



AFSA International Legislative Committee Bulletin 2011-015
CMSgt (Ret.) James E. Lokovic
Vice-Chair International Legislative Committee
Division 12 Trustee, Legislative and Retiree Affairs
jlokovic@gmail.com



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1. TRICARE Prime/Pharmaceutical Costs Increase Tomorrow. Despite the lack of passage of the FY 2012 National Defense Authorization Act, DoD is proceeding, effective tomorrow (the first day of FY 2012), with what they entitle “modest” increases in annual fees for TRICARE Prime for “working age” military retirees. DoD has always maintained it has the authority to make such changes but, in the past, Congress has blocked such increases. However, since the House and Senate versions of the FY 2012 NDAA--although not yet passed--included approval, DoD felt it safe to proceed with the changes. The annual fee for TRICARE Prime for families will increase from \$460 to \$520; for individuals the new fee will be \$260, up from \$230. The increases amount to an extra \$2.50 per month per individual member and \$5.00 per month for a retiree and family. The fees will not apply to those already enrolled since they already paid their fees for FY 2012. However, they will pay the higher fees after October 1, 2012. According to DoD, “Survivors of active duty deceased sponsors and medically retired services members and their dependents will be exempt from an annual increase, effective from the time they renew their enrollment or first enroll in TRICARE Prime.” DoD officials have stated they intend to increase these annual TRICARE Prime fees for “working age” retirees each year into the future. While DoD wants to increase the fees in proportion to fee increases experienced in civilian health care systems, the not-yet-passed House and Senate versions of the FY 2012 NDAA would limit such annual increase to the annual military retiree cost-of-living adjustment (which is based on inflation).

Along with these fee increases, pharmacy copayments will also change, effective tomorrow. Medicines obtained through the TRICARE Retail Pharmacy (i.e., at your local TRICARE-accepting drug store) for a 30-day supply will now be \$5 for formulary-listed generic medicines, \$12 for formulary-listed brand name drugs, and \$25 for non-formulary drugs. Medicines obtained through the TRICARE Home Delivery program for a 90-day supply will be \$0 (no cost) for formulary generic medicines, \$9 for formulary brand name drugs, and \$25 for non-formulary medicines. “TRICARE Formulary” drugs are those listed as approved by TRICARE. As in the past, copayments for active duty service members will remain at no-cost.

To read the DoD press release on the TRICARE Prime increases, go to:
<http://www.defense.gov/news/newsarticle.aspx?id=65487>

To view the changes in pharmacy copayments, as explained by DoD, go to:

<http://www.tricare.mil/mybenefit/home/Prescriptions/Costs>

To look at those medicines that are listed in the TRICARE formulary, go to:

<http://www.express-scripts.com/TRICARE/>

2. Additional Leave for Government Employees who are Spouses of Military Members.

The Office of Personnel Management has announced that expanded leave benefits for federal employees who have an immediate family member serving on active duty overseas will become effective tomorrow (October 1). An article in *Government Executive* explains that “OPM is extending up to 12 weeks of unpaid leave to government workers whose spouse, child or parent is on or has been called to active duty abroad for qualifying exigencies-- situations that require extra care related to a service member's deployment. As mandated by the 2010 Defense authorization law, the regulation updates the 1993 Family and Medical Leave Act, which grants federal employees leave to address family events and challenges, such as the birth of a child or spousal illness.

Under the new rule, eligible employees can take leave for military events and official ceremonies; child care needs, such as transferring to a new school or day care or attending related events; making financial and legal arrangements; counseling; and post-deployment activities, such as arrival ceremonies and reintegration briefings. The regulation also grants up to a week of leave when military personnel are given seven days or less deployment notice and five days to spend time with a service member who is on short-term rest and recuperation leave during deployment. Federal workers also can coordinate with supervisors to arrange leave in other circumstances.” To read more, go to:

http://www.govexec.com/story_page.cfm?articleid=48923&dcn=todaysnews

3. Military Retiree COLA for CY 2012 to be Released the Third Week of October. The Bureau of Labor Statistics will release the September Consumer Price Index (CPI-W) figures in about three weeks. At that time, we will know and report what the military retiree cost-of-living adjustment will be for the Calendar Year beginning January 1, 2012. The same COLA will apply to Social Security, SBP, and Veterans disability compensation programs. We do expect a modest COLA increase for next year. As explained in the past, current law states these COLAs are based on inflation as measured by the CPI-W—by comparing the inflation level of the third quarter of one year to the same time the following year. When there is no inflation between those two points, there is no COLA.

4. House Agrees to Short-term Concurrent Resolution. As expected, the House has passed (by unanimous consent) a short term concurrent resolution (CR) to fund the federal government through next Tuesday (when the House formally returns to Washington). At that time, it will debate a Senate-passed CR which would fund government programs through November 18.

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