



**NATIONAL
MILITARY FAMILY
ASSOCIATION**

Together we're stronger

Statement

by the

NATIONAL MILITARY FAMILY ASSOCIATION

for

**Subcommittee on
Personnel**

of the

**UNITED STATES SENATE
ARMED SERVICES COMMITTEE**

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The Committee

The National Military Family Association (NMFA) is the leading nonprofit dedicated to serving the families who stand behind the uniform. Since 1969, NMFA has worked to strengthen and protect millions of families through its advocacy and programs. We provide spouse scholarships, camps for military kids, and retreats for families reconnecting after deployment and for the families of the wounded, ill, or injured. NMFA serves the families of the currently serving, retired, wounded or fallen members of the Army, Navy, Marine Corps, Air Force, Coast Guard, and Commissioned Corps of the USPHS and NOAA.

Association Volunteers in military communities worldwide provide a direct link between military families and the Association staff in the Nation's capital. These volunteers are our "eyes and ears," bringing shared local concerns to national attention.

The Association does not have or receive federal grants or contracts.

Our website is: www.MilitaryFamily.org.

Joyce Wessel Raezer, Executive Director

Joyce became the Executive Director of the National Military Family Association in 2007. In that position, she leads the Association's programs and initiatives to meet the needs of the families of the seven uniformed services and promote improvements in their quality of life. She is frequently called on by government officials, other organizations, and the press to share her expertise on the issues facing military families. She began her work with the Association in 1995 as a Volunteer in the Government Relations Department and subsequently served in various staff positions, including Government Relations Director.

Joyce has represented military families on several committees and task forces for offices and agencies of the Department of Defense (DoD) and military services. Joyce has served on several committees of The Military Coalition, an organization of 32 military-related associations. She was co-chair of the Coalition's Personnel, Compensation, and Commissaries Committee from 2000 to 2007. In 1999 and 2000, she served on a Congressionally-mandated Federal Advisory Panel on DoD Health Care Quality Initiatives. From June 1999 to June 2001, Joyce served on the first national Board of Directors for the Military Child Education Coalition. In 2004, she authored a chapter on "Transforming Support to Military Families and Communities" in a book published by the MIT Press, *Filling the Ranks: Transforming the U.S. Military Personnel System*.

In 2006, Joyce received the Gettysburg College Distinguished Alumni Award. She was the 1997 recipient of the Association's Margaret Vinson Hallgren Award for her advocacy on behalf of military families. She also received the "Champion for Children" award from the Military Impacted Schools Association in 1998. In 2007, Military Spouse Magazine listed her on its Who's Who of Military Spouses. In 2012, she was honored as a Daily Point of Light by the Points of Light Foundation.

A Maryland native, Joyce earned a B.A. in History from Gettysburg College, and a M.A. in History from the University of Virginia. The spouse of an Army retiree, she is the mother of two adult children. She is a former teacher and served on the Fort Knox Community Schools Board of Education from 1993 to 1995. She was an active volunteer parent in her children's schools. She plays hand bells and sings in her church choir, the Northern Virginia Chorale, and the Ron Freeman Chorale.

EXECUTIVE SUMMARY

The United States military is the most capable fighting force in the world. For more than a decade of war, service members and their families never failed to answer the call, steadfastly sacrificing in order to protect our Nation. They made these sacrifices trusting that our government would provide them with resources to keep them ready. Recent national fiscal challenges have left military families confused and concerned about whether the programs, resources, and benefits contributing to their strength, resilience, and readiness will remain available to support them and be flexible enough to address emerging needs. The Department of Defense (DoD) must provide the level of programs and resources to meet this standard. Sequestration weakens its ability to do so. Service members and their families have kept trust with America through 15 years of war with multiple deployments and separations. Unfortunately, that trust continues to be tested.

The Administration's Fiscal Year 2017 (FY17) budget proposal will undermine military family readiness in fundamental ways, by cutting families' purchasing power and forcing them to bear more of their health care costs. At the same time, looming cuts mandated by sequestration threaten the programs and services they rely on for support. The National Military Family Association (NMFA) makes the recommendations in this statement in the name of supporting the readiness of military families and maintaining the effectiveness of the all-volunteer force. We ask the Nation to keep the trust with military families and not balance budget shortfalls from the pockets of those who serve.

We ask Congress:

As you evaluate the proposals submitted by DoD, consider the cumulative impact on military families' purchasing power and financial well-being, as well as the effects on the morale and readiness of the all-volunteer force now and in the future.

Please:

- Reject budget proposals that threaten military family financial well-being as a way to save money for the government.
- Keep military pay commensurate with service and aligned with private sector wages.
- Reject the FY17 DoD health care proposal. It imposes higher fees without enhancing value to beneficiaries and puts more pressure on the direct care system—a system that frequently fails to fulfill the needs of its current users.
- Preserve the savings military families receive by shopping at the commissary and oppose any reform measures that would reduce the value of the benefit.

We especially ask Congress to end sequestration, which places a disproportionate burden on our Nation's military to reduce the deficit.

We also ask Congress to make improving and sustaining the programs and resources necessary to keep military families ready a national priority.

We ask Congress to:

- Provide oversight to ensure DoD and the individual Services are supporting families of all components by meeting the standards for deployment support, reintegration, financial readiness, and family health. Fund appropriately at all levels.

- Expand paternity leave to 14 days and allow two weeks of adoption leave to both parents in dual-service families.
- Expand the opportunity for spouses to access transition information including face-to-face training and on-line training. Expand service member and family access to Military OneSource counseling and other assistance to one year post-separation.
- Facilitate easier paths to both licensure and employment for military spouses and veterans who are in the mental health field when they work with our service members and their families. Include military spouses who enter the mental health profession in federal loan-forgiveness programs.
- Ensure adequate funding for military child care programs, including child care fee assistance programs. Improve access to installation-based child care and increase availability of part-time and hourly care.
- Ensure appropriate and timely funding of Impact Aid through the Department of Education (DoEd) and restore funds to the Impact Aid federal properties program.
- Continue to authorize DoD Impact Aid for schools educating large numbers of military children and restore full funding to Department of Defense Education Activity (DoDEA) schools and the DoDEA Grant Program.
- Bring the Extended Care Health Option (ECHO) benefits on par with State Medicaid waiver programs and extend ECHO eligibility for one year following separation.
- Ensure Family Advocacy programs are funded and resources appropriately to help families heal and aid in the prevention of child and domestic abuse.
- Correct inequities in Survivor benefits by eliminating the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Extend the Special Survivor Indemnity Allowance (SSIA) and ensure SBP annuities for reservists who die while performing inactive duty training are calculated using the same criteria as for members who die while on active duty.
- Exempt Special Compensation for Assistance with Activities of Daily Living (SCAADL) payments from income taxes and maintain the program, particularly the outreach to wounded warrior families.

After 15 years of war, we continue to see the impact of repeated deployments and separations on our service members and their families. We appreciate Congress' recognition of the service and sacrifice of these families. Your response through legislation to the ever-changing need for support has resulted in programs and policies that have helped sustain our families through these difficult times.

KEEPING THE TRUST OF MILITARY FAMILIES

After more than a decade of war, service members and their families have heroically answered our nation's call to serve. Their sacrifice—of life, limb, and family—is offered selflessly, trusting in the steadfastness of our government to provide for their readiness and the needs of their families.

Many military families feel their sacrifices go unnoticed by a civilian society preoccupied with domestic concerns such as the economy and unemployment. Military families share those concerns. But they also feel the Nation is forgetting the price they alone have paid in 15 long years of war.

Trust in government is essential to the long term viability of the all-volunteer force. That trust is reinforced through the predictability, efficiency, and fairness of compensation and benefits. Since 2006, throughout the wars in Iraq and Afghanistan, the Administration has proposed various benefit “reforms,” mostly in health care, which would have increased the financial burden of those who have served. The changes proposed in the Fiscal Year 17 (FY17) budget, coupled with the arbitrary reductions forced by sequestration, undermine the trust military families have in the government's commitment to support the all-volunteer force over the long term. This is a price the Nation cannot afford to pay.

Moreover, the Administration's proposals to cut pay increases, eliminate commissary savings, and increase health care costs pose significant risk to the financial well-being of military families. Congress must resist these changes.

The Administration Budget Proposal: A Disaster for Military Family Pocketbooks

The Administration's budget proposal has only added to the growing sense of frustration in the military community. Military families are financially savvy. They are doing the math and feel they are shouldering the burden for balancing the budget when they've shouldered the entire burden of the last 15 years of war.

PAY RAISE

For the fourth year in a row, the Administration is proposing a pay increase (1.6%) below the level of private sector wage increases. Congress chose the Employment Cost Index (ECI) as the standard for active duty pay raises in order to recruit and retain the quality of service members needed to sustain the all-volunteer force. What's changed?

We ask Congress to keep military pay commensurate with service and aligned with private sector wage increases.

MILITARY HEALTH SYSTEM REFORM

We appreciate Congress has listened to beneficiary concerns regarding the Military Health System (MHS) and are gratified you want to make the MHS work better for all beneficiaries via military health care reform. We hope the changes Congress enacts will truly make a difference in military families' ability to access the right care, at the right time, and in the right place. Our families deserve no less.

Given the widespread and clearly-stated interest in Congress for MHS Reform this year, our Association had hoped the Department of Defense (DoD) budget proposal would outline plans to improve beneficiary access, quality, safety, and the patient experience in addition to addressing fiscal sustainability and protecting the medical readiness of the force. Instead, DoD has once again rebranded the same old system, incorporated numerous fee increases, and deemed it new and improved.

While we appreciate DoD's budget proposal has finally acknowledged several areas of deficiency within the MHS, simply cataloging the problems does not constitute institutional reform.

We are also concerned the new fee structure is designed to drive more care into Military Treatment Facilities (MTFs,), but there are no additional resources identified in the budget proposal to increase MTF capacity, improve access, enhance quality, ensure provider and service member medical readiness, or accurately measure DoD progress in meeting these goals. We fear this scenario will exacerbate current access and quality problems.

On behalf of the military families we serve, we urge you to reject the FY17 DoD health care proposal. It imposes higher fees without enhancing value to beneficiaries and we believe it will put more pressure on the direct care system—a system that frequently fails to fulfill the needs of its current users.

Why MHS Reform is Essential

Although its primary mission is military medical readiness, the MHS has an obligation to deliver a high quality health care benefit to military families, retirees and their families, and survivors. In too many instances, the MHS fails to fulfill this obligation.

In our testimony submitted for the record for this Subcommittee's February 23, 2016 hearing on military health care reform, we outlined our concerns the MHS would continue to nibble around the edges with the idea of reform: raising fees, but failing to deliver meaningful improvements to the system.¹ DoD's FY17 budget proposal brings those fears to life by focusing on significant fee increases, particularly for retirees, while doing nothing substantive to improve health care delivery for military families.

The status quo is unacceptable. Raising out-of-pocket costs for care that is too often substandard or simply inaccessible is unthinkable.

As you consider our feedback on DoD's health care proposal, please keep in mind the hurdles our military families regularly face when trying to obtain necessary health care:

On January 6, 2016, I called for an appointment with my PCM for a routine well-woman exam and to discuss throat pain that had been plaguing me. No appointments were available for 30 days with my provider, so they scheduled me for January 19 with another provider.

¹ National Military Family Association Statement for the record, Personnel Subcommittee of the Senate Armed Services Committee, February 23, 2017: <http://www.militaryfamily.org/assets/pdfs/testimony/sasc-hearing-2-23-16.pdf>

On the day of my appointment, I waited 90 minutes past my appointment time to see the doctor. It took 45 minutes for the nurse to take my history and vitals because she was interrupted no less than 12 times (I counted) by phone calls and leaving the room to find someone to screen her next patient.

During my routine exam, the doctor found a lump and recommended an early diagnostic mammogram. I called the next day and scheduled my appointment for Tuesday, February 9, three weeks away. On Feb 9, I had the mammogram, which confirmed the mass and identified other areas of concern. I had an ultrasound that day and was told by the radiologist that I would need a biopsy.

My referral for the biopsy was processed three days later on a Thursday evening. Since Friday was a training holiday and Monday was a federal holiday, I had to wait until Tuesday morning to call for my appointment. The PCM had suggested the biopsy should be done that week, but an appointment was not available until the first week of March and results would take another 5-10 days. I objected to this timeframe but, since the appointment was technically within 30 days from the date of the referral, it was considered acceptable—despite the fact that the issue had been identified a month prior and results would potentially take another two weeks. I requested a referral to a facility off-post to have the procedure done sooner and they declined to authorize that but offered me an appointment for four days earlier. So, now I wait.

I consider myself aggressively informed and an outspoken advocate. My PCM has sacrificed his personal time for my care, calling me twice from the office after 8pm to discuss my results and follow up referrals. Yet, here I am, at the mercy of an over-worked and inefficient system. The care I need was available this week in a local civilian facility, but won't be authorized due to procedures and rules. Two months to identify a potentially life threatening condition is too long, but it's the best I have been able to do. (Military Spouse)

This story illustrates the maddening inconsistency within the direct care system and the negative impact of TRICARE policy and MTF interpretations of that policy. On the one hand, this spouse has a dedicated medical provider and received immediate turnaround when her mammogram indicated an ultrasound was needed. On the other hand, office closures and inefficiencies created frustration and delay. Most significantly, TRICARE referral policy and the goal of recapturing care trumped the opinion of her medical provider and delayed her biopsy. Military families need a reliable patient centered health care system that consistently meets their needs.

In late 2015, our Association fielded a survey of 6,148 military spouse scholarship applicants, a population that has consistently matched the overall demographics of currently-serving families. Nearly 30% of respondents who use an MTF for primary care indicated they rarely or never get an acute appointment within the 24-hour access standard. This is consistent with findings from a health care survey fielded by the Military Officer Association of America (MOAA) in December 2015 in which 29% of active duty spouses reported they rarely or never get an acute care appointment within access standards.

We ask Congress to consider the access, consistency of care, and quality issues our families face across the entire MHS—direct care and purchased care segments—when seeking care as you evaluate TRICARE reform proposals. We would also invite anyone proposing reform to detail how their proposals would correct the areas of concern addressed by the Department’s own Military Health System Review conducted in 2014.² How does the FY17 budget proposal address the challenge areas identified in the MHS Review? How will this proposal drive progress in meeting the action items identified by then-Secretary of Defense Chuck Hagel in his October 1, 2014 memorandum?

We appreciate Congress has made TRICARE Reform a priority and trust reform efforts will focus on ensuring both the benefit and the system charged with delivering the benefit work better for military families.

TRICARE Select/Choice: Nothing More than Rebranded TRICARE Prime/Standard

At a time when there is widespread agreement the MHS must be reformed to better meet beneficiary needs, DoD has proposed nothing more than a rebranding of TRICARE Prime and Standard. The new TRICARE Select and TRICARE Choice options do nothing to improve the MHS for beneficiaries.

In the budget overview, DoD contends TRICARE Select/Choice offers greater choice at a modestly higher cost. Building on that, in a February 21, 2016 DefenseNews interview³, Dr. Jonathan Woodson, Assistant Secretary of Defense for Health Affairs, stated:

“In revising the plan, we listened to the beneficiaries. Beneficiaries want more choice. The preferred provider plan actually gives them the choice. They can go see the physicians they want when they want and it gives them much more latitude in self-managing their care. We also heard from beneficiaries that some wanted to be in this HMO-like managed care product. So that’s what we did. We simplified all the varieties of programs we had into two. One, a preferred provider product which gives you self-managed abilities and great choice and the other is a managed care choice.”

Although DoD and Dr. Woodson assert the new proposal provides beneficiaries with more choice, we fail to see how this is the case. Beneficiaries currently have a self-managed option called TRICARE Standard, which contains a PPO option called TRICARE Extra. Renaming TRICARE Standard as TRICARE Choice does nothing to increase options for beneficiaries.

DoD’s references to TRICARE Choice as a modern Preferred Provider Option (PPO) led us to hope expanded network coverage might be part of the proposal. However, when asked about expanded networks to ensure all beneficiaries have access to the PPO option, DoD stated networks will cover 85 percent of the population similar to current network coverage—yet again, no additional value to beneficiaries. Therefore, TRICARE Choice maintains the current options available under TRICARE Extra and TRICARE Standard. The only difference? Patients

² Secretary of Defense Military Health System Review Final Report: <http://www.health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/MHS-Review>

³ DefenseNews interview with Vago Muradian, 2/21/16: <http://www.defensenews.com/videos/defense-news/tv/2016/02/21/80700472/>

using a network provider under the PPO option of TRICARE Choice will pay a fixed co-payment instead of a reduced cost-share. Many patients will still have no option other than non-network providers, but will pay more for the privilege of using them because of the proposed “participation fee” for TRICARE Choice and the higher deductibles and catastrophic cap.

Our Association is concerned that even though the proposed plan outlines no discernible benefit to military families in terms of access to care or quality, it will result in implementation costs to DoD. In fact, DoD estimates Managed Care Support Contractor contract changes and other start-up costs will be \$57 million in FY17.

Acknowledging Problems ≠ Fixing Problems

We appreciate that DoD has reached out to beneficiary organizations and listened to our concerns, as evidenced by Dr. Woodson’s numerous public statements and are gratified the FY17 budget acknowledges the Department must commit to institutional health care reform and implement targeted solutions to solve the variety of issues facing beneficiaries. Unfortunately, the budget proposal does little more than list some MHS problem areas including:

- Direct Care access problems
- Lack of first call resolution
- Cumbersome referral process resulting in administrative burdens and delayed access to care
- Lack of seamless mobility for beneficiaries who move around the globe
- Failure to properly address pediatric care issues

The proposal does not even acknowledge several additional areas where the MHS fails to meet beneficiary needs, including:

- Problems with Reserve Component coverage
- Failure to consistently issue referrals to TRICARE network providers when access standards cannot be met within the direct system
- Demand for behavioral health care that continues to outstrip supply in both direct and purchased care
- Variable quality and safety within the direct care system
- Inadequate medical case management services and Extended Care Health Option (ECHO) benefits for special needs families
- TRICARE coverage gaps, such as refusal to cover numerous lab developed tests, including noninvasive prenatal testing
- Customer service issues
- Inconsistent policy implementation at the MTF level

We believe MHS Reform demands credible and detailed plans to address deficiencies within the system. These plans must be accompanied by robust and reliable metrics to monitor progress.

New Fees and Fee Increases: The Primary Element of DoD Health Care “Reform”

We appreciate some elements of DoD’s proposal adhere to key principles of military health care, including:

- Zero out-of-pocket costs for Active Duty Service Members (ADSMs)—nothing changes for ADSMs with DoD’s proposal
- Minimal out-of-pocket cost option for Active Duty Family Members (ADFMs)
- Minimal out-of-pocket cost option for medically retired and their families and survivors—they are treated the same as ADFMs

We also appreciate DoD has removed the ER misuse fee included in the FY16 proposal. Given acute care appointment shortages at some MTFs, together with inconsistently applied referral policies for civilian urgent care, many TRICARE Prime families face situations where the ER is their only option for care. It would be inappropriate to penalize military families for seeking care in the ER given direct care access challenges.

Active Duty Families—Fee Increase Specifics

Given the extraordinary risks, sacrifices and stressors associated with military service, it is critical any MHS Reform efforts maintain a minimal out-of-pocket cost option for active duty families. No/low out-of-pocket costs facilitate access to health care and contribute to overall family readiness. They also serve to recognize the value of military service.

We are gratified DoD’s proposal offers a minimal out-of-pocket cost option for all active duty families. Past proposals have imposed out-of-pocket costs on families without access to an MTF. We appreciate DoD listened to our feedback and will allow remotely located active duty families to self-manage their care without incurring copays or deductibles.

While we are pleased TRICARE Select maintains a no/low cost option for active duty families, we do have some concerns regarding fee changes for ADFMs.

- ***TRICARE Select vs. TRICARE Prime—Out-of-Network Care:*** With TRICARE Prime, families who must use out-of-network care do not incur out-of-pocket costs if they follow Prime’s referral and authorization process. With TRICARE Select, there are deductibles and cost shares associated with all out-of-network care. TRICARE Prime families who rely on out-of-network providers could see significant out-of-pocket costs with the new plan. We fear these costs will disproportionately affect special needs families.
- ***TRICARE Choice vs. TRICARE Standard:*** Utilization data for TRICARE Standard, the current TRICARE Choice equivalent, suggest active duty family members who opt to self-manage use significantly more health care than the average Prime enrolled ADFM.⁴ This is consistent with anecdotal evidence suggesting that within the ADFM population, special needs families and those dealing with chronic health conditions are the most likely to opt for TRICARE Standard. They are willing to incur out-of-pocket costs to avoid barriers to care prevalent in TRICARE Prime policy and the direct care system. How will the TRICARE Choice fee structure impact TRICARE Standard ADFMs?

⁴ Evaluation of the TRICARE Program FY2015
<http://www.health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Health-Care-Program-Evaluation/Annual-Evaluation-of-the-TRICARE-Program>

- ***Network deductible is eliminated*** to encourage use of network versus non-network providers. For families with moderate utilization, this change will likely lower total out-of-pocket costs. However, for special needs families with high utilization, eliminating the deductible only serves to spread costs out over a longer time period. **We support eliminating the network deductible, but it is important to recognize it will provide minimal benefit for many TRICARE Choice families.**
- ***Out-of-network deductible is doubled.*** This will increase and/or accelerate out-of-pocket costs for those families who must rely on out-of-network care—most likely special needs families and those seeking behavioral health care (a known TRICARE network inadequacy issue.) **Given that use of non-network providers is largely driven by inadequate network coverage, we believe it is inappropriate to double the out-of-network deductible.**
- ***Catastrophic cap is increased by 50 percent.*** The catastrophic cap is designed to protect families from financial hardship. Many families already incur out-of-pocket costs in excess of the catastrophic cap since the cap does not apply to any amount non-participating providers may charge above the TRICARE maximum allowable amount. Additionally, we know many families make the switch to TRICARE Standard after encountering difficulties with the direct care system or the referral/authorization process. **We fear raising the catastrophic cap 50 percent will trap some military families in an underperforming direct care system by presenting a financial barrier to switching to TRICARE Standard/Choice.** This will disproportionately impact special needs families, those with chronic conditions, and families seeking ongoing behavioral health care.

Retirees and Families — Fee Increase Specifics

Career military service can present significant obstacles to long-term financial stability, including compromised spouse employment, the inability to grow equity in a primary residence, and the unavoidable midlife career change upon military retirement. Military retirement benefits, including low cost health care, enable career military members to serve 20+ years and achieve long-term financial stability in spite of those challenges. Robust retirement benefits also serve to recognize the extraordinary sacrifices associated with a military career. **While we have always been willing to entertain modest fee increases for working-age retiree health care, we also believe fees must be contained to preserve the value of the retirement benefit.**

Under the FY17 DoD proposal, retirees face fee increases in almost every area. TRICARE Prime/Select participation fees would be increased and the plan again proposes a new participation fee for TRICARE Standard/Choice beneficiaries. The annual catastrophic cap for retiree families would be increased to \$4,000. Furthermore, participation fees would no longer accrue to the catastrophic cap, increasing potential total out-of-pocket costs. Of course, retiree families would also be subject to the doubled out-of-network deductible.

TRICARE Standard/Choice families are hit particularly hard. TRICARE Standard Retiree families who hit the catastrophic cap (primarily special needs families and those facing chronic conditions, including behavioral health challenges) face a 63 percent increase in potential out-of-pocket costs due to the new participation fee and higher catastrophic cap. These fee

increases are particularly objectionable as they are not accompanied by any improvement in the Standard/Choice option, not even an acknowledgement of areas needing such improvement.

Another element resurrected in the FY17 budget is an annual open enrollment period with payment of the participation fee. Retirees who fail to enroll during this time will forfeit coverage for the year, unless they can show they are eligible for enrollment due to a qualifying life event. **While we understand DoD's rationale for seeking clarity on how many beneficiaries will use their TRICARE benefit in a given year, we believe existing historical data and trend analysis can provide this information without the cost of implementing an enrollment fee process that restricts access to the earned health care benefit. We oppose the institution of beneficiary fees for the Standard/Choice option while beneficiaries are still waiting for DoD to make needed improvements.**

Our Association also continues to oppose instituting a DoD TRICARE for Life participation fee. Our Medicare-eligible beneficiaries—retirees, some severely wounded medically-retired service-members, and surviving spouses—already pay a high price just to maintain their TRICARE benefit, at least \$104.90 per month in Medicare Part B premiums. DoD should not impose additional costs on this population.

NMFA Perspective on FY17 Fee Increases

Our Association rejects the notion military health care reform starts with the question: "How much should military families pay for their health care?" We believe the starting point for reform is a demonstrated ability to better meet beneficiary needs, together with a plan for continuous improvement and modernization of the health care benefit. Discussions about the appropriate level of out-of-pocket costs should follow, and those discussions should always be grounded in the principles of low/no cost health care for active duty families and retiree costs that reflect the extraordinary sacrifices associated with career military service and preserve the value of the retirement package.

We contend the FY17 proposed out-of-pocket cost increases are too high given DoD's health care proposal provides no corresponding increase in value for military families. What is the value equation for military families? We believe value equals access to timely and appropriate care + the quality of that care + the overall patient experience divided by the cost of that care. The budget proposal, by focusing primarily on the cost of care to the beneficiary fails to address known MHS problems such as access, quality, and the direct care patient experience. It does not even acknowledge TRICARE coverage issues such as the failure to cover emerging treatments and technologies or lack of coverage for alternative therapies (such as chiropractic.) It also does not acknowledge the costs incurred by many families, whether monetary or borne from the frustration experienced when trying to access quality care in an environment with inconsistent rules and procedures.

Our Association also believes out-of-pocket fee increases must be used only to sustain or improve the health care benefit. We will not support fee increases that fund other DoD initiatives such as lump sum retirement payouts.

Our Association is willing to consider modest out-of-pocket cost increases only if they correspond to enhanced value for beneficiaries and are used only to sustain or improve the military health care benefit.

National Health Expenditures Index

Over and above the cost increases specific to FY17, the DoD proposal would inflate out-of-pocket costs annually by the National Health Expenditures (NHE) Per Capita Index. Although the only mention of the NHE Index occurs in the participation fee section of the FY17 budget, senior Defense officials have clarified the Index would apply to all out-of-pocket costs including copays, deductibles, and catastrophic caps.

For 2014-24, per capita health spending is projected to grow at an average rate of 4.9 percent.⁵ This far outstrips recent military retirement cost of living allowances (COLA) and MHS pending growth, which has leveled off in recent years. An index this high would reduce the overall value of the military retirement benefit as health care costs would outpace COLA. It also shifts the cost burden of the health care benefit from DoD to beneficiaries over time.

Recognizing the fiscal environment meant some fee increases were inevitable, we did not oppose recent TRICARE pharmacy fee hikes. We now have a pharmacy benefit with copays that mirror those of many commercial plans. Our Association is concerned the DoD proposal sets us on a path to an overall health benefit, particularly for retirees, that is not sufficiently differentiated from civilian plans in terms of costs. That outcome is unacceptable.

It is unrealistic to think military health care out-of-pocket costs will never change. We acknowledge it is preferable to increase some beneficiary fees slowly over time versus sporadically implementing larger increases, the rationale for which is not transparent to the beneficiary. Not only would a fee index be more predictable, but it would set clear beneficiary expectations for out-of-pocket costs. An ambiguously defined health care benefit, together with careless verbal promises, has led to feelings of disappointment and betrayal, particularly among military retirees. A clearly defined health care benefit is vital for the future of the all-volunteer force. Career military service must not become a buyer beware proposition.

That said, we believe **the NHE Per Capita Index—far higher than recent COLA or MHS spending growth rates—is too steep and will result in a health benefit with reduced value that does not adequately protect military families from health care related financial risk.** Any mechanism for indexing fees must be designed to ensure out-of-pocket costs remain significantly lower than civilian plans. An index designed to shift the health care cost burden from DoD to retirees, such as the proposed NHE index, is unacceptable.

Concerns Regarding FY17 Health Care Recapture Strategy

Changes in the TRICARE fee structure are designed to drive more patient care into the direct system. While we appreciate the need to better leverage the MHS's fixed facility and military medical personnel investments, we are concerned increased demand will exacerbate MTF appointment access problems.

⁵ NHE Fact Sheet: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html>

In Congressional testimony, Dr. Woodson has stated the **FY17 proposal includes zero additional direct care resources to address increased demand for MTF services**. Instead, DoD plans to handle the extra patient load by extracting efficiencies from the existing system via extended MTF hours on evenings and weekends and expanded use of technology including secure messaging, telehealth, and the Nurse Advice Line. We believe this plan is unrealistic and inadequate for addressing increased demand and believe all of these “efficiencies” will actually take resources to implement. We have the following concerns:

- **Secure Messaging** and the **Nurse Advice Line (NAL)** are already in place and do not appear to have had much impact on beneficiary appointment access challenges. In fact, DoD has failed to address known billing problems related to NAL authorized urgent care, leading to growing distrust of the NAL within the military family community. DoD must provide specifics on how they will better leverage these technologies to free up additional capacity within the direct care system. Simply hoping or planning that increased Secure Messaging and NAL use will lead to greater efficiencies is not an acceptable solution to the inevitable influx of MTF patients under the FY17 proposal.
- While we are optimistic about the possibilities surrounding **telehealth**, we are skeptical DoD will have a comprehensive telehealth platform up and running by the projected TRICARE Choice/Select launch date of January 2018. We are even more skeptical that a newly introduced telehealth system will immediately be able to absorb enough clinical care to address the increased demand resulting from DoD’s proposed TRICARE Select/Choice fee structure.
- **Readiness requirements** limit the availability of military medical personnel for beneficiary health care delivery. We are not convinced DoD has a full understanding of MTF capacity for beneficiary care given the readiness requirements demanded of military medical staff. Our concern is increased beneficiary demand will lead to either greater access problems or compromised military medical readiness.

Not only has DoD proposed an unrealistic and inadequate plan to address increased demand posed by the FY17 proposal, **we are not convinced DoD has the ability to measure MTF capacity for beneficiary care, demand for MTF services, or MTF performance against appointment access standards**. In a recent meeting with leadership from DHA and the Services’ medical commands, it became clear DoD continues to use the same flawed measure to evaluate beneficiary access to acute appointments that was discredited during the 2014 MHS Review. This misleading measure reports the percent of acute appointments scheduled within access standards but does not track suppressed demand or those beneficiaries who are directed to the NAL, civilian urgent care, or the ER. To successfully transition significantly more care into the MTFs, it will be vital to quantify additional demand and pinpoint areas where beneficiary needs are not being met so adjustments can be made. Without proper metrics, it will be impossible to monitor progress against MHS Reform goals for improving access, quality, safety, and the patient experience.

Health Care Final Thoughts

Our Association urges you to reject not only the specifics contained in the FY17 budget proposal, but also DoD’s approach to MHS Reform. We strongly believe MHS Reform starts with tangible improvements to access, quality, safety, and the patient experience. We realize costs will also be a key component of reform and trust you will ensure they reflect the value of military service.

The military is a uniquely demanding profession. The combination of risk to personal safety, frequent geographic relocations, and lengthy family separations is unmatched in the civilian sector. While no financial compensation can fully offset the sacrifices made by service members and their families, it is imperative the compensation and benefits package—including active duty and retiree military health care benefits—reflect the costs of service.

We appreciate that recent MHS Reform proposals, including DoD's FY17 budget and the Military Compensation and Retirement Modernization Commission (MCRMC) proposal, adhere to the principle of no/low cost care for active duty family members. A robust health care benefit alleviates barriers to health care, enhances family readiness, and allows families to endure the many sacrifices associated with military life. We hope as Congress considers reforms you will maintain this aspect of the system—it is working and it is essential.

As you deliberate on the appropriate fee levels for working-age retirees, we encourage you to consider the cumulative effects of a military career. Under the best of circumstances, career service members and their families endure risk, upheaval and sacrifice on a scale that is unimaginable to many civilians. Those currently approaching retirement eligibility have served the greater part of their careers during wartime—a time characterized by relentlessly high operational tempo, multiple combat deployments, and tumultuous unpredictability. For nearly 15 years, our service members and their families have done everything that was asked of them, often at great expense to their family relationships and stability and physical and mental health. And, it's not over yet. Young service members currently contemplating their futures do so with the understanding global threats persist and extraordinary wartime sacrifices and uncertainty will be part and parcel of a military career for the foreseeable future. For those who endure for 20+ years, we contend the appropriate out-of-pocket costs for retiree health care not just be billed as “a discount off the comparable civilian equivalent.”

COMMISSARY

Military families consistently tell us the commissary is one of their most valued benefits. The savings military families realize by shopping at the commissary is a vital non-pay benefit essential to many families' financial well-being, particularly junior families, and those stationed overseas or in remote locations. Our Association is grateful Congress recognized the importance of this benefit to military families and rejected funding cuts included in the Administration's FY16 budget proposal.

In December 2015, DoD released a fact sheet outlining plans to “optimize” commissary operations. We were pleased to see in this fact sheet both an acknowledgement of the importance of the commissary benefit and a commitment to preserving the value of the benefit for military families. However, we have concerns about how the Department's plans will be put into practice and how military families will be affected by efforts to optimize commissary operations. This is especially true in light of the Administration's FY17 budget, which proposes a \$200 million reduction in commissary appropriations. We would like information about how DoD intends to make those cuts and what impact, if any, the cuts will have on store operations.

Specifically, we ask Congress to require DoD to provide answers to the following questions:

- How does the Department intend to measure the benefits of the commissary system as currently constructed, and what metrics will it use to ensure any changes do not lead to a reduction in those benefits?
- How will the Department implement price flexibility while ensuring families continue to receive the full value of the commissary benefit?

The FY16 NDAA authorized DoD to establish pilot programs that would evaluate the feasibility of various changes to commissary operations, including privatizing part or all of the system. We thank Congress for its emphasis on preserving savings for military families in this provision. However, we note the military resale system is highly interdependent; changes to one element of the system may have unintended consequences that will affect other parts. For example, if one or more high volume store is privatized will the Defense Commissary Agency (DeCA) still benefit from economies of scale that allow vendors to sell goods at low cost? What would removing those high volume stores from the system mean for smaller stores or those in remote locations? We urge Congress to carefully consider the effect any change in commissary operations will have on military families—particularly, the risk the savings they enjoy by shopping at the commissary will be reduced or lost.

MILITARY RETIREMENT SYSTEM

We appreciate Congress' efforts in the FY16 NDAA to create a military retirement system that will allow more service members to accumulate retirement savings while preserving the defined benefit for those who serve a full career. We also support those proposals in the FY17 budget that would enhance the retirement plan and increase its value for service members.

We ask Congress to increase the maximum level of matched contributions to service members' Thrift Savings Plan (TSP) accounts to 5 percent—the level recommended by the MCRMC. Because the match is based on service members' basic pay, rather than total compensation, service members should have the option of a higher match in order to maximize their retirement savings. We also ask Congress to extend the government match for the full career of the service member, rather than ending it at 26 years of service.

We oppose the Department's proposal to delay matching contributions until the service member has completed four years of service. In order for service members to maximize the value of the new plan, they must be incentivized to begin saving early in their career. Without the incentive of a government match, some service members may delay their retirement savings, leading to a greatly diminished benefit in the long term.

Finally, we note on January 1, 2018 service members with less than 12 years of service will be given the choice of opting in to the new retirement system or staying in the old one—a momentous decision with the potential for significant financial ramifications. It is incumbent upon the Department to ensure these young service members—and their spouses—are given the tools and resources they need to make this decision. In the view of our Association, online training is not sufficient. Service members and spouses require in-person training and guidance to answer their questions and ensure they make the best choice for their long-term financial well-being. We ask Congress to direct DoD to provide additional details on its plan to educate service members and their spouses on the new retirement system.

We ask Congress to increase the maximum level of matched contributions to service members' TSP accounts to 5 percent and reject DoD's proposal to delay matching contributions until the service member completes four year of service.

We also ask Congress to direct DoD to provide details on its plan to educate service members and their spouses on the new retirement system.

CUMULATIVE EFFECTS OF CUTS THREATEN MILITARY FAMILIES' FINANCIAL WELL-BEING

The Administration's FY17 budget proposal does not consider the cumulative effects of a reduced pay raise combined with lower BAH payments, loss of commissary savings, and possible out-of-pocket health care costs on the purchasing power of service members and their families. This budget proposal would reduce cash in a service member's pocket!

We ask Congress to reject budget proposals that threaten military family financial well-being as a way to save.

SEQUESTRATION: AN ONGOING THREAT TO FAMILY READINESS

The effects of sequestration have already resulted in cuts to benefits and programs military families utilize to maintain their readiness. Much of the funding for these programs is embedded in the Service Operations and Maintenance Accounts, which have been the hardest-hit by sequestration. Understanding what is affected by sequestration has been confusing for families.

The total effect of sequestration on military families is unclear. What is clear is that military families do not deserve having to deal with such uncertainty – uncertainty of the availability of programs they rely on, uncertainty of whether their service member will receive the training they need to do their job safely, the uncertainty of not knowing what new cost they will be asked to absorb from their own pockets.

While the Bipartisan Budget Act of 2015 has provided some relief for FY16 and FY17, we know with future cuts required down the road, military families will continue to see threats to the programs and resources they require for readiness.

We ask Congress to end sequestration and end the threat to the resources military families depend on for their readiness.

BUILDING THE FORCE OF THE FUTURE: WHAT DO TODAY'S MILITARY FAMILIES NEED?

It has often been said while the military recruits a service member, it must retain a family. Our Association has long argued in order to build and maintain the quality force our Nation demands, the military must support service members as they balance the competing demands of military service and family life. Thus, we were gratified to see significant family-focused proposals included in Defense Secretary Ashton Carter's recent Force of the Future initiative. However, while the Force of the Future initiatives, if implemented, can be an important first

step in easing the strain faced by many service members and their families, we urge Congress to continue to strengthen the programs and services available to support all troops and families in diminishing uncertainty and meeting the daily challenges of military life.

MATERNITY, PATERNITY AND ADOPTION LEAVE

We commend Secretary Carter for providing 12 weeks of maternity leave for new mothers in every branch of service. While this does unfortunately represent a reduction from the 18 weeks previously available to women in the Navy and Marine Corps, we agree with the Secretary this is a benefit that should be standard across the services. Increasing maternity leave from six weeks, as was previously the case in the Army and Air Force, will allow new mothers to recover physically and bond with their newborns before resuming their demanding jobs.

We also applaud the Secretary for recognizing the need for new fathers and adoptive parents to spend time with their children.

We ask Congress to act on the Secretary's proposal to expand paternity leave to 14 days and to allow two weeks of adoption leave to both parents in dual-service families.

CHILD CARE

According to the *2014 Demographics Profile of the Military Community*, more than 40 percent of service members have children. Of the nearly two million military-connected children, the largest cohort—almost 38 percent—is under age five.⁶ Thus, it is not surprising access to high-quality, affordable child care ranks among the top concerns for military families. Like all working parents, service members with young children need access to affordable child care in order to do their jobs. However, the military lifestyle comes with unique challenges and complications for families. Service members rarely live near extended family who might be able to assist with child care. Their jobs frequently demand long hours, including duty overnight. They are often stationed in communities where child care is expensive or unavailable.

We are gratified in recent years DoD has made child care a priority and has taken steps to improve families' access to child care. We were also pleased to see child care provisions such as expanded hours for installation child development centers (CDCs) included in the Force of the Future initiatives. However, while expanded CDC hours will address the needs of some military families, we urge Congress and the Department to consider additional steps in order to meet the needs of military families with young children.

- ***Improve access to installation-based care:*** For families living on or near a military installation, on-base CDCs are often the preferred choice for child care, offering a convenient location and high quality care at an affordable price. However, in some locations demand for spots at installation CDCs far outstrips supply. In many places the

⁶ *2014 Demographics Profile of the Military Community*. Rep. Office of the Deputy Assistant Secretary of Defense (Military Community and Family Policy), <http://download.militaryonesource.mil/12038/MOS/Reports/2014-Demographics-Report.pdf>

waiting list is so long the CDC is effectively not an option for military families. The problem is exacerbated by the frequent moves associated with military life. Following each PCS move, a military family must restart the process of looking for care in their new community and frequently find themselves again at the bottom of the waiting list. In some locations, the issue is lack of physical capacity. However, there are other obstacles hindering military families' access to care. DoD could alleviate some of the shortage of on-installation child care spots by addressing the following issues:

- **Staffing:** In some locations the reason for the insufficient supply of on-base care is not a lack of space; it is a lack of staff. The process of hiring CDC personnel is lengthy and arduous. It can be difficult for CDC directors to find, hire, and put into place qualified staff. This limits the number of children a facility can serve. DoD should analyze whether and how the hiring process can be streamlined while still ensuring that necessary background checks and training take place to ensure children's safety. We also endorse the recommendation made by the MCRMC that child care workers be exempt from furloughs and hiring freezes. Budget cuts should not prevent CDC directors from staffing their facilities appropriately.
- **Wait list management:** Typically, each CDC handles its own application process and waiting list, so families often must visit multiple facilities and submit applications for each hoping a spot becomes available. This process adds to families' frustration. We are hopeful the rollout of MilitaryChildCare.com to installations worldwide will alleviate this issue. MilitaryChildCare.com is DoD's website that allows parents to view all installation-based child care options at their location and request a spot for their child. We are told the site will provide greater visibility of waiting lists, so parents know how long they will have to wait for care and the services can determine whether access standards are being met. The site is currently utilized at selected installations, but is scheduled to be available worldwide later this year.
- **Priority standards:** DoD regulations give equal priority for child care spots to military families and DoD civilians. While DoD civilians also need access to quality, affordable child care, this policy puts military families at a disadvantage due to their frequent military-ordered moves. Each PCS move puts a military family at the bottom of the waiting list for child care. We urge you to ask DoD to assess usage of CDCs by DoD civilians and review child care wait list priority policies to ensure parity for mobile military families.
- ***Reinstate the authority to use Operation and Maintenance funds to construct child development centers:*** Prior to 2009, DoD was given temporary authority to bypass the normal military construction approval process and use Operation and Maintenance (O&M) funds to construct CDCs. Under this authority, the services were able to respond quickly to the growing demand for child care and completed construction and renovation projects that allowed them to serve an additional 9,000 children. This authority lapsed in 2009. In its January 2015 report, the MCRMC recommended this authority be reinstated. We agree with the Commission's recommendation.

- ***Increase participation in the child care fee assistance program:*** The fee assistance program operated by the services is an innovative, effective approach to the problem of insufficient child care availability on base. The program helps offset the cost of child care in the civilian community, ensuring participating families can access high quality care at an affordable cost. Despite recent well-publicized issues with the Army’s program, participating families overall report a high level of satisfaction with the program. However, relatively few families are able to take advantage of this benefit. Expanding participation in the child care fee assistance program would address many families’ child care needs. We recommend the following steps:
 - ***Increase number of eligible providers:*** DoD has stringent requirements for child care providers participating in the fee assistance program, to include national certification, regular inspections, and background checks. However, many states have less stringent requirements for providers. In those locations, families often have difficulty locating a provider who meets DoD’s eligibility requirements. The Office of Military Community and Family Policy and the Defense State Liaison Office (DSLLO) have worked together to encourage states to increase their standards to meet DoD’s and have had a great deal of success in this regard. We encourage them to continue with this effort.
 - ***Standardize Service requirements:*** Because the fee assistance programs are operated by the individual Services, there are variations in eligibility requirements for providers and families. Some Services require families live a certain distance from an installation in order to participate in the program; others have no geographic restrictions. The Marine Corps requires providers to have a specific national certification that is not required by the other Services. These differences lead to confusion and frustration among families. We ask you to direct DoD to review Services’ fee assistance programs with the goal of standardizing eligibility requirements.
 - ***Raise awareness of the program among military families:*** We consistently encounter families who have no idea the fee assistance program exists. From our experience, it would seem most families learn about the program through word of mouth from other military families. If families are not aware of the fee assistance program and cannot obtain care on base they may be forced to seek out less than optimal caregivers who provide care at a lower cost. DoD must ensure the Services are providing information about the fee assistance program to eligible families to ensure military children are receiving quality care.
- ***Increase availability of part-time and hourly care:*** Although the focus of the installation child care program is understandably on meeting the needs of military families with two working parents, many families also tell us of the importance of hourly or drop-in care. Many military families—especially those overseas or in remote locations—do not have easy access to reliable caregivers. For those families, access to drop-in care at an installation child care facility can greatly enhance their quality of life, enabling parents to go to medical appointments, run errands, and volunteer in their communities. This service can be especially vital when the service member is deployed,

providing the at-home parent with a much needed break. We hear from families in many locations budget cuts have led CDCs to reduce or eliminate drop-in care. DoD should evaluate the programs at installation CDCs to ensure the mix of care offered—full-time, part-time and hourly—meets the needs of the families they serve.

MILITARY CHILDREN'S EDUCATION

Our Association has long argued DoD has a responsibility to support the schools charged with educating military-connected children, to help ensure military kids receive the best possible education. Military families often have no control over when and where they move. They worry about the effect multiple moves to locations with varying standards and curricula will have on their children's academic achievement. ***We urge Congress to continue funding programs designed to support the education of military-connected children.***

Impact Aid

We appreciate the inclusion of \$30 million for DoD Impact Aid in the FY16 NDAA. ***We ask Congress to continue this funding to offset the costs incurred by districts educating large numbers of military children.*** These funds help local school districts meet the education needs of military children in an era of declining state budgets. Our Association has long believed both DoD and Department of Education Impact Aid funding are critical to ensuring school districts can provide quality education for military children.

Department of Defense Education Activity Grant Program

The *John Warner National Defense Authorization Act* for Fiscal Year 2007 established a grant program, administered by the Department of Defense Education Activity (DoDEA), to support public schools educating large numbers of military children. This innovative program allows DoD to offer tangible support to public schools charged with educating military-connected students. Schools and school districts are able to identify areas of need among the military children they serve and design programs to meet those needs. The grants have been used to bring Advanced Placement (AP) courses to high schools that would otherwise not be able to provide this level of instruction. Other grants have been used to fund special education, foreign language instruction, and programs to enhance students' education in reading, science, and math.

Since 2009 this program has awarded nearly \$400 million in grants to over 180 military-connected school districts. These three-year projects have supported nearly 500,000 military-connected students in 2,200 schools. However, this valuable program will sunset at the end of FY16 absent Congressional action. It would be regrettable if military children lose access to the valuable educational programs that have been made possible through the DoDEA grant program. A relatively small investment can make a huge impact at the local level. ***We ask Congress to reauthorize the DoDEA grant program*** and allow DoD to continue supporting military-connected children in public schools.

SPOUSE EMPLOYMENT AND EDUCATION SUPPORT

Spouse employment and education support is a critical component of military family readiness. Much like their civilian counterparts, many military families rely on two incomes in order to help make ends meet. However, military spouses face barriers hindering their educational

pursuits and career progression due in large part to challenges associated with the military lifestyle.

We are gratified in recent years Congress, DoD, the White House, and States have all taken steps to lessen the burden of an active duty member's military career on military spouses' educational and career ambitions. We fully support these initiatives including DoD's portfolio of Spouse Education and Career Opportunities (SECO), which includes educational funding for select military spouses, career counseling, employment support, and the DoD State Liaison Office's (DSLO) state-level initiatives. However, while progress has been made, military spouses continue to face significantly lower earnings and higher levels of unemployment and underemployment than their civilian counterparts greatly impacting their families' financial stability.⁷

Grow our Own

One of our top legislative priorities is to ensure adequate access to behavioral health providers who are attuned to the unique stressors of military life for service members and their families who have endured years of repeated deployments, long separations, and possible injuries or illnesses. We support efforts to educate and employ military spouses as mental health professionals.

As military families struggle to cope with the effects of 15 years of war, we are seeing an increasing demand for mental health services within our families and community. Since 2004, NMFA's military spouse scholarship and professional funds program has had more than 73,000 applicants. Data from this year's 7,000+ scholarship applicants, as well as from active duty spouse respondents to MOAA's 2015 health care survey, indicate alarming rates of behavioral health usage among military families. Both surveys show between 40-50 percent of military spouses have sought behavioral health care for someone in their family.

Unfortunately, access to top-notch care is limited. The shortage of mental health professionals nationally is mirrored in the military community; it is even greater at military installations in remote areas. We believe our Nation has an obligation to prevent, diagnose, and treat the mental health needs of service members and their families. Doing so in the face of a nationwide shortage of mental health professionals will require innovative solutions and strategic public-private partnerships including Congress, DoD, the VA, and other organizations. We believe military spouses may also be a source of help for their community.

Each year we've offered military spouse scholarships, the number of spouses pursuing mental health careers and seeking help furthering their education has increased. This number reached almost 10 percent of our applicant pool of 7,000+ in 2016—more than 600 spouses. Twenty-one percent of these mental health profession applicants are spouses of wounded or fallen service members. In a recent February 2016 Facebook post a Marine Corps spouse shared an experience all too common for military spouse mental health professionals:

"I'm looking for fellow military spouses who have completed the practicum and internship process for clinical mental health counseling or who have earned their LPC or LPCC by

⁷ Institute for Veterans and Military Families, *Military Spouse Employment Report*, Syracuse University (IVMF) February 2014: http://vets.syr.edu/wp-content/uploads/2014/02/MilitarySpouseEmploymentReport_2013.pdf

*following California, Arizona, or North Carolina state requirements. We are currently stationed at Camp Pendleton, CA and I will start my practicum this June. **I have excelled in my graduate program and now I am facing major challenges finding a facility that doesn't require a year sign-on and who has openings for new interns starting this summer. One specific problem I'm facing is we aren't sure when new orders will come or where they will be (making it additionally hard to convince licensed supervisors to take a new intern on if I will only be there for a couple months).** Is there anyone who can share a professional contact with me?*

Many of our military spouses pursuing careers in mental health fields intend to serve military families. Helping these spouses overcome obstacles and pursue their careers has the dual benefit of assisting the individual spouse and family while addressing the shortage of mental health providers in the military community.

We offer the following recommendations for Congress to consider:

- Include military spouses and others who enter the mental health profession in federal loan-forgiveness programs;
- Facilitate easier paths to both licensure and employment for military spouses and veterans in the mental health field when they work with our service members and families;
- Provide a tax credit for spouses' re-licensing after a military move to offset the out-of-pocket cost of the additional license;
- Pass legislation to allow military spouses full reciprocity when transferring an active unrestricted mental or behavioral health license from one state to another due to PCS;
- Support partnerships between the Military Health System and the VA to ease spouse difficulties in obtaining clinical supervision hours, reduce licensing barriers, and spur employment of military spouses and veterans in the mental health field.

We ask Congress to increase access to behavioral health providers by supporting employment efforts of military spouses in the mental health profession.

OFFICE OF SPECIAL NEEDS AND THE SERVICES' EXCEPTIONAL FAMILY MEMBER PROGRAMS: MORE OVERSIGHT IS REQUIRED

The Department of Defense Office of Special Needs (OSN) was created in the Fiscal Year 2010 National Defense Authorization Act (FY10 NDAA) (Public Law 111-84) to enhance and improve DoD support around the world for military families with special needs, whether medical or educational. Despite the establishment of the OSN, gaps in support to special needs military families still exist, due in part to differences among the various Services' Exceptional Family Member programs (EFMP).

The EFMP is intended to perform three interrelated functions:

- (1) Identify and enroll eligible family members;
- (2) Coordinate the assignment process to ensure special needs families are not sent to locations that lack adequate resources; and
- (3) Provide families with information about and referral to local resources.

While some Services take a centralized approach to EFMP, with enrollment, assignments, and case management services all housed in a single office, other Services' programs are more stovepiped. When a breakdown in communication occurs, families may find themselves assigned to locations without appropriate medical or educational services for their special needs family member or unaware of resources available to them through their communities. We often hear from families who experience a long wait before receiving services at their new installations because of lack of communication between EFMP Coordinators at the old and new installations. Families need the reassurance they will have continuity of care and a warm hand-off as they move from installation to installation.

A 2012 GAO report, *Better Oversight Needed to Improve Services for Children with Special Needs*, (GAO-12-680, September 10, 2012) noted there are no Department-wide benchmarks to set standards for the services' EFM programs. As a result, the Department is unable to assess the effectiveness of the branches' EFM programs and ensure improvements are made when needed. In addition, although OSN was created to enhance and monitor the military branches' support for families with special needs, it has no authority to compel the branches to comply with DoD or Service-level program requirements and it has no direct means by which to hold them accountable if they fail to do so.

DoD must comply with the GAO recommendations and establish benchmarks and performance goals for the EFM program. We further ask OSN to develop and implement a process for ensuring the branches' compliance with EFM program requirements.

We ask DoD and the Services to set a common standard of support families can expect to receive through the EFMP. Families have the right to expect a level of service for their special needs family members regardless of the color of the uniform they wear. This is especially important as joint basing becomes more common and when families from one Service live and work on installations operated by another.

Respite Care

Families with special needs children have unique child care needs. For those families, dropping a child off at a day care center or with a sitter may not be an option. Instead, parents of special needs children need respite care provided by trained caregivers. Access to quality respite care allows families to run errands, spend time with other children, and simply recharge. Recognizing the importance of respite care, especially for military families far from the support of friends or extended family, the Services have provided respite care for military families with eligible special needs family members as part of the EFMP family support function. However, because the respite care programs are operated and funded by each of the individual Services, eligibility requirements and the number of respite care hours available to families vary. This is a significant source of frustration to families assigned to joint bases or installations managed by other Services. We are also concerned the current fiscal environment may lead the Services to reduce the level of respite care they offer.

Special Needs Navigators and Case Management Not Implemented

The FY10 NDAA included specific directives for providing family support and case management services to better serve military families with special needs family members. Despite the intent of the legislation, those services have not yet been fully implemented,

leaving families struggling to locate resources in their communities and manage their complex medical and non-medical needs.

The FY10 NDAA directed installation EFM programs to include “Special Needs Navigators” to help families find programs and resources available in their civilian communities. In locations where Special Need Navigators are part of the EFMP, families report a high level of satisfaction with the service and support they receive. However, few installation EFMPs include Special Needs Navigators.

We urge DoD to meet the minimum level of family support coordination outlined in the FY10 NDAA by expanding access to Special Needs Navigators.

The FY10 NDAA also emphasizes the need for enhanced case management support. Case management is specifically mentioned three times in the legislation:

- In addressing support for military families, the Office shall develop a uniform policy that shall include DoD requirements for resources (including staffing) to ensure the availability of appropriate numbers of case managers to provide individualized support for military families with special needs.
- The program shall provide for timely access to individual case managers and counselors on matters relating to special needs.
- Each program shall provide for appropriate numbers of case managers for the development and oversight of individualized services plans for educational and medical support for military families with special needs.

Additionally, the FY10 NDAA Conference Report language makes clear the importance of case management support for special needs military families:

“The conferees expect that implementation of this section will result in substantial improvements in identification and outreach to larger numbers of individuals who need support and coordination of available services, expansion of case management services, more direct training and counseling for parents and families, and timely access to information and referral to both Department of Defense and other federal, State, and local special needs resources and services. The conferees direct the Secretary to examine ways to mitigate the challenges for families who may be disadvantaged by relocation during their military service, and to ensure that enrollment in the Exceptional Family Member Program, or any successor to that program, is perceived as a positive and necessary family readiness resource.”

Unfortunately, recently-released EFMP proposed regulations provide few details on case management services. There are no specifics regarding case manager resource requirements, acceptable case management access standards, or requirements for the development and updating of individualized service plans (medical and educational) for military families with special needs. We regularly hear from special needs families who are not getting sufficient support from case managers in terms of establishing initial care, or re-establishing services following a PCS, for their special needs family member.

Given the critical role of case managers, DoD must expand access to high quality case management services for special needs families.

Section 582 of the FY11 NDAA, Enhancement of Community Support for Military Families with Special Needs, included two provisions that have not been implemented to date:

- (1) Periodic reviews of the best practices in the United States in the provision of medical and educational services to children with special needs, and
- (2) Establishment of an advisory panel on community support for military families with special needs.

DoD should conduct period reviews on the best practices in providing medical and educational services to special needs children. DoD should also establish an advisory panel on community support for special needs military families.

Access to Health Care for Military Special Needs Families

Caring for a special needs family member can be difficult and draining for any family. However, the impact for military families is magnified by the unique challenges associated with military service. Frequent geographic relocations are a fact of life for military families. A geographic relocation will, by definition, disrupt the continuity of care that is so important in managing complex medical conditions. After every move, special needs military families must begin a lengthy cycle of referrals, authorizations, and waitlists at each new duty station, resulting in repeated gaps in care. A nationwide shortage in pediatric specialists means even when families have successfully navigated the authorization and referral process at their new location, they may face a delay of weeks or even months before treatment can restart. Military families fear these repeated treatment delays have a cumulative and permanent negative effect on their special needs family members.

It is frustrating for military parents to know these treatment delays could be mitigated if the process for accessing specialty care were more flexible and streamlined to address the unique aspects of military life. Unfortunately, TRICARE's rigid referral and authorization process—made even more difficult by varying Military Treatment Facility (MTF) procedures—too often hinders the transition process for military families rather than facilitating it. In addition, providers often tell us working with TRICARE is overly complex. Many choose not to participate in the TRICARE network because it is too difficult to navigate and administer. The resulting shortage of TRICARE network providers further impedes families' access to specialty care.

We appreciate the Administration's FY17 budget proposal has acknowledged the need for an improved referral process that provides seamless mobility and fewer administrative burdens. Changes to the referral process should make specialty care access more flexible and streamlined to address the unique aspects of military life without forcing active duty families to pay more out-of-pocket.

For special needs military families, frequent relocation presents another obstacle: the inability to qualify for services through Medicaid waivers. Caring for children with complex medical needs can be incredibly expensive. We appreciate the MCRMC recognized this problem faced by our families with special needs. Most civilian families in this situation ultimately receive some form of public assistance, typically through state Medicaid waivers. State Medicaid programs provide assistance not covered by TRICARE: respite care, employment support, housing, supplies, and more flexible medical coverage. Because the demand for these services far outstrips the supply, there is a lengthy waiting list to receive assistance in most states. For

that reason, these services are often out of reach for a military family who must relocate every two to three years. A military family who places their special needs child on a Medicaid waiver waiting list must start again at the bottom of the waiting list when they move to a new state. The Defense State Liaison Office (DSLO) has recognized military families' inability to access care through Medicaid waivers as one of its high priority issues and is working with state legislatures to address this problem. However, little progress has been made in resolving this disparity.

TRICARE's Extended Care Health Option (ECHO) program was designed in part to address this imbalance, by allowing families to access non-medical services not covered under TRICARE. According to TRICARE's website, benefits covered under ECHO include "training, rehabilitation, special education, assistive technology devices, institutional care in private nonprofit, public and State institutions/facilities and, if appropriate, transportation to and from such institutions/facilities, home health care and respite care for the primary caregiver of the ECHO-registered beneficiary." However, in practice military families find it difficult to obtain services through the program.

This reality was reflected in TRICARE's May 30, 2013 report, *The Department of Defense Report to Congress on Participation in the Extended Care Health Option (ECHO)*, detailing military families' usage of the ECHO benefit. They reported, in 2012, 99 percent of funds expended through the ECHO program were spent on Applied Behavioral Analysis (ABA) therapy and ECHO Home Health Care (EHHC). Although these services are important and popular with special needs families, it is impossible to see this statistic and not wonder why families are not accessing the long list of other services ostensibly available to them under ECHO.

The MCRMC also found ECHO benefits, as currently implemented, are not robust enough to replace state waiver programs.⁸ DoD has assured our Association they are working on ECHO improvements. However, other than a policy update to cover incontinence supplies, we have heard no specifics. **Given the importance of ECHO to special needs families, DoD must examine how to bring the ECHO benefit on par with state Medicaid waiver benefits.**

Another service much in demand by families is respite care. For families with special needs children, the time away afforded by respite care is vital. Access to quality respite care allows families to run errands, spend time with other children, and simply recharge. Respite care is ostensibly available through the ECHO program, but TRICARE policies limit its utility. ECHO sets strict requirements for respite care providers, making it difficult for families to identify eligible providers.

Congress has given DoD much more discretion in its coverage of ECHO benefits than it has concerning medical benefits provided under the Basic Program. Thus, TRICARE has the authority to make changes that would enhance the ECHO program's utility to military families. Aligning ECHO coverage with that of state Medicaid programs, as the MCRMC recommends, would do much to enhance special needs military families' readiness and quality of life.

TRICARE should enhance the ECHO program's utility to military families by ensuring it covers the products and services families need.

⁸ Final Report of the Military Compensation and Retirement Modernization Commission – January, 2015

The transition out of the military and into civilian life is difficult for many families but especially so for special needs families, who immediately lose access to ECHO benefits. Families may still face long waits before being eligible for care through Medicaid, which leads either to gaps in treatment or financial hardship for a family trying to pay for needed care. To ease the hardship for families in this situation, we recommend ECHO eligibility be extended for one year following separation to provide more time for families to obtain services in their communities or through employer-sponsored insurance.

We ask Congress to extend eligibility for the Extended Care Health Option (ECHO) for one year following separation to provide more time for families to obtain services in their communities or through employer-sponsored insurance.

MILITARY FAMILIES IN CRISIS

Even though the war in Afghanistan is coming to an end, military families continue to live extraordinarily challenging lives. Reintegration continues to pose challenges for some. Others are concerned they will be impacted by the military drawdown and are anxious about their financial futures. Most military families are resilient and will successfully address whatever challenges come their way. However, some will need help. It is critical military families trust DoD services and programs and feel comfortable turning to them in times of need. These programs and services must be staffed and resourced adequately so when families reach out for help, they can trust it is available. Military families must be assured our Nation will support them in times of family or personal crisis.

Suicide

In 2014, the Defense Suicide Prevention Office (DSPO) released a report outlining an approach for tracking military family member suicides. The report, *Suicide and Military Families: A Report on the Feasibility of Tracking Deaths by Suicide among Military Family Members*, was requested by the Senate and House Armed Services Committees.

We appreciate Congress including a provision directing DoD to track military family suicides as well as Reserve Component suicides in the FY15 NDAA, but are frustrated by DoD's delays in developing a plan to meet this mandate. If we don't have solid information on the extent of the issue, targeting solutions becomes more difficult.

Preventing Child Abuse and Neglect, and Domestic Violence

Research commissioned by our Association⁹ and others during the past decade documents the toll of multiple deployments on children and families, the difficulties many families face on the service member's return, and the added strain a service member's physical and invisible wounds can place on a family. These stressors put military families at risk for marital/relationship problems and compromised parenting that must be addressed with preventative programs.

Current research validates families will experience the effects of war long after deployments end. A recent study highlighted parenting challenges fathers face following deployment. The

⁹ Anita Chandra, et al., RAND Center for Military Health Policy Research, Views from the Homefront: The Experiences of Youth and Spouses from Military Families, 2011

study found that while deployment is a time of great stress for families, the need for support and a strong community continues during the extended period of reintegration after the service member returns. This need is particularly pronounced when the returning service member is father to a young child, and he faces the core challenge of reconnecting with a child who has undergone significant developmental changes while he was away.¹⁰ A 2013 research brief issued by Child Trends, *Home Front Alert: The Risks Facing Young Children in Military Families*,¹¹ concluded many children negatively impacted by a parent's repeated combat deployments will continue to have exceptional needs as they grow older.

Those looking for budget cuts may find it tempting to slash family support, family advocacy, and reintegration programs. However, bringing the troops home does not end our military's mission or the necessity to support military families. Recent media coverage indicates the incidence of child abuse and neglect among Army families has increased. We are concerned the extraordinary stress military families have faced could lead to increased domestic violence as well. Preventative programs focused on effective parenting and rebuilding adult relationships are essential. The government should ensure military families have the tools to remain ready and to support the readiness of their service members.

We are encouraged the Family Advocacy Program, a congressionally mandated DoD program designed to prevent and respond to child abuse/neglect and domestic abuse in military families, has redoubled its focus on prevention programs. Their efforts to repair relationships and strengthen family function will be essential. Programs like New Parent Support focus on helping young parents build strong parenting skills early on.

We encourage Congress and the Department of Defense to ensure that Family Advocacy programs are funded and resourced appropriately to help families heal and aid in the prevention of child and domestic abuse.

SUPPORT FOR TRANSITIONING FAMILIES

Transitioning due to downsizing affects the whole family. In addition to the transition assistance program available to service members, resources relevant to family members need to be identified. Issues such as how to find community resources to replace DoD programs and the military spouse's role in the long-term care of the family as a whole aren't addressed in the transition classes.

In May 2014, our Association conducted a survey of military spouses facing transition. Over half the spouses indicated they were extremely or very concerned about relocation and finding employment. Over three quarters of the spouses were extremely/very concerned about being financially prepared and finding employment for their service member. Access to the counseling and other services provided by Military OneSource, beyond the 180 days currently provided, would make available resources and information to ease some of the concerns of our transitioning military families.

¹⁰ Tova B. Walsh, et al., "Fathering after Military Deployment: Parenting Challenges and Goals of Fathers of Young Children," *Health & Social Work: A Journal of the National Association of Social Workers*, February, 2014

¹¹ "Home Front Alert: The Risks Facing Young Children in Military Families", Child Trends, July 22, 2013

Expand the opportunity for spouses to access transition information including face-to-face training and on-line training.

Expand family access to Military OneSource to one year from a service member's separation from the military.

TODAY'S SURVIVING SPOUSES NEED THE DIC OFFSET ELIMINATED

Our Association has long believed the benefit change that would provide the most significant long-term advantage to the financial security of all surviving families would be to end the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Although we know there is a significant price tag associated with this change, ending this offset would correct an inequity that has existed for many years. Each payment serves a different purpose. The DIC is a special indemnity (compensation or insurance) payment paid by the VA to the survivor when the service member's service causes his or her death. The SBP annuity, paid by the Department of Defense (DoD), reflects the military member's length of service. It is ordinarily calculated at 55 percent of retired pay. Military retirees who elect SBP pay a portion of their retired pay to ensure their family has a guaranteed income should the retiree die. If that retiree dies due to a service-connected disability, their survivor becomes eligible for DIC.

We ask the DIC offset to SBP be eliminated to recognize the length of commitment and service of the career service member and spouse.

Special Survivor Indemnity Allowance

In the FY08 NDAA, the Military Personnel Subcommittee established the Special Survivor Indemnity Allowance (SSIA) as a first step in a longer-term effort to phase out the DIC offset to SBP.

That initial legislation authorized the SSIA for all survivors affected by the SBP-DIC offset in the amount of \$50 per month for FY2009, with the amount increasing by \$10 monthly for each of the next five years, reaching \$100 per month for FY2014-2016, not to exceed the amount of SBP subject to the offset. The authority to pay the SSIA, under this initial provision, was to expire on March 1, 2016.

In 2009, SSIA payments were extended through the end of FY2017, and the monthly SSIA amounts were increased:

FY2014: \$150

FY2015: \$200

FY2016: \$275

FY2017: \$310, with payment authority expiring as of Sept. 30, 2017.

As of FY2017, phased SSIA increases will have eliminated roughly 25 percent of the SBP-DIC penalty.

Including an extension of SSIA in the FY2017 National Defense Authorization Act is necessary so SBP-DIC widows will not see an interruption or elimination of the then-\$310 payment.

Extend SSIA so the modest progress in eliminating the DIC offset to SBP will not be lost.

SBP for Inactive Duty for Training Deaths

The Eleventh Quadrennial Review of Military Compensation released in June, 2012 recognized the Survivor Benefit Plan (SBP) annuity for reserve component personnel who die while performing inactive duty is significantly less than the benefit available to survivors of active duty members and reserve members who die on active duty. Despite their inactive status, these reservists are still performing military duties at the time of their death. The review report recommends calculating SBP benefits for a reservist who dies while performing inactive duty training using the same criteria as for a member who dies while on active duty.

Calculate Survivor Benefit Program annuities for a reservist who dies while performing inactive duty training using the same criteria as for a member who dies while on active duty.

CAREGIVER AND WOUNDED SERVICE MEMBER SUPPORT

Service members and their families must be assured our nation will provide unwavering support to the wounded, ill, and injured. This support must extend beyond the recovering warrior's medical and vocational rehabilitation. It must also include programs and services that help military caregivers, typically spouses or parents, successfully navigate their new role.

Special Compensation for Assistance with Activities of Daily Living (SCAADL)

Our Association appreciates that Congress authorized monetary compensation to caregivers of catastrophically wounded, ill, and injured service members via the FY10 NDAA. The Special Compensation for Assistance with Activities of Daily Living (SCAADL) program helps offset the loss of income by a primary caregiver who provides non-medical care, support, and assistance to the service member.

We are concerned, however, DoD and the Services are no longer providing an appropriate level of information and outreach on this important benefit. The SCAADL calculator has not been updated on DoD's website since January, 2015. The SCAADL page of the Army's Warrior Transition Command is unavailable. Similarly, the Defense Finance and Accounting Service website has a dead link to the SCAADL calculator.

We understand and are grateful the number of combat wounded has decreased dramatically. However, there are still thousands of service members forward deployed to hostile environments. Military service is inherently risky and service members are regularly injured in training or other line of duty incidents. It is important we maintain programs established over the past 15 years of war to support families of the wounded.

Consistent with recommendations from the Recovering Warrior Task Force, we also request a legislative change to exempt SCAADL from income taxes to enhance this benefit for wounded warrior families.

Maintain the SCAADL program, particularly outreach to wounded warrior families, and exempt SCAADL payments from income taxes to enhance the value to beneficiaries.

Medicare Eligible Wounded Warriors & TRICARE Coverage

Medically retired wounded warriors who receive Social Security Disability Insurance (SSDI) benefits become eligible for Medicare Part A after 24 months on SSDI. At that point, the wounded warrior must enroll in Medicare Part B in order to keep TRICARE coverage. After the wounded veteran enrolls in Medicare Part B, their TRICARE coverage converts to TRICARE for Life (TFL). This poses a variety of problems for the severely wounded population:

- In the worst case scenario, the wounded warrior or his/her caregiver does not realize or is not appropriately informed they must enroll in Medicare Part B and they lose their TRICARE coverage entirely.
- In other instances, the wounded warrior or caregiver understands and enrolls in Medicare Part B and retains TFL. Although medical coverage is retained, the severely wounded veteran is now paying more for medical coverage than most other working-age TRICARE retirees.
- Finally, there are some severely wounded veterans who receive SSDI for over 24 months and are forced onto Medicare/TFL. Eventually, the wounded veteran returns to work, but they are required to stay on Medicare Part B for eight years after returning to work. This results in over \$10,000 in Medicare Part B costs to the severely wounded warrior who returns to work.

This is an extremely complex issue facing the most severely wounded service members and their caregivers. These families face emotionally challenging lives and overwhelming responsibilities. Making a mistake on Medicare Part B should not result in the life altering consequence of losing health care coverage. Furthermore, our most severely wounded warriors should not be forced to pay more for their health care than others.

This complex problem crosses many jurisdictions including the Centers for Medicare and Medicaid Services, DoD, the Social Security Administration, the Senate Finance Committee, the House Ways and Means Committee, the HASC and the SASC. Given this problem impacts our most severely wounded veterans and their families, we urge the House and Senate Armed Services Committees to take the lead in finding and implementing a solution to this complex issue.

Supporting an Enduring Wounded Warrior Mission

The reduction in combat operations and the resulting decline in combat wounded poses a risk that attention and resources for wounded warrior programs and initiatives will shift to competing priorities. Some of this shift is certainly warranted, but it is critical improvements made over the last 15 years are not lost as we move forward. We support Recovering Warrior Task Force recommendations to formalize and marshal support for the way forward in wounded warrior care and caregiver support for current and future generations of wounded warriors.

MILITARY FAMILIES –CONTINUING TO SERVE

Recent national fiscal challenges have left military families confused and concerned about whether the programs, resources, and benefits contributing to their strength, resilience, and readiness will remain available to support them and be flexible enough to address emerging needs. The Department of Defense must provide the level of programs and resources to meet these needs. Sequestration weakens its ability to do so.

Service members and their families have kept trust with America, through more than 15 years of war, with multiple deployments and separations. We ask the Nation to keep the trust with military families and not try to balance budget shortfalls from the pockets of those who serve.

Evolving world conflicts keep our military service members on call. Our military families continue on call as well, even as they are dealing with the long-term effects of more than a decade at war. The government should ensure military families have the tools to remain ready and to provide for the readiness of their service members. Effective support for military families must involve a broad network of government agencies, community groups, businesses, and concerned citizens.