



Legislative Alert #113-10: URGE Congress to Oppose TRICARE Fee Increases in FY14 Budget
MILITARY

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Issue Background: The President’s Budget (PB) request for Fiscal Year 2014 (FY14), released on 10 April 2013, contained numerous cuts to Department of Defense (DOD) programs as well as recommendations for adjustments to pay and compensation for Military Personnel. The most alarming of these recommended adjustments were the fee changes to the TRICARE health system, which continues to be an attempt by DOD to shift its budget woes to beneficiaries, Veterans and retirees. As in previous years, AUSN opposes drastic increases in Enrollment Fees that are not tied to cost-of-living (COLA), and any increase that shifts costs to beneficiaries.

Action Required: Contact your Senators and Representatives and URGE them to “keep the promise” made to our Sailors and Veterans in regards to their healthcare system by opposing the recommended adjustments to TRICARE fees and take such promises into consideration with any future consideration of the FY14 Budget Request.

Details (To Be Put Into Letter):

The President’s Budget (PB) request for Fiscal Year 2014 (FY14) implements numerous changes to the existing TRICARE system, including increases to TRICARE Prime Enrollment fees for individuals, families, retirees, and the Pharmacy Benefit Program. Under the proposals, the TRICARE Prime Annual Enrollment Fees for families in FY14 would be 2.95% higher, or \$348-\$750. The percentage increase in fees grows to 3.3% in FY15, 3.65% in FY16, and 4% in FY17 & FY18. If such increases are implemented, enrollment fees for families will see a range of costs from \$594-\$1,226 by FY18. After FY17, the enrollment fees will be indexed to annual retiree COLA increases, but this doesn’t stop the jump in costs over the previous four years that places the pedestal of fees much higher.

TRICARE Standard fees and deductibles for retirees would also climb under the proposed changes. Where there was previously no annual enrollment fee for families or individuals, FY14 would see a jump to \$70 for individuals and \$140 for families, with fees growing to \$125 for individuals and \$250 for families by FY18. Deductibles will increase \$30 each year for individuals and \$60 for families from FY14 thru FY18, growing from \$160 & \$320 respectively in FY14 to \$290 & \$580 in FY18. Even retirees are facing fee increases. TRICARE-For-Life (TFL) would have a new annual enrollment fee that would also be phased in over a four year period, growing 0.5% every year from

FY14 thru FY18 till the annual cost is 2% of Gross Retired Pay. As with TRICARE Prime fees, the fee ceiling will be tied to retiree COLA after 2017, however this doesn't protect beneficiaries from paying a brand new fee that didn't exist until all ready in retirement.

The TRICARE Pharmacy Benefit Program for all retirees and Active Duty members will face higher co-pays. The proposed changes are to be phased in over a 10 year period, with generic medicine at retail pharmacies increasing \$1 each year from a base of \$5 in FY14 and brand medicine increasing \$2 every year from a base of \$26 in FY14. For mail-orders, there are no co-pays for generic medicine until 2018 when the price jumps to \$9. For brand medicine, the rates increase \$2 every year from a base of \$26 in FY14 and non-formulary medicine increase \$3 for the first year and \$4 following FY15, from a base fee of \$51.

Defense budget problems associated with sequestration and growing medical costs should not be corrected on the backs of our men and women who have served and continue to serve our nation. They richly deserve the medical care they have earned with their service and sacrifice without continued attempts to raise their healthcare costs during such difficult times

Take Action: Click the "Take Action" link at the top of the Alert to immediately email and/or write to your Senators and Representatives. This is the quickest and most effective method of expressing your views to Congress. You can also write and/or e-mail the 'Details' section or edit as you desire for a more personalized communication . Also, contact friends and family and urge them to use the Contact Congress feature on AUSN's website as well. Please direct any questions concerning this issue to our Director of Legislation, Anthony Wallis, at 703-548-5800 or at Anthony.Wallis@ausn.org.