2014 AF Retiree Council Issue

ISSUE: 2014 - 01

SUBJECT:  Retiree Pin Wear on Military Uniform (Area XV)

BACKGROUND:  AFI 36-2903, *Dress and Personal Appearance of Air Force Personnel* (6 Sep 2013) allows retired and honorably discharged members to wear full-size or miniature medals on civilian suits on appropriate occasions. In addition, it also allows for the wear of the authorized uniform prescribed at the date of the member’s retirement or the wear of any uniform authorized for current active duty personnel with special provisions for commanders, first sergeants and command chiefs. It also allows retirees to wear the retired lapel pin on civilian attire only.

DISCUSSION:  Request a change to the AFI that would allow retirees to wear the appropriate retired lapel pin on service-dress, semi-formal and mess-dress uniforms. Doing so will allow retired Airmen to identify themselves while wearing the uniform at appropriate functions and emphasize the continuing bond between the Air Force and its retired Airmen

RECOMMENDATION:  Air Force Retiree Council send formal request to Uniform Board
ISSUE: 2014-02

SUBJECT: Mail Delivery of Afterburner, Newsletter for Retired Personnel (Area XII)

BACKGROUND: Retirees appreciate the publication of the Afterburner newsletter. Distribution of “hard copies” of the retirees’ primary link with today’s Air Force was suspended in 2007 as a budget measure. A sustained effort has continued to encourage subscribers to avail themselves of an electronic edition of the publication. As of 2012, new AF retirees are automatically placed on the cyberspace mailing list. However, statistics on computer accessibility by senior citizens prompts the Retiree Council to request continued printing and mailing services for this vital communication tool.

DISCUSSION: The CSAF and AF/A1 currently support publishing, printing, and mailing two issues of the Afterburner newsletter each year. Printing and mailing costs are only incurred for those retirees who do not have access to retrieve an electronic copy. The AF currently has over 120,000 electronic subscribers and is working with DFAS to utilize email notification of Afterburner publications to AF myPay customers. The AF has over 250,000 retirees with an active myPay account.

RECOMMENDATION: Maintain CSAF and AF/A1 support to publish two Afterburner newsletters each year and continue printing and mailing copies to retirees and survivors who do not have access to an electronic issue. The Council also recommends the AF continue to pursue ways to increase the population who can receive the newsletter via electronic means.
2014 AF Retiree Council Issue

ISSUE: 2014-03

SUBJECT: Indefinite ID Cards for Spouses who Reach Age 65 (Area XII)

BACKGROUND: Spouses of military personnel change their ID cards every four years. At age 65, a military retirees’ spouse must use a Uniformed Service ID Card processing center to obtain a new ID card to reflect entitlement to the TRICARE For Life (TFL) program. At age 65, the spouse will be issued a 5-year ID card and at age 70, renew the ID card once more. At age 75, the spouse is issued an indefinite ID card. Issuance of an indefinite card at age 65 would appear to be prudent in saving time and money for all concerned.

DISCUSSION: Changing OSD policy to issue an indefinite ID card at age 65 versus 75 would save the AF manpower and resources, and save the military family time, stress, and travel. The Chief of Staff Army Retiree Council submitted this for action through their 2014 Council meeting.

RECOMMENDATION: The Air Force Retiree Council strongly supports the age change for indefinite spouse ID card issuance at age 65.
2014 AF Retiree Council Issue

ISSUE: 2014-04

SUBJECT: Survivor Benefit Plan (SBP) Annuity and Dependency and Indemnity Compensation (DIC) Offset (Area X)

BACKGROUND: Current law requires a dollar for dollar reduction in SBP payment for any DIC paid to surviving spouses of service members who died of service connected causes. The SBP paid to a surviving spouse is stopped, even though SBP premiums are refunded (pro-rated) in a lump sum. Affected survivors may lose most or all of their SBP, an insurance paid into by the veteran to support the surviving spouse after death.

DISCUSSION: Since SBP was elected and paid into for up to 30 years, this should continue to be paid as was the retiree’s intent at the time of purchase. DIC is awarded when the service person died of a service-connected disability and should not affect the paid-for SBP annuity.

RECOMMENDATION: Council requests AF/A1, SAF/LL, and CSAF continue supporting efforts to end the SBP / DIC offset.
2014 AF Retiree Council Issue

ISSUE: 2014-05

SUBJECT: Paid-up SBP at Age 67 (Area XII)

BACKGROUND: Under current law, retirees may stop paying Survivor Benefit Program (SBP) premiums when they reach age 70 and have paid premiums for 30 years. Thus, those who entered military service at age 17 are required to pay premiums for 33 years to be eligible for paid-up status. Congressional action is needed to change the minimum age to 67 for paid-up SBP, retaining the requirement to pay premiums for 30 years.

DISCUSSION: This is one of the priority issues being supported by The Military Coalition. Endorsement by the Council would be a plus for both organizations

RECOMMENDATION: Council requests AF/A1, SAF/LL, and CSAF continue supporting efforts to change the SBP paid-up provision to 30 years and remove the age requirement.
2014 AF Retiree Council Issue

ISSUE: 2014-06

SUBJECT: Full Pay for Month of Death (Area XII)

BACKGROUND: Under current law, the Defense Finance and Accounting Service (DFAS) is required to recover all retired pay due a military retiree for the month of his death. Ultimately, DFAS calculates the number of days the retiree was alive in the month of his death and pays a final settlement. This dual procedure can create an unnecessary hardship for survivors, some of whom must wait several months before Survivor Benefit Program payments begin. Providing survivors full payment for the month of a retiree’s death would also reduce the administrative workload at DFAS.

DISCUSSION: This often creates an unnecessary hardship for survivors, some of whom must wait several months before Survivor Benefit Plan payments begin. It would also serve as a cost-effective change in reducing the administrative workload at DFAS. Recouping overpayment places additional stress and a financial burden on the bereaved family of a deceased military retiree. Upon notice of the member’s death, most banks will immediately place a freeze on the checking account, to ensure there are no overdrafts on the account, placing the burden on the survivor since she/he cannot acquire any funds from the account until the pro-portion is paid (which usually takes a couple of weeks). The surviving spouse should be permitted the entire month’s pay, even though the retiree passes away early in the month, even the 1st day of the month.

HR 1360, the Forgiveness Act, is pending.

RECOMMENDATION: Council requests AF/A1, SAF/LL, and CSAF continue supporting legislative efforts to pass the Forgiveness Act.
ISSUE: 2014-07

SUBJECT: Reduced Medicare Reimbursements Threatens TRICARE

BACKGROUND: By statutory requirement, Medicare physician reimbursement rates are to be reduced to stem the rising cost of health care and Medicare spending. Each year for the past decade, Congress has acted at the 11th hour to delay cuts for another year. The continuing threat of reimbursement cuts have caused many providers to stop accepting new Medicare patients. Because TRICARE is a secondary payer to Medicare for TRICARE for Life (TFL) patients, they are adversely affected; a permanent solution is essential.

DISCUSSION: Reduced participation of providers due to low Medicare reimbursements is the most serious healthcare problem facing Medicare-eligible and military beneficiaries of all ages. Although TFL has worked well since its inception, real and threatened cuts in the level of Medicare reimbursements have caused many providers to stop accepting new TRICARE patients who become Medicare-eligible. Because TRICARE payment rates are tied to Medicare's rates by law, any such reductions adversely impact TFL beneficiaries and all military beneficiaries under the age of 65.

As of January 2014, the provider reimbursement rate was projected to be cut over 25 percent, which according to the Congressional Budget Office would cost approximately $138 billion. Rather than reforming the flawed sustainable growth rate (SGR), Congress granted another interim delay of any Medicare payment cuts until April 2014.

CBO in February 2013 decreased the estimated 10-year cost of freezing Medicare physician pay from its August 2012 score of $245 billion down to $138 billion. The estimates have not changed since. The next time CBO will review the cost of an SGR pay freeze is this November when Center for Medicare and Medicaid Services (CMS) will issue the physician pay rule. On January 1, 2014, physicians face a scheduled reduction in Medicare payments of nearly 25 percent.

The outlook for a permanent doc fix is murky at best. Two House committees (Ways and Means and Energy and Commerce) previously had touted their joint effort as reason to be optimistic about passage of a bill this year, but now have decided to pursue separate bills which may complicate a fix this year.

One House Bill recently introduced is H.R. 574 “The Medicare Physician Payment Innovation Act of 2013”; it has bi-partisan sponsorship by Rep Schwartz (PA-13) and Rep. Heck (NV-3). In summary, the Medicare Physician Payment Innovation Act of 2013 fully repeals the SGR, stabilizes current payment rates to ensure beneficiary access in the near-term, eliminates scheduled SGR cuts, creates positive incentives for undervalued primary, preventive and coordinated care services, and sets out a clear path toward comprehensive payment reform. MOAA supports this bill.
The bottom line is that delays in finding a permanent solution could result in fewer providers participating in Medicare. This could negatively impact military retired beneficiaries who are Medicare eligible by severely limiting access to Medicare authorized providers.

RECOMMENDATION: The Air Force Retiree Council strongly recommends support for legislation that will provide adequate reimbursement to ensure health care providers remain available for TRICARE/Medicare beneficiaries.
2014 AF Retiree Council Issue

ISSUE: 2014-08

SUBJECT: Proposed Increase in Tricare Fees (Area IV)

The FY2015 DoD Budget will shift costs to military beneficiaries over 10 years by:
- Consolidating the TRICARE Health Plans into one – results in much higher costs while reducing access
- Raising annual fees for retired and active duty families of all ages and categories
- Dramatically increasing pharmacy copays above the median of most civilian plans
- Imposing means-testing of military retiree health benefits – which no other federal retirees endure

BACKGROUND: DoD proposed similar fee increases last year and in the past, but the current approach is not a rational proposal. Congress enacted selected current and future increases in 2011 and 2012, but explicitly limited discretionary increases by DoD. Congress rejected larger increases on the basis that Pentagon leaders need to better manage costs instead of shifting costs onto beneficiaries.

“Cost Growth since 2000/2001 “claims are misleading”

-- 2000/2001 is inappropriate baseline; that era reflected spending and retention low points
-- Health cost growth spiked in 2002-03 after TRICARE for Life (TFL) became operational, but has been declining ever since
-- Combined personnel and health costs are approximately 1/3 of DoD Budget – same as they’ve been for 30 years and as outlined in the FY 2015 Defense Budget Overview
-- At 10% of DoD Budget, DoD is getting health care cost bargain – vs. 16% share of all national spending

DoD Fee Plan is a “bait and switch” breach of faith. Defense leaders talk of grandfathering retirement for current troops, but would cut their future health benefits by $1,000 a year or more. This proposal breaks faith with the currently serving families as well as those who already completed 20-30-year careers.

Proposed increases DO NOT consider the changes already authorized by Congress. Both the FY2012 and FY2013 Defense Authorization Acts increased fees (16% increase), including large Rx copays, instituted the mandatory Home Delivery Pilot, and indexed future increases to rate of growth in military retired pay growth. Establishment of the Defense Health Agency (DHA) is expected to moderate the growth of health care costs.

TFL Enrollment Fee is out of line with original law. The 2001 law specified that no enrollment fee beyond Medicare Part B costs should be required for beneficiaries over 65, recognizing their lengthy service as their premium – this was not intended to be an “insurance product.”

Proposed health fee schedules discriminate against military retirees. No other federal employee or retiree pays income-based fees for service-earned health coverage, and it’s rare in the private sector.
Comparison with civilian/corporate cash fees is inappropriate. Military retirement and medical benefits are the primary offsets for enduring decades of extraordinarily arduous service conditions. Military retirees pre-pay huge “up front” health premiums through 20-30 years of service and sacrifice.

DoD leaders should be held accountable to fix program inefficiencies. Studies show consolidation of budget oversight would save billions vs. having three separate service programs and multiple contractors vie for budget share. Much more can be done to save money through chronic disease management and increased use of pharmacy home delivery.

These proposed changes are premature since Commission’s ongoing work. These piecemeal changes are inappropriate since the Military Compensation and Retirement Reform Commission will be offering more comprehensive reform recommendations to all pay and benefits next year – the proposals in the DoD Budget for FY 2015 are simply budget-driven and shifts more cost to beneficiaries disproportionally.

RECOMMENDATION: The AF Retiree Council supports current legislation limiting TRICARE fee increases to the percentage growth of military retired pay (Cost of Living Adjustments).
2014 AF Retiree Council Issue

ISSUE: 2014-09

SUBJECT: Expansion of TRICARE Preferred Provider Network Program Overseas (Area XV)

BACKGROUND: Base closures in Europe continue to significantly reduce the number of Medical Treatment Facilities (MTFs) and the availability of military medical practitioners in areas where retired Airmen and their families have settled. The limited availability of TRICARE Plus for retired Airmen at remaining MTFs restricts, even more, their access to military medicine. This has forced an increasing number of retirees and their family members to seek care from host nation practitioners and facilities.

Consequently, retired Airmen must assume the responsibility to fully reimburse the host nation health care provider for the full cost. Upon receiving treatment, the beneficiary then files a TRICARE claim to receive reimbursement for the cost of TRICARE covered services less the annual deductible amount and cost-shares. This entails what could be an extended period of time from the filing of the claim to the receipt of the reimbursement.

As a result, there have been an increasing number of instances in Europe when host nation health care providers and facilities have required payment in full before they render treatment. For even routine inpatient services and many outpatient services, this could be a substantial amount of money.

DISCUSSION: TRICARE already manages the TRICARE Preferred Provider Network Program. Host nation health care providers and facilities enrolled in the program provide cashless, claimless services to beneficiaries, submit the appropriate claim forms on behalf of the TRICARE beneficiaries they treat, and provide medical services in-line with TRICARE policy. Beneficiaries feel confident that they are receiving quality care, because network provider credentials have been reviewed and confirmed. In addition, network providers are authorized to write prescriptions that are honored at an MTF--and having a prescription filled at an MTF costs the government less than reimbursing a TRICARE claim for medications obtained at a host nation pharmacy.

Currently, TRICARE efforts to identify and enroll qualified host nation health care providers and facilities in the Preferred Provide Network Program in Europe have been limited to those areas where active-duty Airmen and their Families are located. While retirees and the Families living in those areas can use a network provider, the available of local network providers is limited and will become even more limited as the result of future force reductions.

RECOMMENDATION:

The Council recommends DOD and TRICARE initiate a review to address the shortage of providers (caused by base closures/military drawdowns) in overseas areas with a retiree population warranting the need for expanded TRICARE Preferred Provider Network Program.
ISSUE: 2014-10

SUBJECT: H.R. 1770, Reserve Component Survivor Benefits for Deaths on Inactive Duty Training (IDT) Status

BACKGROUND: Two Air Force majors, one of which is a reservist and each with 18 years of service, perish when their aircraft crashes on Tuesday while the reservist is on active duty (AD) status. The spouse of each pilot receives monthly survivor benefit payments of $2,908. Now…the same aircraft crashes on Wednesday while the reservist is on inactive duty training (IDT) status. The active duty spouse receives monthly payments of $2,908 while the IDT spouse receives $969.

In accordance with Title 10, USC, Chapter 73, Subchapter II, Survivor Benefit Plan (SBP) annuity payments are calculated differently depending on the RC member’s pay status at the time of death (AD vs. IDT). Additionally, the AD family is eligible for other survivor benefits not afforded the family of IDT members to include: 1) Calculations with a disability rating as total 2) Special Survivor Indemnity Allowance, and 3) The choice to extend SBP eligibility directly to dependent children.

According to the Congressional Budget Office (CBO) during the 112th Congress, changing the relevant sections of Title 10 (1448, 1450, & 1451) to eliminate these disparities in benefits, would cost $12 million over the 2013 – 2022 period, including $1 million in retroactive payments for families dating back to 2001. A CBO cost estimate is pending for the 113th Congress. H.R. 1770 was introduced into the U.S. House on 26 May 13 by Congressman Jason Chaffetz (UT-3rd) and four additional co-sponsors.

The 11th Quadrennial Review of Military Compensation (published June 2012, pages 123-124) recommends to: “Calculate Survivor Benefit Plan 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.” The Military Coalition (33 military, veterans, and uniformed service organizations) adopted this issue into their Survivor Programs Committee Goals for 2013 and wrote a letter of endorsement for H.R. 1770 signed by each member organization. The Reserve Forces Policy Board submitted a letter recommending support of H.R. 1770 to the Secretary of Defense on 31 May 2013. This letter and the response from the Secretary will both be a matter of public record.

The highest levels of the DOD have received exposure to this subject and a key vote on the DOD’s proposed legislative changes will occur on 7 Feb. The Office of the Under Secretary of Defense for Personnel & Readiness will tally the votes and make the final determination.

May 2014 Update: DoD voted in favor of resolving the disparities in SBP as part of a ULB proposal. They will push this as part of an Omnibus for inclusion in NDAA 2016. Funding, of course, is the biggest issue. All key players are in place…with exception of the HASC. (Update provided by Mr Todd Ernst)
RECOMMENDATION: Continue to support legislative efforts to provide SBP benefits to reservists on Inactive Duty Training (IDT) orders as provided to active duty members.
2014 AF Retiree Council Issue

ISSUE: 2014-11

SUBJECT: Prescription support for military retirees living overseas (Area XV and XIV)

BACKGROUND: Military Retirees are not authorized to receive or send US mail from military installations located in Japan. Without a US mail address they are prevented from using TRICARE for obtaining prescription medicines thru mail order (Express Scripts) for meds not carried at the local US medical facility.

DISCUSSION: Status of Forces agreements (SOFA) address mail privileges. Retired service members are non-SOFA sponsored personnel and are not allowed to utilize US military installation post offices.

Express Scripts addressed the issue, acknowledging there are some problems when shipping medications overseas. They asked retirees to report issues so they can work with DHA to find better ways to serve retirees residing overseas.

In certain countries, any prescriptions sent by ESI are automatically confiscated through the Customs authorities of that country. In cases where seizure has occurred, Express Scripts will monitor shipments and work with DHA to determine the best path forward. With Germany, ESI confirmed that they will not allow shipments of medications and as a result we have seized all shipments with the exception of DPO addresses. In Japan, there have been a few instances of Customs seizure, however, there is not a trend and we continue to ship medications as requested.

There is no effective work around if the Customs of the country prohibits transmittal of medications from the US. We ask beneficiaries to call us to ensure we are identifying countries with issues, which allows us to create trends and work with DHA to determine the appropriate action.

If ESI is unable to deliver medications to the retiree’s country of residence, the beneficiary will need to fill the medication through a Host Nation Pharmacy and submit a paper claim to their designated Overseas contractor. The TRICARE.mil website (http://www.tricare.mil/Pharmacy/Claims.aspx) lists the addresses for overseas pharmacy claims.

RECOMMENDATION: The Council appreciates ESI and DHA’s commitment to finding a way to support prescription fills for all retirees living in the overseas area. In the meantime, as a partial solution, the Council strongly supports action to allow overseas MTFs to enroll retirees as required to ensure medication availability.
2014 AF Retiree Council Issue

ISSUE: 2014-12

SUBJECT: DFAS (Area IV, VII)

BACKGROUND: myPay continues to be less than user friendly. Retirees are expected to renew their password as indicated below:

myPay passwords expire every 60 days.

Your password must:
- be 15 to 30 characters long
- contain at least two uppercase letters (A-Z)
- contain at least two lowercase letters (a-z)
- contain at least two numbers (0-9)
- contain at least two of the following special characters: # @ $ % ^ ! * + = _
- you must change at least four characters from your previous password

Your password cannot:
- contain spaces
- be one of your last ten previous passwords

If a password is entered incorrectly, it is quite possible that the password will be suspended and a new temporary password will be sent via email (it too will be tortuously lengthy and convoluted). The individual must change this password within ten days or access will be denied. If another error occurs and you require another password, you will be required to wait two days before being granted one. Further, requiring senior citizens to change the password every sixty days is hardly feasible.

Surely, if one can access their banking accounts, investment accounts, credit card accounts and virtually every other account with a simple, direct password procedure; access of DFAS and myPay should be just as easy.

We continue to encourage Retirees and Annuitants to establish MyPay login accounts. However, the new password requirements make it overly burdensome for most current retirees to manage. The feedback from retirees is that they will continue to come to the RAO for assistance or call DFAS. We understand the DOD’s emphasis on security. The combination of the convoluted password and the requirement to change the password every 60 days deters the individuals from buying in. We recommend the following alternatives. Maintain the 15 to 30 character standard. Require the individual to login at least once per month to keep the account active. Password expires 365 days from last change.
RECOMMENDATION: Table this action pending DFAS actions to change password requirements by June 2014. New requirements are far less burdensome on the customer yet provide proper security of customer information. DFAS shortened the password minimum length from 15 to 9 characters and extended the expiration period from 90 to 150 days.
ISSUE: 2014-13

SUBJECT: Maintaining Commissaries (Area I, XII)

BACKGROUND: The Defense Department has asked the Defense Commissary Agency (DeCA) for a plan to close all stateside base commissaries. DeCA relies on taxpayer subsidies of $1.4 billion a year to operate 247 worldwide commissaries. Closing some 180 stateside stores could free up between $800 million to $900 million annually, by some estimates. DeCA has been asked to conduct a study to reduce commissary costs up to 28 percent. The Joint Staff has suggested cuts of 33 to 64 percent. To achieve savings, consideration is being given to doubling the surcharge from 5 to 10 percent and/or increasing store prices by 2 to 3 percent. DeCA claims commissary patrons save more than 30 percent off supermarket prices with average savings for a family of four of almost $4,500 annually. Adding DeCA Director Joseph H. Jeu to the council agenda would be a valuable source in helping to prepare a recommendation to support retention of the commissary benefit.

RECOMMENDATION: Table the issue and review in 2015.
ISSUE: 2014-14

SUBJECT: Return the CAR Personnel to the Military Personnel Flight (Area X)

BACKGROUND: The Air Staff moved the Casualty Assistance Representative (CAR) from the MPF to the Airman & Family Readiness Center (A&FRC), HQ USAF Program Action Directive (PAD), 07-11, signed 15 Feb 2008.

DISCUSSION: There were no dollar savings in manpower in the movement of the CAR position to the A&FRC. The Casualty Services program has been the responsibility of the CBPO/ Military Personnel Flight for more than 50 years. The AF Casualty Services Program has set the standard for DOD by having dedicated casualty specialists, rather, than addition duty Casualty Action Officers or Survivor Assistance Officers.

While the highest visibility for casualty services relates to active duty deaths and injuries, the overwhelming majority of casualty situations relate to retirees. AFI 36-3002 describes the Military Personnel, Customer Support has the responsibility in “providing assistance to retired and separated members” and as “focal point for actions pertaining to personnel and their dependents – active duty and Retired”. Locating the CAR within Customer Service, which has total use of the DEERS system would provide better service to our active duty and retirees and their dependents.

Member survivors of retirees are unaware of base agencies available to assist when the retired sponsor dies; however, they are generally aware that they must report the death to the ID card/DEERS office. Co-locating the two offices ensure these family members promptly receive the assistance they require. A good example at Hurlburt Field was a recently remarried, then divorced, widow of a deceased active duty member visited the Customer Service for assistance in determining her eligibility for restored ID card privileges. Because the CAR could directly use the DEERS system and was located in the Customer Service, they were able to determine ID card entitlement, the widow was also able to qualify for $57,000 in restored survivor’s benefits, and continuing monthly annuity of $1,156. If the CAR was located in the A&FRC, they would have to take the widow back and forth between buildings to accomplish all survivor actions.

Whatever happened to one stop/central customer service, DEERS, SBP and other death benefit issues being in one location, like it has been for over 50 years? Put the CAR back in Military Personnel.

RECOMMENDATION: Table this issue and review again in 2015.
2014 AF Retiree Council Issue

ISSUE: 2014-15

SUBJECT: The use of space A military travel is not allowed for the surviving spouse after death of the military sponsor (Area XIV)

BACKGROUND: Military air transportation is not authorized for the surviving spouse after the military sponsor dies, unless she or he is also a retired military person. This reduction of a benefit prohibiting military air travel by the sole survivor is out dated. The current trend in our society is to treat the mate as a member of the Air Force Team, but when the sponsor dies they are tossed to the side.

RECOMMENDATION: Council tabled this issue and will develop support from other Services. The Army Retiree Council strongly supports this effort and documented it as an issue during their 2014 annual meeting.