



AFSA Division 12 Legislative-Retiree Affairs Bulletin 2011-032
Division 12, the Cacti Division
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1. TRICARE Change Proposals. Earlier we detailed how the President's FY 2012 Budget Plan calls for annual fee increases for TRICARE Prime and further annual inflationary increases starting in 2013. It is important to keep in mind that the President's budget plan is non-binding and has no force of law—but it does state Administration intentions. What is most important is what will be incorporated in the FY 2012 National Defense Authorization Act produced by Congress. Should Congress put a provision in the NDAA prohibiting fee increases, as they have in the past, the changes will not take place. Similarly, reports in the media about the various budget-cutting proposals produced by the various panels, boards, and commissions empowered by the Administration (e.g., increasing TRICARE for Life fees) have no force in law. Each year, many such proposals are made that never become law. A loud message from affected servicemembers and retirees could well convince Congress to stop such increases. This is another case of the need for citizens to communicate with their elected officials. It is certainly not time to sit back and assume that someone else will carry the load. In that sense, we urge each chapter in Division 12 to assist your members in sending a strong message to Congress stating your views on the matter.

2. GAO Report on TRICARE Selection over Employer-Sponsored Healthcare. A law, passed in the FY 2007 NDAA, prohibits a private company from offering financial incentives for military retirees to use TRICARE rather than a company-sponsored health plan. Specifically, the law prohibits employers with 20 or more employees from offering financial or other incentives to their employees who are eligible for TRICARE to not enroll in the employer-sponsored health insurance plan or to terminate such coverage. Historically, some employers offered financial or other incentives, which resulted in shifting much of the cost of providing health care for these employees from the employer to DOD. The Government Accountability Office (GAO) was tasked by Congress to estimate the impact of this law on reducing DoD expenditures. You can view a summary of this report (and access the full report) at: <http://www.gao.gov/docsearch/repandtest.html>

3. Tracking the CPI toward a Possible 2012 Retiree COLA. 2011 is the second year in a row that military retirees and annuitants did not get a cost-of-living (COLA) increase. Retiree COLAs are determined by overall inflationary increases as measured by the Consumer Price Index for Urban Wage Earners and Clerical Employees (CPI-W, one of the economy-measuring indices produced by the Bureau of Labor Statistics). The key measurement will be a comparison of the third quarter of this year (July, August, and September) to the third

quarter of last year. The CPI-W for February 2011 increased by .5 percent. The full figure to date this year is .95 percent above last year, suggesting that we are headed toward a 2012 COLA increase. However, the relevant months for determining the actual 2012 COLA will be the third quarter measurement comparison which will be reported in early October. Remember, the retiree COLA is based on the CPI-W (inflation), while active duty pay increases are based on an entirely different index, the Employment Cost Index (a measurement of private sector wage growth).

4. The Growth of Demand for VA Services. An American Legion report filed by *Business Wire*, states that the number of veterans receiving VA health care and benefits has grown by nearly 800,000 since Eric Shinseki took office as secretary in 2009. The number now stands at a record 8.4 million and is projected to hit 8.6 million by 2012. “I project that the numbers will continue to grow,” Shinseki told hundreds of American Legion members gathered on March 22 in Washington, D.C. for the organization’s 51st Annual Washington Conference. The department’s budget can likewise be expected to keep climbing, especially as veterans of Iraq and Afghanistan pour into the system. “These numbers will continue to rise for many years, many decades after the last combatant comes home from Iraq and Afghanistan. This is reality.” President Obama has proposed a 10.6 percent increase in the VA budget for 2012--a record \$132 billion divided almost evenly between mandated and discretionary costs. The highest expected discretionary cost, medical care, is proposed to consume \$53.9 billion. To read more, go to: <http://www.businesswire.com/news/home/20110323005768/en/Shinseki-VA-Demand-Grows>

5. Stolen Valor Act Ruled Unconstitutional. On March 21, the 9th U.S. Circuit Court of Appeals ruled that the law prohibiting people from lying about their military past and the medals they have earned is unconstitutional—a violation of free speech. This follows a California resident pleading guilty in 2008 for falsely claiming he was a Medal of Honor recipient. The Appeals Court ruling, in effect, invalidates the “Stolen Valor Act” which was signed into law by President Bush in 2006.

6. One in Four VA Patients has Diabetes. According the Department of Veterans Affairs, nearly one in four veterans receiving care in the VA has diabetes. Dr. Leonard Pogach, VA’s National Program Director for Diabetes, said “This is partly attributable to the older average age of veterans compared to the general US population.” The Centers for Disease Control and Prevention estimate that nearly 26 million people, or about 8 percent of the US population, have diabetes. Many veterans of all ages are at risk for diabetes due to the high rate of overweight and obesity, estimated at over 70 percent of veterans receiving VA care. To read more about this disease and strategies for reducing the risk of acquiring the disease, go to: <http://www.va.gov/health/NewsFeatures/20110321a.asp>

7. The Military’s Impact on Public Childhood Nutrition Programs. In an article from the *Columbia Daily Tribune* by reporter Robert Johnson, it is explained how the military had a significant influence on the “Healthy, Hunger-Free Kids Act of 2010,” signed by President Obama, which bans unhealthy foods and drinks in public schools. Military leaders state that today about one-fourth of potential recruits are rejected due to obesity. The article further

explains that after World War II, Selective Service Director Gen. Lewis Hershey told Congress that 40 percent of the rejected recruits at that time were rejected due to inadequate nutrition—this led to the National School Lunch Program. To read the entire article, go to: <http://www.columbiatribune.com/news/2011/mar/21/military-joins-fight-against-childhood-obesity/>

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