



Reserve Officers Association of the United States

Statement for the

**Senate Armed Services Committee,
Subcommittee on Personnel**

**Hearing on
Fiscal Year 2017 Department of Defense Personnel Programs**

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“Serving Citizen Warriors through Advocacy and Education since 1922.”™

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The Reserve Officers Association of the United States (ROA) is a professional association of commissioned, non-commissioned and warrant officers of our nation's seven uniformed services. ROA was founded in 1922 by General of the Armies John "Black Jack" Pershing during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to national defense, with a goal to inform America regarding the dangers of unpreparedness. Under ROA's 1950 congressional charter, our purpose is to promote the development and execution of policies that will provide adequate national defense. We do so by developing and offering expertise on the use and resourcing of America's Reserve Components.

The association's members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on active duty to meet critical needs of the uniformed services. ROA's membership also includes commissioned officers from the United States Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security.

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The Reserve Officers Association is a member-supported organization. ROA has not received grants, contracts, or subcontracts from the federal government in the past three years. All other activities and services of the associations are accomplished free of any direct federal funding.

STATEMENT

ROA appreciates the opportunity to discuss proposed legislation for the National Defense Authorization Act of Fiscal Year 2017. This statement addresses the legislative priorities developed by ROA as a result of resolutions submitted by ROA state departments and by feedback from ROA members and Reserve Component service members.

HEALTHCARE REFORM

ROA urges Congress to provide an effective and dependable continuum of health care for Guard and Reserve members, Individual Ready Reserve (IRR) and technicians that enables them to stay in one health care program regardless of the type of order they may be performing.

During the present war nearly a million Guard and Reserve members have been mobilized, proving essential to the war effort. Unfortunately Guard and Reserve members encounter problems when they switch between their civilian and military medical plans. Additionally, the reliance of the nation on its Reserve Components will not diminish, regardless of whether they are in a participating or nonparticipating category such as the IRR.

The chart below shows that the Guard and Reserve have been used in increasingly higher amounts per year. While usage is dropping it will not go down to previous peacetime levels because continued active duty reductions require increased use of the Reserve Components.

Usage of the Reserve Components

Fiscal Year	Man-Days Per Year
1986-1989	1 million
1996-2001	13 million
2002	41.3 million
2005	68.3 million
2012	25.8 million

Data from the Office of the Assistant Secretary of Defense for Reserve Affairs (OASD/RA).

The Military Compensation and Retirement Modernization Commission made health care program recommendations to help Guard and Reserve overcome disruptions to health care for them and their families.

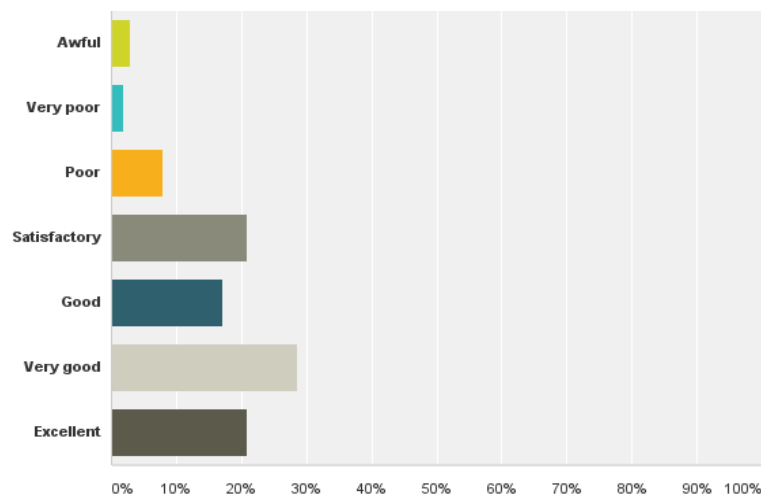
Currently Guard and Reserve members go in and out of their civilian and military health plans when they go on active duty orders. This disrupts medical treatments, with differing treatment strategies and prescriptions. Reservists also have difficulty maintaining continuity of care when

they change doctors or health care plans that provide different levels of support. Health care is further complicated because benefits are different depending on the type of active duty they are performing.

Another problem Guard and Reserve families encounter when switching between military and civilian programs is finding providers that accept TRICARE coverage. TRICARE's low reimbursement rate and claim filing requirements has resulted in fewer medical practitioners being part of TRICARE. This is a concern for *all military families*, including Active Component.

ROA recently partnered with the Enlisted Association of the National Guard of the United States (EANGUS) and National Guard Association of the United States (NGAUS) to survey Guard and Reserve members on TRICARE Reserve Select. For the most part service members were complimentary when asked about the quality of TRS.

Question: The quality of my healthcare through TRICARE Reserve is (Awful, Very poor, Poor, Satisfactory, Good, Very Good Excellent)?



For the last question in the survey we asked, *Please provide any additional comments you would like to make on the healthcare you receive through TRICARE.* Here are some of the results in their own words.

Negative Comments

“Over the last 2 years I have personally saw a dramatic decrease in customer service and coverage. This year alone my family of three has spent more than \$1500 out of pocket on medical and dental bills. I had hopes of communicating with Tricare to resolve the issues. Due to Tricare's refusal to pay medical bills for in network providers, and medical providers pursuing payment through collection agencies I was forced to pay out of pocket for fear of ruining personnel credit. It seems tricare has recognized that by making the process so cumbersome and overburdening the average insurance user will raise their hands in defeat and make payment themselves. It has not been a isolated

instance, my family has had the same problems almost every time we have seeking medical coverage. If my family has had this many issues in such a short period of time I can only assume this is a larger problem that needs to be addressed at a higher level.”

“I am very unsatisfied with the health care I receive through Tricare. Military doctors and hospitals do not concentrate on preventative health care. It's always a battle when trying to diagnose a condition. They simply don't want to spend the time and money on you. All they want is to send you back to work.”

“TRICARE is great when it works as advertised. But...when activated for drill or a long term TDY/TAD, TRICARE places the burden back on the user to get re-enrolled (once off of the activated military rolls), which isn't conveyed very well to the Reservist/Guardsmen. And, the last time TRICARE did their calculations on who would stay Prime and who wouldn't, a contractor for TRICARE, based out of California, tried to tell me my nearest MTF and PCM were within 30 miles and less than 15 minutes by roadway. Perhaps someone should actually perform a site visit to here in New York State and show me where that MTF and PCM is, considering all but one Active Duty MTF is left, way up in Watertown by Canada. And as far as PCM's go, if you live in farm country where we do, you have to travel anywhere from 20 to 50 miles on anything from gravel to dirt and narrow two lane roads just to hit a 'major' metropolitan area. I'm sure this isn't unique to just us... Thanks for hearing our concerns. Please don't allow Congress or the Senate to abandon us again on a promise made to us when we enlisted so many years ago...”

“As a dual status federal employee I am not allowed to use Tricare unless I go on a long deployment and suspend my FEHB coverage. This is very confusing for providers and makes it harder to meet deductibles, not to mention time consuming when switching back and forth. I would like EANGUS to work on allowing military members like myself to have Tricare year round regardless of our full time employment.”

“We have a special needs son. We recently had a problem getting access to a medical device which would have been approved under ECHO. It has not been approved at this time. Had this service, ECHO, been offered, we would gladly pay the extra premium to have access to more services and the more streamlined approval process ECHO seems to provide. Otherwise, we have been very happy with TRS for many years and forgone available employer healthcare programs for TRS.”

“Though the healthcare is available, it difficult to get the appointment. If I do get a referral I have to wait until I get the approval and then I have to get a hold of the doctors office. If I had made the appointment in the doctors office originally I would be able to be seen quicker. There needs to be a email that is sent with the referral numbers versus waiting for it to come in the mail. That is delaying the processes even longer.”

Positive Comments

“I believe TRICARE is the most important benefit that I receive from the military. I have served 30 years in the guard and would not have stayed in past 20 years if it were not for the excellent care and service that TRICARE provides. It could be one of the best retention tools the military can offer. Thank you for making it available to the guard!”

“The nearest MTF is over 200 miles away so being able to use both in-network and out of network providers, with or without referrals, and at my discretion, is highly beneficial. My only "complaint" about TRS is the increase in cost from Reserve to Retired (still better, I think, than private healthcare, however.) TRS has been a lifesaver when it comes to ensuring I have adequate medical coverage and the staff through the website or telephone have always been extremely helpful, making enrollment, services and questions always easy to access and get answers.”

“I don't think words can express how great the level of care, cost and treatment is with tricare reserve select. I know without it I would not be able to afford health care for my family and myself. I Am so thankful for Humana, tricare and the American people who make it possible.”

“My family has had excellent support through Tricare. My son was born at 1lb 6 oz and needed extensive medical care. After discharge from the hospital we had to see many specialists for him. Tricare representatives were always willing to help guide us through the insurance process and referrals were put through very quickly. With all we had to worry about at the time insurance was not one of them. I also know that in my unit the Tricare Reserve benefit is one of the driving forces in retention. This benefit is the most important benefit to my Soldiers.”

“What decision/policy makers do not fully understand is the value and weight given by military members or potential military members to join or remain in the military based on health and life insurance. For most members and potential members this has been a large factor in deciding to join or continue military service. Without the benefit there is a great possibility that I would have separated from service 20 years before. To me, money not out of pocket for coverage is money made and the secure feeling of knowing my family is covered matters much. There are jobs that pay much more than military with much less stress, danger and commitment. But for the lack of , quality health and life insurance benefits provided in the civilian arena, those jobs are not chosen over military service by members.”

“I am a single father of 4. The healthcare that my family and I receive through TRICARE is phenomenal. I had shoulder surgery in January and TRICARE handled everything. I've had other insurance before but never received the service like I have with TRICARE.”

BLENDING RETIREMENT – ROA PROPOSED CHANGES

ROA urges Congress to provide a 0.5 percent increase in the calculation for retirement when a Guard or Reserve member is prohibited from investing in their TSP retirement plan (receives “points only” credit for service that does not qualify for TSP matching contributions).

The recommendations of the MCRMC offer much of value to ensure the viability of the All-Volunteer Force. They also address both modernization of the military's personnel benefits system and fiscal sustainability. Although there are many positive aspects to the MCRMC recommendation adopted and improved upon by Congress, ROA analysis reveals potential negative effects on Reserve Component service members.

Because of the complexity of the recommendation that passed in Public Law 114-92, inevitably over time there will be tweaks to the law. ROA has identified the need for changes to statute in order to further ensure the intent of the blended retirement.

Points-Only Service

Certain categories of service members are allowed to perform points-only duty without pay which facilitates the readiness of Reservists. Under the new blended retirement Guard and Reserve members will not be able to contribute to the Thrift Savings Plan when they perform points-only duty. To keep their retirement from losing value, ROA supports the United States Army Warrant Officers Association's call to increase the current 2.0 percent to 2.5 percent when calculating periods of service performed for retirement points-only.

Types of "Points-Only" Service

• Continuing Medical Education	• Professional Military Education Seminars
• Teaching Activities	• Funeral Honors Duty
• Instructor Duty and Preparation	• Special Projects/Training
• Inactive Duty Training	• Active Duty Training and Support
• Annual Training	• Flight Training

BLENDED RETIREMENT – DOD PROPOSED CHANGES

The President's 2017 Budget included four changes to the blended retirement passed last year. For this discussion ROA is addressing DoD's proposal to start matching contributions later.

The Department of Defense proposals delivered to Congress on 9 February 2016 convey a positive approach, but once you start looking into the details things are not quite so rosy. Since the advent of annual pay military raises in the Kennedy administration, the raises from 2011 to the present are historically low.

DoD has proposed changes to the Blended Retirement System that include delaying the start of matching contributions to the fifth year of service instead of the second year of service. That shortens the period available to build up funds and achieve the full magic of compounded interest. In other words if you retire after 20 years of service, rather than have matching contributions for 18 years you would only have matching contributions for 15 years.

DoD says this would fund the matching contributions they are extending from year 27 to year 30 or more. Sounds good, right? *Wrong!* It means you will have 40 or so fewer years of (compounded) earnings on the matching contributions that would have occurred from years 3, 4, and 5. If they put the matching at the end of your career you have significantly reduced your TSP earning years and only the 17 percent of the force that retires gets those matching contributions which begin from the 27th year until you retire.

It's bad enough that DoD isn't fully disclosing the effects of the changes it wants in blended retirement – The administration's proposed walk-back of its commitments on the "blended retirement" agreement are a breach of faith. ROA was an early supporter of retirement reform, provided equity and reasonable expectations for net benefits to retirees. ROA still supports reforms as passed into law; we do not support the Administration's proposal, which amounts to an insulting bait-and-switch -- mere months after the President signed the NDAA into law.

In developing their position on blended retirement, DoD leaders and staff had plenty of time, expertise, and access to the Military Compensation and Retirement Modernization Commission. They have no excuse; there is no justification for a "Well, on second thought" moment by DoD or the Administration.

Here are some examples that explain the impact on your earnings between the current Blended Retirement and the DoD proposed changes.

Example Current Blended Retirement: Contributions would begin at the 3rd year of service but would stop at the 26th year for those individuals staying in for retirement.

100 PERCENT OF THE FORCE – Everyone who joins the service

	Enlistment Age	Ages for Matching Contributions	Years of Service for Matching Contributions	Age for Drawing TSP	Period of Time for TSP Earnings
Enlisted	18	21, 22, 23	3-5 YOS	70	49-47 years
Officer	22	25, 26, 27	3-5 YOS	70	45-48 years

Example DoD Proposed Changes to Blended Retirement: Contributions would be delayed until the 27th year of service and only those individuals staying in for retirement would see contributions extended after serving 26 years or more of service.

17 PERCENT OF THE FORCE – Everyone who stays to retirement

	Enlistment Age	Ages for Matching Contributions	Years of Service for Matching Contributions	Age for Drawing TSP	Period of Time for TSP Earnings
Enlisted	18	45-48	27-30 YOS	70	25-22 years
Officer	22	49-52	27-30 YOS	70	21-18 years

BOTTOM LINE: 83 percent of the force loses the opportunity to receive matching contributions and let their money increase over a 45-49 year time span.

The stock market does not go up every year. Periods will occur when the market is down, and a given investment portfolio loses value. However, experts tell us with regular investments, purchases in a “down market” will buy more stocks, increasing one’s portfolio. When the stock market rises, one has more stocks earning more profit.

SBP-IDT

ROA urges amending title 10 of the United States Code to eliminate the unequal treatment of Reserve Component members under the Survivor Benefit Plan (SBP) based solely on duty status; and resolve the same inequity with respect to payment of an SBP annuity to a dependent child or children when there is no eligible surviving spouse.

Survivor annuity payments are calculated differently for Guard and Reserve members from their Active Component counterparts depending on the Reserve Component member’s duty status at the time of death.

Families of RC members who die in the line of duty receive significantly less financial support if the military member died while performing duty in an inactive-duty training (IDT) status.

Guard, Reserve and Active Component members routinely serve side-by-side conducting the same operations while in different duty statuses. This distinction and resulting difference in survivor pay is unfair and fails to account for the conduct of similar operations performed by those who happen to be at that moment in different duty statuses.

As the RC has increasingly transformed into an operational force since 9/11, RC members are increasingly conducting training and operations while on inactive duty.

Under current law, the family of a Guard or Reserve servicemember killed in the line of duty will receive lower amounts of annuity payments depending solely on the bureaucratic mechanism of administrative duty status funding (active duty versus inactive duty training).

Monthly Survivor Benefit Plan
(Examples of current disparity in benefits)

Component	Duty Status	E-5 Monthly SBP	O-4 Monthly SBP
Active and Reserve	Active	\$1,155	\$2,908
Reserve	Inactive	\$154	\$969

ROA spoke to a family member who had loss their military spouse several years ago.

On August 20, 2007, two National Guard families learned of the devastating loss of their husbands who were flying an Apache helicopter near Lake Mountain in Cedar Valley, Utah. On that terrible day, Chief Warrant Officer James Linder and Chief Warrant Officer Clayton Barnes died while flying a training mission. Melinda Barnes was pregnant with her fourth child when she answered the door to find two military members there to break the news. Little did she know that this scene would play out again years later.

In 2012, officials appeared at Melinda's door "out of the blue" to explain they had made an accounting error and she and her four children had been overpaid Survivor Benefit Plan proceeds.

One can hear the pain in her voice as she relived the event, "I was really upset because they showed up at my house just like when they told me he died; these two people standing there giving me bad news, and they stopped paying the benefit." She was not required to pay back the debt of the overpayment and her annuity amount was significantly reduced.

In the Utah crash in 2007 and the more recent Florida crash in 2015, service members were on "Inactive Duty Training" status (IDT); they were therefore not eligible for the regular annuity rate. For Melinda and 95 other families who were overpaid, the government reduced most of their payment.

"I felt like they were taking it away from my kids," Melinda said. More than the loss of benefit was what it said about her husband's death. *"It felt like his death wasn't good enough. Why is my child's loss not as important as someone else's under the same circumstance,"* Melinda asked.

"They [the military] said they were going to help us and our loss was significant, but actually we had not made the cut" for the same amount of survivor benefits after the crash, she explained.

Mrs. Barnes started writing letters for her and other families because she felt it was wrong, "He died doing what he was supposed to be doing; training in an Apache helicopter."

Despite the fact that he had deployed and served in the war, Melinda Barnes said, "It felt like they turned their back on us."

CONCLUSION

The Reserve Components bring essential capabilities to the total force. America's Reserves are not the nation's free defense lunch. Adequately resourced, as they have since the Guard's advent in the 17th century, Citizen-Soldiers provide our nation a unique and affordable augmentation of its military capability. We appreciate the opportunity to submit this statement and to serve those who served us so well.