Quadrennial Review of Military Compensation to reform basic military pay tables to provide more appropriate pay adjustments between grades, including linkages between enlisted, officer and warrant officer grades. The Coalition further recommends that the commitment made by the Administration for an additional \$1 billion in military pay be used to improve basic military pay and expedite the closing of the pay comparability gap at the earliest possible date.

Basic Allowance for Housing (BAH). The Military Coalition urges acceleration of projected funding increases to match local housing costs, by grade, at every CONUS location as soon as possible. In view of the existing pay comparability gap and the rising private sector housing costs, the Military Coalition believes it does not serve retention and readiness interests to delay elimination of out of pocket expenses until 2005.

Thrift Savings Plan (TSP). The Military Coalition urges enactment of authority to allow REDUX-eligible servicemembers the option of receiving a career retention bonus in one, two, three or four installments. This is essential for these members to realize the full tax-deferred value of the bonus.

Permanent Change of Station Issues. The Military Coalition urges a comprehensive updating of permanent change-of-station allowances to restore the intended relationship between the allowances and the expenses they are intended to reimburse.

Military Commissaries. The Military Coalition most strongly urges the Subcommittee to preserve the commissary's important value-added benefit for service families and to resist short-sighted efforts to privatize the commissary system.

RESERVE AND GUARD ISSUES

Support of Active Duty Operations . The Military Coalition urges continued attention to ensuring an appropriate match between Reserve forces strengths and missions. The Coalition further urges a study of the extent to which Reserve and Guard forces can be employed in support of operational missions without jeopardizing employer support and Reserve unit retention.

Health Insurance for Reserve Members and their Families. The Military Coalition recommends a comprehensive analysis of National Guard and Reserve member and family health insurance needs and development of policy options to ensure an adequate health care “safety net” for them.

Selected Reserve Montgomery GI Bill (MGIB) Improvements. The Military Coalition supports extending the usage period for Reserve Montgomery GI Bill benefits for those who successfully complete the requisite six-year service obligation, an additional five years beyond the current ten-year eligibility window.

Retirement Credit for All Earned Drill Points. The Military Coalition recommends lifting the 90-point cap on the number of Inactive Duty Training (IDT) points earned in a year that may be credited for Reserve retirement purposes.

RETIREMENT ISSUES

Concurrent Receipt of Military Retired Pay and Veterans Disability Compensation. The Military Coalition urges enactment of legislation authorizing the concurrent receipt of military retired pay and veterans disability compensation. The two entitlements serve different purposes and one should not offset the other.

Former Spouse Issues. The Military Coalition urges the Subcommittee to conduct hearings on needed USFSPA changes, both to gather all inputs needed for appropriate corrective legislation and to guard against inadvertently exacerbating current inequities via well-intended, piecemeal legislative action initiated outside the Subcommittee.

SURVIVOR PROGRAM ISSUES

Age 62 SBP Offset. The Military Coalition strongly recommends an immediate increase in the minimum post-62 SBP annuity of 35 percent of the member's SBP-covered retired pay. The Coalition further recommends subsequent incremental increases to restore SBP to 55 percent of covered retired pay.

30-Year Paid-Up SBP. The Military Coalition strongly recommends accelerating the implementation date for the 30-year paid-up SBP initiative to 2002, on an incremental basis if necessary.

SBP Coverage for All Active Duty Deaths. The Military Coalition strongly supports enactment of legislation to extend SBP coverage to all survivors of members who die on active duty on or after October 1, 2001, with SBP annuities calculated as if the member had been retired with 100 percent disability on the date of death.