



Jayhawk Chapter MOAA Newsletter



This newsletter is published bimonthly by the Jayhawk Chapter of Kansas, Military Officers Association of America, as a service to all members. The Jayhawk emblem is used with the permission of the registered trademark owner, the University of Kansas.

March Program:

Our guest speaker will be Dr. Mark Allen, Phog Allen's grandson. Mark will be discussing his grandfather and KU basketball.

★★★★★ CHAPTER
awarded for
2002 / 2003 / 2005 / 2008
2009 / 2010 / 2011 / 2012 / 2013

★★★★★ CHAPTER
awarded for
2004 / 2006 / 2007

President's Comments. . .

I first want to offer a sincere Thank You to Admiral Phillips for his leadership and hard work for our Jayhawk Chapter in 2014. I also want to extend my thanks and appreciation to all the 2014 Board Members for their work over the year, with an additional thank you to E. Dean Bevan (Past President) and Gerald E. Rutledge (Board Member) whose terms on the Board have now completed. One last thank you, and welcome, goes to our new Board Members George W. Pogge (2nd Vice President) and Jeff Mitchell (Board Member).



When assuming in January the position of President I indicated that Sequestration and Recruiting would be two (2) items of focus for our Chapter. Sequestration issues for 2016 must start being addressed in 2015 so that across the board cuts (blind cuts to everything) are avoided. If these issues are not resolved in the FY 2016 Defense Bill, then on October 1, 2015 across-the-board sequestration cuts return and the defense budget could be slashed by approximately \$50 billion (ref. MOAA eNewsletter of January 9, 2015). What can we do to address these issues that can affect all who have served, are currently serving or will be serving in the future to minimize the impact on their individual situation, and still maintain a strong military to continue its mission of providing for the common defense? I would suggest that one action we all can take is to sign and send the suggested four (4) letters provided in the February 2015 Military Officer magazine, and provide the second set of these letters to a spouse to sign and send. Recruiting will start being addressed by the Board at our March Board Meeting, with the focus being to continue with the efforts that have proven successful in the past, and identifying potential actions that can grow our membership.

Locally we will strive to provide you relevant and timely MOAA information, several evenings with friends, food and interesting guest speakers, and opportunities to participate within our community in individual and group public service programs.

I look forward to seeing you at our Dinner Meeting on Tuesday, March 17th.

Mike

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1 March 2015

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* Reservations should be sent
to Jim Cooper by
11 March



JAYHAWK CHAPTER NEWS

REMINDER: Chapter Dues (\$20.00) were due in January.

Please send your check to CAPT (Ret) Jim Cooper, 1115 Stone Meadows Drive, Lawrence, KS 66049-3961

DIRECTORY NOTE: Anyone who does not have a picture in the Directory (or who would like to have a different picture), please see John Halladay at the March meeting (or you may send us a picture by e-mail – jwhalladay@sunflower.com)

THIS IS THE LAST CALL – DIRECTORY COMES OUT AT MAY MEETING

* * * * *

Dean and Judy Bevan spent a pleasant February week in the relative warmth of the Gulf Coast, at Fort Morgan, Alabama (not a working fort, but the location of a former coastal artillery battery). They joined the locals in attending Mardi Gras parades, complete with plastic beads and Moon Pies.

From John Halladay: Talked to Erv Hodges on 24 February and he is home after major surgery and in the process of healing, which will take some time! Keep him in your prayers.



Army News *MAJ Davis McElwain, USA*

Greetings Jayhawk Chapter!

At the end of Fall 2014 Semester, the Jayhawk Detachment commissioned four 2nd Lieutenants. (Pictured left to right) 2LT Joseph Koskey received his Reserve commission into the Medical Service Support Branch. 2LT Matthew Millen received his Active Duty commission into the Field Artillery Branch. 2LT Nathan Coleman received his National Guard commission into the Kansas Army National Guard as a Transportation Officer. 2LT Leota Rogers received her National Guard commission into the Kansas Army National Guard as a Quartermaster Officer. Congratulations to them and we wish them success.



The Jayhawk Detachment also welcomed 20 new cadets to the program at the Spring 2015 New Cadet Orientation. New cadets spent the first part of the day learning about the program,

filling out administrative paperwork, and seeing the doctor to ensure they were medically cleared to participate in the program. For the remainder of the day, new cadets and their mentors participated in a team building event in order to strengthen unit cohesion.

This semester, the Jayhawk Detachment made University history. For the first time ever, the ROTC programs at the University of Kansas will have standing representation in the KU Student Senate. Cadets Farlow, McKnight, and Wolfe proposed a bill to establish a Student Senate seat for the KU ROTC program and it was successfully passed February 11, 2015. The bill will immediately establish senate representation for current ROTC cadets with full voting rights. The bill was presented in two committees and Full Senate, receiving over ten sponsors and overwhelming support upon passage. This action should lay the groundwork for better representation of KU's cadets from all branches in the future.



The Best Ranger Buddy Competition is a premier Army ROTC event hosted by the Jayhawk Battalion at the University of Kansas with support from the 3rd BDE Army ROTC.

The Best Ranger Buddy Competition will take place on April 18, 2015 in Lawrence, Kansas.

This year's event is the 21st Annual Competition, which has progressively grown in size each year into the national event it is for this year. Over the last two years, two person teams from the following states have registered for the event: Alabama, Texas, Oklahoma, Arkansas, Colorado, Nevada, New Hampshire, Kansas, Nebraska, South Dakota, Iowa, Illinois, Missouri, Minnesota, Wisconsin, Michigan and North Dakota

This is an elite event for top-notch cadets to compete in and a way to encourage excellence and focus on those skills that will best prepare them for a career as a 2nd Lieutenant. Additionally this is an excellent Spring event to keep the Ranger Challenge Team technically proficient and continue their high level of training. The one day event begins with a grueling 15K Ruck March in the morning (which is the qualifying

event) and continues with five lanes focusing on technical and tactical skills while challenging cadets' problem-solving skills and mental agility under pressure. The event ends with a 2-3 mile Buddy Run that will test their commitment and perseverance. If you would like more information about the event or would like a sponsorship packet, please contact MSG Eric Bunuan at 785-864-3311.

WE BUILD LEADERS!



Check out our website at www.armyrotc.ku.edu for more details on these events, and take a look here <http://armyrotc.ku.edu/2015-ranger-buddy-competition>.

Additionally, find us on Facebook <http://www.facebook.com/KUArmyROTC> and follow us on Twitter: <http://twitter.com/KUArmyROTC>

ALL IN!

JAYHAWKS LEAD THE WAY!

MAJ Davis McElwain



Navy News

CAPT David Schweizer, USN



Greetings from the Jayhawk Navy!

The Midshipmen returned from a relaxing winter break ready to start the Spring 2015 semester work hard. The Battalion implemented new, and more challenging,



academic and physical training programs to better prepare our Midshipmen for commission. With the implementation of two

hand-picked, fitness leaders, the battalion will continue to excel physically, while academically our tutoring and study hall programs have been beefed up to help maintain our sterling academic standards. The Midshipmen are also preparing for an April drill meet in Nebraska where they expect to do very well!

Midshipmen recently established ROTC presence on the Student Senate for the first time in KU history. This representative can be any Cadet or Midshipmen from the ROTC currently attending the University of Kansas.

This gives our students a voice on the senate and the opportunity to push the concerns of the ROTC units forward. The University of Kansas Student Senate works to strengthen the ties between the student body and the greater KU community through its role as the student voice within University Governance.

The Battalion will be losing two members of its active duty leadership on March 6th: Captain David Schweizer, the NROTC Commanding Officer and Professor of Naval Science will be retiring after 30 years of service. He will be temporarily relieved by CDR Chris Higginbotham, the current Executive Officer. LT Joel Wheatley, Naval Surface Warfare Instructor and freshmen / sophomore advisor will be retiring as well with 20 years of service, and he will be relieved by LT Matthew Ziomkowski.

LT Ziomkowski arrived this February to assume the role of Surface Warfare Officer. He hails from Grand Rapids, MI where he attended Western Michigan

Universities College of Aviation, and graduated with a BS in Aviation Flight Science. He attended Officer Candidate School in Newport, RI, and received a commission in February 2010. Lieutenant Ziomkowski served as Electrical Officer onboard USS SAMUEL B. ROBERTS (FFG 58) followed by his selection to the Personnel Exchange Program (PEP). He was assigned to HMS DIAMOND (D34) out of Portsmouth, England in 2013 where he represented the U.S. Navy and served as an Officer of the Watch. Having deployed with a

foreign Navy, LT Ziomkowski provides a wealth of knowledge on organizational and cultural differences between our Navies.

It has been my absolute pleasure to lead the Jayhawk Battalion since 2012, and I would like to thank MOAA for its continued support to our Battalion! Fair Winds, Following Seas, and Rock Chalk!

CAPT David Schweizer



Air Force News

LtCol Brian Salmans, USAF

Hello from Det 280, the Flying Jayhawk Wing,

It is an exciting time to be a member of the USAF and AFROTC Detachment 280!

Detachment update:

This spring we will be working with Kansas State University's Air Force ROTC detachment on a field leadership exercise (FLX). Working with Det 270 allows for a larger event and an opportunity to train with and meet other cadets. The FLX is designed to give the cadets a first-hand experience and opportunity to experience first-hand what Air Force operations are like in an austere, expeditionary environment. They will also learn how to move and communicate in the battlefield with a land navigation course.



Offutt AFB in Omaha, Nebraska is our destination for our spring base visit. While some of our cadets have grown up in the military others have never set foot on a military installation. This is a great opportunity to see what a base is, what life on a base is like, and to learn a little about the career fields and missions at Offutt.

Career day is a highlight of our spring semester. We will have 25 officers and senior noncommissioned officers from a variety of career fields providing presentations and answering questions about their particular experiences on active duty. This is very helpful for providing exposure to Air Force missions and the support needed to make the missions a success.

One of our juniors, Cadet Sebastian Thomas, was just awarded a pilot slot. Once he commissions he will be on his way to an undergraduate pilot training (UPT) location.

Another good news story is that one of our outstanding freshman, Cadet Connor Sipe, was just awarded a 3.5 year in-college. He is a business major and will be studying abroad in Germany this summer. He was also part of the color guard at the MOAA meeting in January.

Our active duty staff is growing! SSgt Anna Romero just arrived from Fairchild AFB in Spokane, WA. She is already proving invaluable in assisting with the administration and tracking of our 60+ dets.

I just arrived from Los Angeles Air Force Base. My wife and I are both Kansas natives and are thrilled to be here and closer to family for this assignment. I am responsible for recruiting and for teaching the introductory Air Force course to the freshman.

MOAA Jayhawk Chapter, thank you again for your support. Detachment 280 is looking forward to another great semester educating and training our Air Force's future officers.

Very Respectfully,

Capt Dave Rogers

**Assistant Professor of Aerospace Studies
Air Force ROTC Det 280 University of Kansas**

MOAA LEGISLATIVE UPDATES

**This is a summary of the many items MOAA produces each week on legislative activities.
Those who have e-mail receive the full Legislative Updates each week.**

MOAA Legislative Update, 09 January 2015:

DOD Announces European Consolidation

The Pentagon announced plans to consolidate military facilities in Europe. It plans to return 15 installations to European nations, a move that could save DoD more than \$500 million per year. The plan is a result of the European Infrastructure Consolidation process intended to find long-term efficiency and effectiveness with the basing of U.S. personnel.

2014 Legislative Accomplishments

Active / Reserve Force Issues

- Repealed COLA reductions established by 2013 Bipartisan Budget Act for retirees and survivors
- Prevented a proposed \$1 billion reduction in federal subsidy to Defense Commissary Agency
- Lowered proposed reduction of Basic Allowance for Housing for service members
- Extended retirement COLA protection to service members entering service through January 1, 2016
- Won "roll over" Guard and Reserve retirement credit over two fiscal years

Health Care Issues

- Blocked the consolidation of TRICARE health plans into a single plan providing less choice
- Prevented a 24% cut in Medicare and TRICARE payments to doctors
- Lessened TRICARE pharmacy copay increase
- Blocked the means testing TRICARE Prime and TRICARE for Life fees enrollment fees
- Avoided implementation of strict caps on Medicare payments for physical and speech therapy
- Secured passage of the Veterans Access, Choice and Accountability Act to reduce vet waiting times
- Convinced the VA to expand primary care via nationwide Community Care (PC3) contracts
- Expanded counseling services for victims of military sexual trauma
- Protected US Family Health Plan (USFHP) from elimination or consolidation

Military Family / Veterans / Other Issues

- Secured 50th state (NY) ratification of Interstate Compact on Education for Military Children
- Pushed for upgrades to VA claims processing resulting in a 39% drop in the backlog
- Secured in-state tuition rates for vets and authorized Post-9/11 GI Bill benefits to surviving spouses
- Won \$30 billion in supplemental aid to school districts serving large military communities
- Authorized SBP annuities to be paid to Special Needs Trusts for permanently disabled children
- Secured VA advanced appropriations to protect disability, pension, survivor, and GI Bill programs

2015 Legislative Goals

Active/Reserve Force/Family Issues

- Ensure active duty, Guard and Reserve force sizes meet mission requirements
- Sustain military pay comparability with private sector pay as required by law
- Protect currently serving and retiree benefits from severe, arbitrary sequestration cuts
- Credit all Post-9/11 active duty service toward Guard and Reserve early retirement
- Create new incentives for employers to hire and retain drilling Guard and Reserve members
- Restore tax deductions for reservists' out-of-pocket expenses for travel of 50 miles or more
- Create new incentives for employers/government/contractors to hire military spouses
- Protect funding for commissaries, exchanges, dependent schools and family support programs
- Ensure service sexual assault and suicide prevention measures provide positive outcomes
- Improve professional licensure transferability for service members and spouses
- Require better education on the financial disadvantages of the REDUX retirement option

Health Care Issues

- Avert a 24% Medicare/TRICARE payment cut and fix the statutory formula to improve care access
- Oppose means testing of TRICARE Prime and TRICARE for Life enrollment fees
- Block the consolidation of TRICARE health plans into a single plan providing less choice
- Improve seamless transition and protect Defense and VA health budgets/programs and benefits
- Authorize the option to retain operational reservists' civilian family health insurance upon call-up
- Increase orthodontia payment cap under active duty plan
- Authorize TRICARE coverage for Applied Behavioral Analysis for active and retired members

Retirement/Survivor Issues

- Evaluate Military Compensation & Retirement Modernization Commission recommendations; February 2015
- Oppose military benefit changes that are inconsistent with service career sacrifices
- Preserve full-inflation cost of living adjustments (COLAs)
- End the deduction of VA disability compensation from military retired pay
- End deduction of VA Dependency & Indemnification Compensation from Survivor Benefit Plan annuities
- Implement a more equitable military disability retirement system

- Restore VA Dependency & Indemnification Compensation for spouses who remarry after age 55
- Reform the Survivor Benefit Plan (SBP) calculation for reservists who die performing Inactive Duty Training
- Authorize survivors to retain a deceased retiree's full final month retired pay
- Reform the Uniform Services Former Spouse Protection Act (USFSPA)

Veterans / Other Issues

- Eliminate VA claims backlog and improve quality, efficiency and transparency of claims processing
- Improve VA healthcare services and access for women veterans
- Extend caregiver services and support to qualifying disabled veterans of all conflicts
- Authorize pre-tax payment of health, dental, and long-term health care premiums
- Prevent disproportional Social Security and Medicare penalties for any population segment

MOAA Legislative Update, 16 January 2015:

New SecDef, New Congress, Old Problems

January 13, 2015

By Col. Mike Hayden, USAF (Ret)

The 114th Congress is now in office, and secretary of defense nominee Ashton Carter awaits confirmation. Many observers in the press are speculating what this turnover in congressional and Pentagon leadership means for the military community.

You can color me interested, too.

Carter is known within Pentagon circles as a reformer on acquisition costs, while incoming Armed Services Committee Chairs Sen. John McCain (R-Ariz.) and Rep. Mac Thornberry (R-Texas) also have signaled plans to tackle acquisition reform.

But acquisition will not be the only item these three will face.

COLA Crash

The December Consumer Price Index of 229.909 declined 0.7 percent for the second consecutive month and 1.8 percent from the FY 2014 COLA baseline.

The Consumer Price Index for January 2015 is scheduled to be released on February 26, 2015.

1. Note: Military retirees' COLA is calculated based on the CPI for Urban Wage Earners and Clerical Works (CPI-W), not the overall CPI. Monthly changes in the index may differ from national figures reported elsewhere.

Bills of Interest

Several important concurrent receipt and veterans' bills have been introduced in the 114th Congress. Click on the bill numbers below to send your legislators a MOAA-suggested message in support.

MOAA Legislative Update, 23 January 2015:

House Chairman Outlines Priorities

This week new House Armed Services Committee Chairman, Rep. Mac Thornberry (R-Texas), called for sequestration relief as one of his major priorities for the year, and warned Pentagon planners against proposing disproportionate cuts to military pay and benefits.

"The problem with sequestration is not primarily about numbers and statistics," said Thornberry. "It is about whether we have the capability to do what the nation needs and the times demand. It is also very much about the increased danger that comes from diminished training, aging equipment, and a tempo of operations that stretches our people and their families too far. It has to be fixed... That fix has got to pass the House of Representatives, it's got to pass the Senate, and it's got to be signed into law by the president."

The Budget Control Act (BCA) of 2011 established automatic across-the-board budget cuts known as sequestration and continues to place America's national defense capabilities at great risk.

During the 2011 deficit reduction negotiations, the administration agreed to reduce the Pentagon's budget by \$487 billion over a ten year period. The later enactment of sequestration added \$500 billion more in defense cuts.

The Bipartisan Budget Act of 2013 mitigated the spending cuts only in FY 2014 and 2015. Sequestration returns in full force in FYs 2016-2021 unless current law is changed. DoD will have to cut an additional \$54 billion in FY 2016 and a total of \$269 billion over the following five fiscal years.

The next two weeks promise to be a critical time for the military community. The Military Compensation and Retirement Modernization Commission (MCRMC) will release proposals to reform military compensation and health care in late January. The administration will roll out its FY 2016 budget proposal on 2 February.

Thornberry warned Pentagon planners against "nickel and diming [military] people to death" with proposals to cut military pay and benefits.

The Chairman expressed hope the MCRMC review could provide a forum for thoughtful discussion on the future of military compensation, as opposed to the yearly back-and-forth battles between Congress and the administration.

Thornberry's comments indicate he may oppose burdening servicemembers, retirees, and families with a disproportionate share of budget cuts, but the ensuing debate will be the true litmus test.

President Silent on Sequestration

President Obama did not directly address sequestration in his January 20 State of the Union address, but his February 2 budget proposal is expected to include a fix.

The administration's FY 2016 budget proposal will be unveiled in less than two weeks.

What's unclear is how the President might pay for budget relief. It could be through a combination of alternative spending cuts, closing corporate tax loopholes, and increasing the capital gains tax – all proposals laid out in his annual address.

Such a plan may collide with a fiscally-wary Republican-controlled Congress, but it could serve as an important starting point for negotiations.

MOAA Legislative Update, 30 January 2015:

Joint Chiefs: End Sequestration Now

In a familiar scene, the Joint Chiefs of Staff testified before the Senate Armed Services Committee on January 28 imploring legislators to avoid and eventually repeal the across-the-board cuts of sequestration scheduled to return on October 1.

Committee Chairman Sen. John McCain (R-Ariz.) captured the mood of the panel saying, "Warnings from our senior military and national security leaders have become frustratingly familiar...and yet, here we go again."

The service chiefs once again painted a grim picture of readiness should sequestration return. It forces the services into a "budget based strategy," according to Chief of Naval Operations (CNO) Adm. Jonathan Greenert. The CNO also noted the strain sequestration places on military personnel and its adverse effects on retention.

Air Force Chief of Staff Gen. Mark Welsh said, "we are the smallest Air Force that we have ever been." Less than 50 percent of the force meets readiness requirements, and competition from the airlines could seriously degrade retention in the coming years.

Commandant of the Marine Corps Joseph Dunford expressed concern that Marines were averaging an operational tempo of seven months deployed to 14 months at home. This high tempo threatens Marine families, readiness and morale.

Despite agreement between lawmakers, military leadership, and the administration that sequestration should be repealed, there is no consensus on how to pay for it. It is widely expected that the administration's budget will propose sequestration relief, but a bipartisan proposal to pay for it isn't expected.

Without a new "grand bargain" compromise on entitlements, government spending, and revenue reform, Congress will once again be left scrambling for a short-term fix from the meat-axe cuts of sequestration that are nearly universally deplored.

MOAA continues to call for Congress and the administration to rise above partisan politics to eliminate this serious threat to both servicemembers and our national security.

SecDef Staff Levels Swell

A new report says that over the past decade, personnel numbers at the Office of the Secretary of Defense (OSD) increased by 20 percent. The rapid growth in personnel is due to increased mission responsibilities, reliance on federal employees instead of contractors, and reorganizations.

The increased involvement in and management of the wars in Iraq and Afghanistan was the primary driver of personnel growth. According to the report, "the military services have undertaken reviews to reduce headquarters but these budget-driven efforts have not been the result of systematic determinations of personnel needs."

The Government Accountability Office (GAO) study made three major recommendations: The Secretary of Defense should conduct a systematic determination of personnel requirements. Personnel requirements should be submitted in the next Defense Manpower Requirements Report to Congress along with any recommendations needed to modify existing statutory limits. Periodic reassessments of personnel requirements should be performed within OSD and the military services' secretariats and staffs.

Some services within OSD experienced higher personnel growth than others. For instance, according to the GAO report, between 2001 and 2013 the Army experienced a 60 percent increase in staff size, from about 2,300 positions to 3,600.

Some missions have understandably required the need for more personnel – for instance, ones on hot-button topics like cyber defense, suicide prevention, and sexual assault response – but mission creep has led to a bloated civilian staff.

"The GAO's report is unsurprising," said MOAA's deputy director of government relations, Col Phil Odom, USAF (Ret). "The folks over in the Pentagon have struggled for years to get a handle on mission creep and the associated manpower positions."

Secretary of Defense Chuck Hagel made note of this in 2013 and ordered a 20 percent reduction in the size of DoD's headquarters' budgets and staffs. Those reforms are currently underway.

Civilian staff performs a number of essential duties within DoD, such as policy development, planning, resource management, and fiscal and program evaluations. As the wars in Iraq and Afghanistan wind down, DoD will face increased pressure to find greater budget efficiencies with its staff. MOAA understands budget reduction requirements, and does not oppose a staff drawdown. Nevertheless, staff level planning must account for any future wartime requirements and allow for unforeseen contingencies.

MOAA Legislative Update, 06 February 2015:

History Repeating

On February 2, the administration unveiled its FY 2016 budget proposal. The record \$4 trillion proposal includes a significant boost to the Pentagon's baseline budget.

The proposed budget calls for the largest increase in acquisition spending in more than a decade and far exceeds sequestration's budget cap of \$499 billion. Despite these increases, the administration continues to call for cuts to military people programs to "slow the growth" of military personnel. The defense budget did not include any recommendations from the recent Military Compensation and Retirement Modernization Commission, which released its long awaited report on January 29.

The request is strikingly similar to the administration's budget proposal last year and once again calls for a military pay cap, an increase in out-of-pocket housing costs, and higher TRICARE fees.

Specifics of the proposal include:

- Cap the FY 2016 active duty pay raise at 1.3 percent versus the 2.3 percent dictated by law. The proposal

would amount to a third straight year of pay caps below private sector pay growth. The Pentagon is also requesting four additional years of caps (FYs 2017-2021)

- Reduce overall military end strength by 11,300
- Reduce the Basic Allowance for Housing. This would continue the effort to trim the benefit back by shifting 5 percent of costs onto servicemembers.
- Phase-in of \$1 billion cut in the annual commissary subsidy that equates to a 66 percent loss of savings for commissary shoppers
- Establish a means-tested TRICARE For Life enrollment fee for retirees over 65
- Consolidate TRICARE Prime, Standard, and Extra programs into one program. Working age retirees would pay to use MTFs, and absorb the Prime enrollment fee plus the Standard copays.

Overall, the consolidation doesn't improve the health care benefit – it merely shifts more cost onto beneficiaries. Retirees will pay more for care without improving access, quality, or wait times.

MOAA's initial analysis shows that the combination of the three years of pay caps, the full implementation of BAH and commissary cuts, and the TRICARE consolidation would significantly impact the loss of purchasing power for uniformed service families. An Army sergeant (E-5) with ten years of service and a family of four would lose over \$5,000 a year in purchasing power. An Army captain (O-3) would lose more than \$6,000.

The FY 2016 budget proposal regurgitates many of the cuts proposed last year. The Pentagon insists the cuts are necessary to trim spending on pay and benefits. The budget cites growing personnel costs that have "increased 85 percent" since 2001.

However, this fails to acknowledge that much of increased personnel spending since 2001 was requested by the service chiefs to restore compensation that had been slashed throughout the 1990s and resulted in severe retention problems.

The administration budget continues to target military personnel costs despite the fact that costs have steadily declined over the past five years. More importantly, the recent changes to pay and benefits have already started to bend the curve of personnel costs downward. Personnel growth has declined from its 2011 peak.

If enacted, these cuts would represent four giant steps towards repeating the short-sighted cuts of the 1990s, which led to retention and readiness problems in the past.

Rx Fee Hike Begins

Due to last year's defense authorization bill, TRICARE will be raising most pharmacy copays beginning this week.

TRICARE beneficiaries who fill their prescriptions at retail pharmacies or by mail will see most copays increase by \$3. The new fee structure which went into effect February 1 and will result in 30 day prescriptions at TRICARE network pharmacies for generic medications will rise to \$8 from \$5, for brand names, to \$20 from \$17, and for prescriptions not in TRICARE's formulary, to \$47 from \$44.

Many prescriptions available through TRICARE's home delivery program also will see increases. According to Tricare, a 90-day supply of brand-name medications delivered by mail will rise to \$16, from \$13, and nonformulary items will cost \$46, up from \$43.

What remains unchanged is that mail-order generic drugs will still be available at no cost as well as all prescriptions filled at the military pharmacies.

In addition, beneficiaries with chronic diseases on maintenance medications will be able to fill medications at either a military pharmacy or obtain them through TRICARE home delivery program. This is the same program for maintenance medications as was instituted last year for TRICARE for Life beneficiaries and was expanded to include all non-active duty beneficiaries. Beneficiaries will still be able to fill prescriptions for name-brand drugs for acute illnesses, such as ear aches and sore throats, at TRICARE network pharmacies as well as prescriptions for generic brands which will cost \$8 for a 30-day prescription.

MOAA is waiting for TRICARE to release the details of the new program which is set to start October 1.

MOAA Legislative Update, 13 February 2015:

Budget vs. Commission

February 12, 2015

By Col. Mike Hayden, USAF (Ret)

In late January, after nearly two years of work, the Military Compensation and Retirement Modernization Commission (MCRMC) came out with its report on modernizing military pay and benefits.

Days later, the White House released its FY 2016 budget proposal that includes a different set of recommended changes to military pay and benefits.

The nearly simultaneous releases have caused some confusion throughout the uniformed services community, so let's try to clear things up. What are the differences between these proposals?

The administration's FY 2016 budget rehashes many proposals that don't attempt to modernize or reform pay and benefits — they simply continue to erode them. Here's a snapshot of the budget proposal:

A third straight year of military pay caps. The president's budget calls for a 1.3-percent raise, instead of the 2.3-percent raise mandated by law. The budget also includes a plan for four additional years of pay caps. That's seven straight years of caps below private-sector growth.

A 5-percent increase in out-of-pocket housing expenses.

A continued erosion of the \$1 billion commissary subsidy. The proposed cuts will lead to a 66-percent loss of purchasing power for the consumer.

A consolidation of TRICARE's Prime, Standard, and Extra programs into one plan. Working-age retirees will pay for service in military treatment facilities, absorb the Prime enrollment fee, and pay standard copayments and deductibles. The proposal also adds a new, means-tested, TRICARE For Life enrollment fee.

On the other hand, the MCRMC report contains 15 recommendations to totally overhaul pay and benefits. Some appear to be well thought out and have our support.

However, two recommendations in particular look very promising on the surface, but we believe they require serious analysis:

Replacing the current 20-year cliff-vesting military retirement system with a blended defined benefit and 401(k)-style retirement package. The proposal would be optional for the current force and mandatory for new service entrants. Current retirees would be unaffected.

Eliminating TRICARE for military families and working-age retirees and replacing it with a selection of commercial insurance plans, similar to ones available for federal employees. TRICARE For Life would remain intact.

The commissioners' recommendations are very appealing to certain segments of the uniformed service community and their families — even to some MOAA members.

For example, critics of the current system say it's unfair the 83 percent of entrants who leave before 20 years of service receive no retirement benefits. The commission's hybrid retirement package with a vesting 401(k) and government match would be attractive to those who are uncertain of or do not intend to make the military a career.

However, we've got serious concerns whether this proposal will draw people to 20 years of service and our analysis shows these changes come at the price of reducing the overall pension value to those that stay beyond 20 years of service — and it only gets worse the longer you stay in service. Our conservative estimates show an E-7 retiring with 20 years of service under the new proposal could lose \$262,000 in lifetime retirement value. However, if the same E-7 stays for 30 years and is promoted to E-9, the lifetime loss in retirement rises to \$740,000. That's assuming a 5-percent government match and a 5-percent rate of return in the Thrift Savings Plan.

MCRMC Survey

The FY 2013 National Defense Authorization Act (NDAA) established the Military Compensation and Retirement Modernization Commission (addressed in this survey as "The Commission"), a nine member independent panel to review all military compensation, benefits and retirement and suggest reforms.

The Commission's final recommendations were released on January 29, 2015 and could have a major impact on future decisions regarding military compensation, benefits and retirement.

The Military Officers Association of America (MOAA), an independent, nonprofit, politically nonpartisan organization, is soliciting the opinions of the uniformed services community on their views on the compensation and readiness of today's force. Let us know your thoughts by taking our brief survey.

VA's Budget Supports Transformation

At a February 11 hearing before the House Veterans Affairs Committee, Department of Veterans Affairs Secretary Robert McDonald and several veteran service organizations spoke on the department's budget for the coming fiscal year.

McDonald's remarks focused primarily on efforts at changing the VA's culture and improving its health and benefits systems. The \$169 billion budget proposed by the president aims to address the expanding need for health care

and services, improving the efficiency of claims processing, and eliminating veterans' homelessness.

MyVA, McDonald's new initiative to redesign the VA around the needs of veterans and their families, is the largest department-wide transformation effort in VA's almost 150-year history.

Committee Chairman Jeff Miller (R-Fla.) expressed concerns about the Veterans Choice Program Congress approved last year and how it fit into the department's budget proposal. The Choice Program allows some veterans to receive health care outside of the VA.

Only a few of the veterans eligible to use the Veterans Choice Program have done so. The administration seeks prior approval to reprogram Choice funding for other needs if demand for outside care does not pick up. The request was met with resistance from committee members.

"VA's proposal to reallocate any portion of the \$10 billion appropriated for the Choice Program last summer is a non-starter," said Miller. "I understand there is a lot of uncertainty about the program's utilization...so if there is any reallocation it will be to further improve and strengthen the program itself."

With only three months of limited data since the program launched last November, it's too early to tell how effective the Choice Program will be, particularly when considering VA's past record of being unable to provide the committee good data on the cost of a providing health care services.

VSOs at the hearing acknowledged a difference in the management and culture of VA since McDonald's confirmation. While generally laudatory of McDonald's efforts, they emphasized that more work needs to be done to improve health care administration, enhance public-private partnerships and community engagement to deliver the right mix of VA and community services, and to address facility infrastructure and construction shortfalls.

Mail Your Letters

February 2015

*The Honorable John McCain
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510*

Dear Mr. Chairman:

As the committee considers the FY 2016 Defense Authorization Act, I am writing to urge your support for avoiding the arbitrary cuts of sequestration and protecting against budget-driven proposals that would:

- significantly cut back the military retirement and compensation package without considering the harmful effects to retention and readiness;*
- continue to punish currently serving troops and their families with further pay-raise caps or freezes or other compensation cutbacks; and*
- dramatically raise health care fees or curtail TRICARE access for retired*

servicemembers and their families to make their benefits more like those of civilians. Such initiatives fail to acknowledge that.

- *Congress worked from 2000-10 to restore military-pay comparability after years of budget cutbacks depressed military pay and contributed to retention problems;*
- *contrary to Pentagon claims, personnel, and health care costs are not “exploding” but rather continue to comprise the same one-third of the defense budget they have for the past 30 years. Personnel costs have slowed considerably since 2011, and last year’s defense bill included a pay cap for the second straight year and pharmacy copayment increases to further reduce costs;*
- *the retirement and health care package is the primary incentive that induces large numbers of top-quality personnel to endure the extraordinary demands and sacrifices inherent in a 20- to 30-year career in uniform;*
- *past proposals that envisioned much less severe military retirement cuts than recently proposed had to be repealed when they undermined retention and readiness; and*
- *military service conditions are nothing like civilian working conditions; the past 13 years have demonstrated that’s more true today than when the current retirement system was created.*

Please ensure the FY 2016 Defense Authorization Act does not erode crucial career retention incentives in the process of meeting the short-sighted, meat-ax budget cuts of sequestration.

MOAA Legislative Update, 20 February 2015:

Don't Sink the Coast Guard in DHS Squall

Act Now to tell Congress to protect the Coast Guard.

Unless Congress acts, the Department of Homeland Security will shut down at the end of February. This could have an immediate and drastic impact on members of the Coast Guard and veterans employed by DHS. Send your legislators a MOAA-suggested message asking them to put aside partisan differences and ensure the safety of members of the Coast Guard and their families.

Carter Confirmed as SecDef

On Feb. 12, the Senate confirmed Ash Carter as Secretary of Defense. He is the fourth person to lead the defense department during the Obama administration.

Carter, a long-time Pentagon official, replaces outgoing Secretary Chuck Hagel.

MCRMC Survey Results

MOAA recently surveyed over 7,500 members of the military community on recommendations from the Military Compensation and Retirement Modernization Commission.

Our survey went out to MOAA Legislative Update subscribers, members of MOAA's Currently Serving and Currently Serving Spouse Advisory Councils, our partners in The Military Coalition, as well as our friends at Military.com.

Two-thirds of survey respondents prefer the current 20-year cliff-vesting retirement system. 82 percent said that the government has an obligation to provide a robust retirement benefit in order to recruit and retain someone for 20 or more years of arduous service.

Respondents were split on the idea of a hybrid retirement plan, where servicemembers receive a smaller defined pension with the government providing a portable career device like a Thrift Savings Plan or a 401k-style retirement benefit. 51 percent of people surveyed believed that providing such a benefit would make a servicemember less likely to serve a 20-year career.

New Study – Reform, Don't Eliminate TriCare

A new report by the Center for a New American Security (CNAS) says that TRICARE is in “dire” need for reform in order to sustain the program. The report coincides with recent proposals to transform pay and benefits by the Military Compensation and Retirement Modernization Commission (MCRMC).

Unlike the MCRMC's proposals, which would be a [seismic shift](#) in benefits to servicemembers and their families, the CNAS report calls for modest reforms to TRICARE.

According to the report, “the core problem is that TRICARE's fee-for-service approach is subject to the same perverse incentive structures that have driven up health care costs in the United States by explicitly connecting payment to *volume* of care, not *value* of care.”

TRICARE's fee-for-service reimbursement model has created volume-over-value thinking that has driven up costs without improvements in outcome or quality.

The report calls for DoD to follow the direction of agencies like the Center for Medicare and Medicaid and private insurers by switching from a fee-for-service model to a value-based model. By rewarding providers based on quality outcomes instead of quantity, TRICARE would be able to control costs.

“We've seen fee-for-value programs work successfully elsewhere,” said MOAA's deputy director of government relations, Kathy Beasley, USN (Ret). “The Department of Defense should be more receptive to changes being made within the health care industry.”

MOAA thinks that more can be done to reduce DoD's health care costs without adversely affecting beneficiaries. MOAA's put together [16 ways that DoD can save money](#) in health care.

MOAA will be testifying on health care before the Senate Armed Services Personnel Subcommittee on February 25.

**Kansas MOAA Chapters will participate
in Hill Day on 04 March
to meet with Legislators.**



JAYHAWK CHAPTER MOAA



A membership meeting will be held **Tuesday, 17 March 2015**, at the Lawrence Country Club.

Dinner cost is **\$24.00/meal**.

The Program: *Our guest speaker will be Dr. Mark Allen, Phog Allen's grandson. Mark will be discussing his grandfather and KU basketball.*

Social Hour: 1800 hours Dinner: 1845 hours

The Menu: Soup, grilled chicken breast with marsala sauce on rice pilaf, seasonal vegetables, rolls, tea or coffee and chocolate tort

*Send your reservation and check payable to Jayhawk Chapter MOAA to arrive no later than **Wednesday, 11 March 2015**, to:
COL John Halladay, 2403 Manchester Road, Lawrence, KS 66049*

Dinner reservations are confirmed on Monday before the dinner. Cancellations, if necessary, should be made prior to Monday noon; otherwise, the Lawrence Country Club will charge us for those meals.

*If you have any questions, you may contact **John Halladay at 843-6184.***

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Yes, please make _____ reservations for me and my guests. (Spouse and other guests are welcome.)

*The cost is **\$24.00 per meal**. I am enclosing a check for \$ _____ for meal(s).*

*Chapter Dues (**\$20.00**) were due 01 January 2015 \$ _____*

*Clayton L. Comfort Award program contribution \$ _____
(Separate check made out to "KU Endowment")*

***TOTAL:** \$ _____*

Name _____ Telephone _____

**IF YOU NEED A RIDE TO MEETINGS, PLEASE LET US KNOW HERE _____
AND GIVE US YOUR TELEPHONE NUMBER _____**

**TEAR OFF AND RETURN THIS FORM WITH A CHECK PAYABLE TO:
JAYHAWK CHAPTER MOAA
COL John Halladay, 2403 Manchester Road, Lawrence, KS 66049**

MOAA WEBSITE: www.moaa.org

KANSAS COUNCIL WEBSITE: www.kansasmooa.org

JAYHAWK CHAPTER WEBSITE: www.jayhawkmoaa.org

**Thank you for receiving
the newsletter via e-mail !!
It saves the Chapter for both
printing and postage.**

Tentative 2015 Meeting Schedule:

Tuesday 17 March 2015
Tuesday 19 May 2015
Tuesday 21 July 2015

Tuesday 15 September 2015
Tuesday 17 November 2015



One Association, One Voice. Yours.

*Newsletter Editor
Jayhawk Chapter, MOAA
2403 Manchester Road
Lawrence, KS 66049-1646*

IN GOD WE TRUST