ENLISTED ASSOCIATION OF THE NATIONAL GUARD OF THE UNITED STATES (EANGUS)

STATEMENT FOR THE RECORD

HOUSE ARMED SERVICES COMMITTEE

MILITARY PERSONNEL SUBCOMMITTEE

on

Stakeholder Perspectives on Military Health Care

December 3, 2015

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OPENING STATEMENT

Chairman Heck and Ranking Member Davis, esteemed members of the committee, thank you for allowing the Enlisted Association of the National Guard of the United States (EANGUS) to testify on the critical issue of health care. Our membership represents over 414,000 enlisted men and women of the Army and Air National Guard, their families and survivors, and tens of thousands of National Guard retirees. Each and every one of them is affected by health care when the Guard mobilizes in support of our country or when they fulfill their strategic mission. We welcome this opportunity to submit testimony for the record regarding military health care.

Our members appreciate the countless hours you and the professional staff have devoted to ensure that our servicemembers receive the best care. Under committee leadership and, the National Defense Authorization Act created the Military Compensation and Retirement Modernization Commission. The commissioners made recommendations to Congress on how to improve health care access that would eliminate problems currently encountered by Guard and Reserve members and their families.

EANGUS encourages the committee to consider the commission's final recommendations as they explore health care reform.

From the Guard's perspective, it is difficult to discuss health care without addressing the complexity of our duty statuses. The military's complex personnel system directly affects Guard pay, health care, and even burial rights based on what duty status orders are published under.

The focus of today's discussion does not include National Guard duty status reform, but I suggest that the type of health care coverage members receive should be separated from whether or not they are on active or inactive duty military orders. Servicemembers and their families should have one health care program regardless of duty status. Separating the two would fix the continuity of care issue creating problems for members of the Guard and their families.

As you consider changes next year, please keep in mind that access is a problem because most members of the National Guard do not live on, or near large military installations. As a result, many of our members drive, hundreds of miles to appointments only to be referred to a specialist, who may or may not be available under TRICARE. Additionally, their frustration is compounded because appointments may not be scheduled in what you or I would consider a reasonable timeframe.

EANGUS, in conjunction with the Reserve Officers Association (ROA) and the National Guard Association of the United States (NGAUS) circulated a health care satisfaction survey to our members. The results of the survey are enclosed with my written testimony. After reviewing the survey results, I am not prepared to say that TRICARE is irretrievably broken.

I want to recognize ROA and NGAUS for their input in today's testimony. Together, our memberships make up the entirety of the Reserve Component – officers and enlisted.

Thank you again for hosting this hearing. As the discussion continues today and next year, EANGUS looks forward to working closely with your staff on military health care reform.

MR. SCOTT BOUSUM, LEGISLATIVE DIRECTOR

Scott Bousum is the Legislative Director at the Enlisted Association of the National Guard of the United States (EANGUS). As the Legislative Director, Scott works with the enlisted state associations to advocate on behalf of Guardsmen on Capitol Hill, specifically on issues related to compensation, health care, retirement, and National Guard weapons and equipment programs. Before joining EANGUS, Scott was the Director of National Security Policy and Procurement Policy at TechAmerica, a technology industry association. While at TechAmerica, he focused on supply chain security, regulatory affairs, and the federal acquisition process. Prior to joining TechAmerica, Scott worked on the House Armed Services Committee from 2009 to 2013, supporting the Tactical Air and Land Forces Subcommittee. Scott is from Oklahoma and worked for former U.S. Senator Tom Coburn of Oklahoma. He is a graduate of the University of Tulsa and received his Masters' degree in National Security Strategic Studies from the United States Naval War College.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Enlisted Association of the National Guard of the United States (EANGUS) does not currently receive, nor has the association ever received, any federal money for grants or contracts. All of the association's activities and services are accomplished completely free of any federal funding.

STAKEHOLDER PERSPECTIVES ON MILITARY HEALTH CARE HEARING

Overview

According to the Department of Defense (DOD) 2014 Demographics report, there are 831,992 Selected Reserve personnel and of that 42.6% are Army National Guard (ARNG) and 12.8% are Air National Guard (ANG). The remaining personnel are in the five reserve components, to include the Coast Guard Reserve.

Of the eight TRICARE plans, there are four TRICARE plans in which the majority of members of the National Guard participate: TRICARE Prime; TRICARE Reserve Select (TRS); TRICARE Retired Reserve (TRR); and TRICARE for Life (TFL).

TRICARE Prime is for Reservists on active duty status: mobilized, Active Guard and Reserve (AGR), Active Duty Operational Support (ADOS), Full Time National Guard Duty (FTNGD), or active duty for training over 30 days, but not annual training. Active duty members do not pay premiums or fees for TRICARE Prime. Active duty retirees and all retirees age 60-64 who are not Medicare eligible may also enroll in TRICARE Prime, but must pay an annual fee. The fee, adjusted each fiscal year, is $282.60 per year for a servicemember per year and $565.20 per year for a servicemember and his or her family. The annual fee is not tied to the actual cost of the plan, it is a fee computed by the Defense Health Agency (DHA). Fees have increased 17.3% since 2011. Overall, there are 4,931,544 people enrolled and of that total, there are 1,562,658 enrolled who are retirees or family members under age 65.

TRICARE Reserve Select is similar to TRICARE Standard. It is for Reservists not eligible to enroll in Federal Employee Health Benefit Plan (FEHBP). DHA estimates that 112,188 Reservists are using FEHBP. TRS requires a monthly premium payment, adjusted annually, equal to 28% of the cost of the plan as determined by DHA. For servicemembers only, the cost is $50.75 per month. For servicemembers and family members it is $205.62 per month for calendar year 2015. For calendar year 2016, the rates are $47.90 per month for servicemembers only and $210.83 per month for a servicemember and his or her family. According to DHA, there are 119,775 TRS plans covering 326,710 people, equating to a 25.6% take rate of those eligible.

TRICARE Retired Reserve is also similar to TRICARE Standard and is for retired Reservists under age 60 who want to remain on TRICARE. The retiree must pay 100% of the cost of the plan as determined by DHA, adjusted annually on the calendar year. Current costs are $390.89 per month for a Servicemember and $961.35 per month for a servicemember and his or her family. For calendar year 2016, the costs will be $388.79 per month for a servicemember and $957.44 per month for a servicemember and his or her family. According to DHA, there are 1,860 TRR plans and 5,100 covered individuals. There are no annual fees associated with TRR.

TRICARE for Life is for retired military members and spouses who are Medicare eligible. TFL works as a Medicare supplement, a second payer to Medicare, for the most part paying what Medicare does not. There is no cost to the retiree for this plan. TFL requires the payment of

Medicare Part B premiums. There are 2,086,353 people enrolled in TFL. EANGUS does not recommend that Congress make changes to TFL.

Issue Areas

Continuity of Care: Congress should not address military health care reform without first reviewing a very complex personnel system and the 30 different types of Reserve Component duty statues. Members of the National Guard and their families are adversely affected by a multitude of duty statuses that are unfortunately tied to health care programs and other benefits. The fourth recommendation in the Military Compensation and Retirement Modernization Commission (MCRMC) final report suggested Congress consolidate 30 Reserve Component duty statuses into six broader statuses sighting disruptions in pay and benefits during transition periods and gaps in coverage during breaks in orders.

Recommendation: Congress should consider separating health care and duty statuses. Every servicemember, regardless of component, should have access to a health care that provides coverage for the servicemember and their families at all times, without having to change primary care or specialty care providers when duty statuses change. This recommendation is not a direct endorsement of MCRMC Recommendation 6 regarding duty status consolidation, it is a recommendation that Reserve Component health care options be removed entirely from a convoluted personnel system.

Use of Assured Access Authority: 10 U.S.C. 12304b: Other than during times of war or national emergency for preplanned missions, up to 60,000 members of the Reserve Component can be involuntarily activated by service secretaries in support of a combatant command for no more than 365 days. EANGUS has advocated for the continued use of 12304b to deploy members of the National Guard to respond to for missions like the 2014 Ebola response in Africa. However, 12304b provides health care coverage for families only during the time the servicemember is deployed. All other activation authorities provide access to TRICARE Prime health care before and after deployment. Not allowing for TRICARE Prime access before and after deployment leave families scrambling to find a health care provider while the servicemember is away. Not only are family members left without help from the military member to navigate the bureaucratic DOD personnel system, the forward deployed servicemember is distracted from their duties because they are worried about their family at home, and military readiness suffers.

Recommendation: Reserve Component servicemembers called to duty under 12304b should be eligible for TRICARE Prime for themselves and their families before and after deployment.

Limited Access to Care: Members of the National Guard who do not leave on or near a major military installation have poor access to care.

Recommendation: The contract requirement for a pre-authorization (i.e. referral) to use urgent care clinics should be eliminated. Unlike hospital emergency rooms, urgent care clinics have faster response times and less cost. In rural areas that don't have urgent care clinics, a simpler process is needed to eliminate the need for Reservists to pay upfront costs of emergency room

visits and have to seek reimbursement from TRICARE. TRICARE should effect payment directly to the hospital before exacting co-payments from the member.

Direct Employer Premium Payment: Members of the National Guard who choose to opt out of employer based health care plans are often reimbursed for their TRICARE payments. Currently, monthly TRICARE payments must be made by the servicemember via allotment, an electronic funds transfer (i.e. debit or credit card), or paid directly online. Sometimes small and medium size businesses will allow the employee to charge a corporate card, but larger business do not have streamlined processes in place. Allowing direct employer payment would increase efficiency and incentive the hiring and retention of Reservists.

Recommendation: Congress should authorize the payment of TRS premiums from employers.

Infrastructure: Should the committee consider MCRMC recommendation number 5 regarding DOD construct a medical infrastructure similar to FEHBP, we would recommend collapsing DHA and providing DOD manpower to the Office of Personnel Management (OPM) and allow OPM to subsume the DOD population into the FEHBP system. OPM is very effective in managing FEHBP with much smaller overhead. Of course, readiness and research may remain with DOD control, and Military Treatment Facilities may become authorized providers under the revised system.

Fees: Should the committee consider MCRMC Recommendation 6 regarding TRICARE Prime fee increases for working age retirees, our association believes that the ramp recommended by MCRMC is achievable by the majority of our retirees who pay that fee (on the annual fee of $565.20, 1% would be $5.65 per year, less than the cost of one cup of coffee and scone at Starbucks). However, the fee increase should not just be a cash cow and only come after a proper audit of DHA finances and should not be a substitute for proper oversight and internal controls of the program. EANGUS members have stated that affordability is a retention factor, therefore the 25% cost share per MCRMC Recommendation 6 would help to offset pharmacy and co-pay increases.

Infrastructure Oversight: EANGUS members are aware of oversight and program management shortfalls. One example is DHA mishandling of compounding prescription drugs. In 2014, DHA spent roughly $5 million on compounding prescription drugs. In the first four months of 2015, DHA spent nearly $1 billion on compounding prescription drugs and then requested a reprogramming from the Congressional Defense Committees.

Recommendation: Before increasing pharmacy co-pays, DOD must prove it can fix oversight shortfalls so it does not take multiple months to recognize cost overruns.

Enclosure

TRICARE Reserve: Access and Quality of Health Care Survey Results

TRICARE Reserve: Access and Quality of Healthcare Survey

Military Service Organizations Participating:

- Reserve Officers Association (ROA)
- National Guard Association of the United States (NGAUS)
- Enlisted Association of the National Guard of the United States (EANGUS)

145

Total Responses from Association Members

Date Created: Wednesday, August 26, 2015

Powered by SurveyMonkey

Q1: Are military treatment facilities relatively accessible to you?

Answered: 143 Skipped: 2

Answer Choices	Responses	
Yes	**35.66%**	51
No	**64.34%**	92
Total		**143**

Q2: Do you have access to qualified specialists (pediatrics, oncologists, pulmonary, etc.) through TRICARE Reserve to meet your medical needs?

Answered: 141 Skipped: 4

Answer Choices	Responses	
All of the time	42.55%	60
Some of the time	29.79%	42
Very little of the time	4.96%	7
None of the time	4.26%	6
N/A	18.44%	26
Total		**141**

Q3: Does TRICARE Reserve provide healthcare in a quick and timely manner?

Answered: 133 Skipped: 12

Answer Choices	Responses	
All of the time	**46.62%**	62
Some of the time	**37.59%**	50
Very little of the time	**6.77%**	9
None of the time	**9.02%**	12
Total		**133**

Q4: When I want to use them, TRICARE Reserve provides a good selection of network providers to meet my medical needs.

Answered: 135   Skipped: 10

Answer Choices	Responses	
Strongly Disagree	**8.89%**	12
Disagree	**11.85%**	16
Neutral	**22.22%**	30
Agree	**38.52%**	52
Strongly Agree	**18.52%**	25
Total		**135**

Q5: The quality of my healthcare through TRICARE Reserve is:

Answered: 131 Skipped: 14

Answer Choices	Responses	
Awful	**1.53%**	2
Very poor	**3.05%**	4
Poor	**6.11%**	8
Satisfactory	**21.37%**	28
Good	**14.50%**	19
Very good	**29.01%**	38
Excellent	**24.43%**	32
Total		**131**

Q6: Do you agree or disagree with this statement: Military treatment facilities do not provide healthcare as efficiently and effectively when they know I am reservist.

Answered: 133 Skipped: 12

Answer Choices	Responses	
Strongly Disagree	**8.27%**	11
Disagree	**14.29%**	19
Neutral	**48.12%**	64
Agree	**19.55%**	26
Strongly Agree	**9.77%**	13
Total		**133**

Q7: Are medical costs more affordable on TRICARE or through a private medical provider?

Answered: 131 Skipped: 14

Answer Choices	Responses	
TRICARE costs are more affordable	**77.86%**	102
Private medical provider costs are more affordable	**7.63%**	10
They are about the same	**14.50%**	19
Total		**131**

Q8: Do you believe seeking and/or receiving treatment for mental health issues has affected your career advancement?

Answered: 135 Skipped: 10

Answer Choices	Responses	
Yes, it has affected my career advancement a lot.	**5.93%**	8
Yes, it has affected my career advancement, but only a little bit.	**4.44%**	6
No, it has not affected my career advancement.	**18.52%**	25
N/A	**71.11%**	96
Total		**135**

Q9: How would you rate access to mental health services through TRICARE Reserve?

Answered: 136   Skipped: 9

Answer Choices	Responses	
Excellent	**4.41%**	6
Very good	**4.41%**	6
Good	**8.82%**	12
Satisfactory	**7.35%**	10
Poor	**2.94%**	4
Very poor	**2.94%**	4
Awful	**0.74%**	1
N/A	**68.38%**	93
Total		**136**