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AUSN LOOKS AT SENATE VETERANS OMNIBUS BILL & URGES ITS IMMEDIATE CONSIDERATION

Recently, AUSN received a copy of Senate Report 113-123 that was released this month which outlines provisions of S. 944, the Veteran Health and Benefits Improvement Act of 2013. This bill was marked up by the Senate Veterans' Affairs Committee (SVAC) this past July and included numerous Veteran bills of interest being tracked by AUSN. Of particular importance are provisions/sections of the bill which contain language from S. 257, the GI Bill Tuition Fairness Act, S. 928, the Claims Processing Improvement Act and S. 629, the Honor America's Guard and Reserve Retirees Act, which honors as Veterans those Reserve Component members who served a 20 plus year career in the Guard and Reserve. AUSN recently sent a letter to Senate leadership urging its immediate consideration which, most likely, would occur in January 2014 once the 2nd Session of the 113th Congress convenes. An attempt was made to have it considered this week, but a hold was placed by a Senator on 18 December 2013, so the best bet now for its consideration is in 2014.

FURTHER READING:

On 9 December 2013, the Senate Veterans' Affairs Committee (SVAC) released its report, Senate Report 113-123, on S. 944, the Veterans Health and Benefits Improvement Act of 2013, introduced by SVAC Chairman, Senator Bernie Sanders (VT). It was then placed on the Senate Legislative Calendar, Calendar Number 258, under General Orders. Previously known as the Veterans Educational Transition Assistance Act, S. 944 was renamed after SVAC marked up the bill, as noted in AUSN's Capitol Hill Blog about the July markup, to include numerous Veteran bills, making the bill a new Veteran omnibus bill. There are quite a few Sections of the bill S. 944 that are of interest which include a variety of bills that AUSN has been tracking and supporting this past year.

For example, Section 201 of S. 944 requires the Department of Veterans Affairs (VA) to disapprove a course of education provided by a public institution of higher learning for purposes of Post-9/11 GI Bill and Montgomery GI Bill (MGIB) education benefits, if the institution charges tuition and fees for that course for the covered individual at a rate that is higher than the rate the institution charges for tuition and fees for that course for residents of the State in which the institution is located. The public institution would also be required to charge the in-state tuition rate for Post-9/11 GI Bill and MGIB beneficiaries while the individual is living in the State and enrolls in a course of education within three years from discharge or release from military service. This particular section was part of the original bill language of S. 944, another notable AUSN bill of interest, the Veterans Educational Transition Assistance Act. Next, Section 704 of S. 944 improves the Department of Defense's (DOD) Transition Assistance Program (TAP) by requiring the Department of Labor (DOL) to provide transitioning servicemembers with information regarding disability related employment and education protections. This section comes from provisions of another AUSN Bill of Interest, S. 889, the Servicemember Choice in Transition Act. Finally, Section 807 of S. 944 honors as Veterans certain persons who performed service in

the Reserve Components of the Armed Forces. This is derived from another notable AUSN bill of interest, S. 629, the Honor America's Guard and Reserve Retirees Act

Earlier this week, AUSN wrote a [letter to Senate Leadership, as well as SVAC leadership, requesting immediate Senate floor consideration for this vital package of Veterans legislation](#). According to sources, however, despite initial optimism that the bill would receive consideration this week, a hold was placed by Senator Tom Coburn (R-OK) because, "Senators did not have the opportunity to amend the bill." He went on to explain he had two primary issues with the bill he would like to see addressed, though he did not specify what those concerns were. As a result, it appears S. 944 will not receive due consideration before the Senate adjourns 20 December 2013. Consequently, the possibility remains open that once the Senate returns in January 2014 from its winter recess and begins the 2nd Session of the 113th Congress, they may resume consideration of this important piece of Veterans legislation.

Details can be found at [AUSN's Capitol Hill Blog on Veterans Omnibus Bill](#).

AUSN LOOKS AT 'DOC FIX' ASPECT OF BUDGET DEAL & PERMANENT FIX PROPOSALS

AUSN has been monitoring the developments with last week's Budget Conference Committee agreement which finds cost savings and helps offset some of the sequester cuts over the next two year's. The deal also contains a provision which helps with the problems associated with the "Doc Fix" which establishes a formula for limiting Medicare payments to physicians, a problem routinely ignored since its 1997 inception and has not yet been replaced, requiring a series of "Fix's" every year by Congress. AUSN is also monitoring developments by the House Ways and Means Committee and the Senate Finance Committee which are looking for a permanent solution to this budgetary headache lawmakers face every year.

FURTHER READING:

The Budget deal which passed the House on 12 December 2013, by a vote 332-94, and the Senate on 18 December 2013, by a vote of 64-36, was established by the Budget Conference Committee Co-chairs, Senator Patty Murray (D-WA) and Representative Paul Ryan (R-WI-01), who led their respective chambers' Budget Committee panels, in order to modify sequester caps on discretionary spending over the next two years. The deal would set top-line spending for Fiscal Year 2014 (FY14) at **\$1.012 trillion** and **\$1.014 trillion** in Fiscal Year 2015 (FY15). The stopgap funding bill, or CR, P.L. 113-46, which expires on 15 January 2014, sets spending at an annualized rate of **\$986 billion**. The Murray-Ryan deal would raise **\$85 billion** over the next decade by increasing pension contributions for newly hired Federal employees, raising air passenger travel fees, but also, decreases Cost-of-Living-Adjustments (COLA) for military personnel, retirees and disabled Veterans (see AUSN's [Capitol Hill Blog about concerns from last week](#)). About **\$62 billion** of the revenue would go toward replacing part of sequestration over the next two years. The remaining **\$23 billion** would go toward deficit reduction.

Aside from concerns with the deal affecting Veterans, disabled Veterans and military retiree COLA calculations, the deal also makes a correction to current statute, also known as the 'Doc Fix.' This pertains to a part of the U.S. Code which establishes a formula for limiting Medicare payments to physicians, which has been routinely ignored since its 1997 inception and has not been replaced, thus a series of annual Doc Fix bills have been needed. This budgetary formula, which is huge budgetary headache to fix for lawmakers, periodically threatens to reduce Medicare payments to doctors.

To forestall an overall 24% cut in physicians' reimbursements, set to begin 1 January 2014 under the current formula, the Budget Conference Committee included a three-month 'Doc Fix' into the Budget agreement, H.J. Res. 59, that the House passed last week and the Senate cleared on Wednesday, 18 December 2013. The temporary fix, which would give providers a 0.5% increase, is offset by various provisions in the Budget deal bill, including a two-year extension of cuts scheduled to occur a decade from now, changes to Medicaid payments for hospitals that treat a large share of indigent patients, and changing payments for inpatient services in long-term-care hospitals.

The biggest question for lawmakers returning in January is how to pay for a repeal of the widely criticized formula used to calculate physician reimbursements. The Congressional Budget Office (CBO) found that a Senate Finance Committee draft plan would cost **\$148.6 billion** over 10 years. A bill approved by House Energy and Commerce Committee in July, H.R. 2810, would cost **\$153.2 billion** over that time period. The cost of an amended version of that bill approved by the House Ways and Means Committee last week is not known. It is unclear if Member of Congress plan to use the same

kind of cuts to other providers that helped pay for the three-month patch. Both disproportionate-share hospitals, which treat a higher number of uninsured or underinsured patients, and long-term-care hospitals had reimbursements reduced to cover the short-term fix. Another option under discussion would be to force drug makers to provide rebates to the Federal government on medicines used by beneficiaries eligible for both Medicare and Medicaid. The CBO found this idea would save **\$141.2 billion** over 10 years.

Details can be found at [AUSN's Capitol Hill Blog on Doc Fix in Budget Deal](#).

AUSN ON THE HILL

In addition to monitoring developments with the Budget Conference Deal and the possible consideration of S. 944, the Veterans Health and Benefits Improvement Act of 2013, AUSN was very actively engaged with Senate offices, attempting to push legislation and correct wrongs within bills being considered this past week. Just before the 18 December 2013 Budget deal vote in the Senate, which passed 64-36 with only 9 Republicans joining 55 Democrats, AUSN joined colleagues of the Military Coalition (TMC) along with Senator Kelly Ayotte (R-NH), Senator Lindsey Graham (R-SC) and Senator Roger Wicker (R-MS) in a [press conference on 17 December 2013](#) to try to bring to the attention of the public and fend off the proposal that saves **\$6 billion** off the backs of military retirees, current and future, younger than 62 by reducing their Cost-of-Living-Adjustment (COLA) by 1 percent every year until they turn 62. AUSN was mentioned by Senator Ayotte at the press conference as well as in [Senator Ayotte's press release](#), along with other organizations, voicing concern that, for example, a Sergeant First Class (E-7) who retires at age 40, who has served our country for two decades and most likely deployed multiple times to war could lose approximately **\$72,000**. Supposedly, according to Congressional staff, this concern will be revisited in 2014 by both the House and the Senate. Numerous bills and measures have been introduced in both the House and Senate by Representative Jeff Miller (R-FL-01), Senator Thad Cochran (R-MS), Senator Jeanne Shaheen (D-NH), Senator Mark Pryor (D-AR), Senator Lindsey Graham (R-SC) and a promise by Senator Carl Levin (D-MI), Chairman of the Senate Armed Services Committee (SASC), to fully review the effects of this COLA proposal within the Budget agreement. It is unclear as to which of these bills and measures to undo the COLA provision in the budget deal carry's the most weight since all of them beg the question of where to find the **\$6 billion** offset that would have been saved and even, perhaps more significantly, if this part of the deal is un-raveled, will other provisions follow? AUSN will monitor this issue closely in 2014 as proposals to stop the COLA cut provision in the Budget agreement develop.

With the Senate's passage of the Budget Conference Deal, H.J. Res. 59, both House and Senate Appropriations Committee now have a budget plan to write respective Appropriations bills to fund the remainder of Fiscal Year 2014 (FY14). Senate Appropriations Committee (SAC) Chairwoman, Senator Barbara Mikulski (D-MD), and her House counterpart, House Appropriations Committee (HAC) Chairman, Representative Harold Rogers (R-KY-05), had been waiting until after the Senate's passage of the budget deal to wrap up negotiations on how to divide the **\$1.012 trillion** set aside for FY14 discretionary spending under the agreement between the SAC's and HAC's Subcommittees. They had begun meeting on this early last week. SAC Chairwoman Mikulski said negotiations over those individual allocations, known as 302(b) levels, are, "still a work in progress," but will be completed shortly. The deadline for Subcommittees to report remaining disputes to the Full Committee Chairs is 2 January 2014. On 6 January 2014 and 7 January 2014, the Chairs and Ranking Members plan to meet to resolve high profile disagreements. Hypothetically, the House would vote on 10 January 2014 on a completed FY14 Appropriations Omnibus bill with the Senate clearing the bill on 13 January 2014, two days before the current stopgap spending bill, or Continuing Resolution (CR), expires.

This week, AUSN also met with the Ranking Member of the Senate Armed Services Committee (SASC), Senator James Inhofe (R-OK), as well as his senior staff to discuss a few of the details of the FY14 National Defense Authorization Act (NDAA). The FY14 NDAA passed the Senate on 19 December 2013 and is expected to be signed into law shortly. Upon its signature into Public Law by the President, AUSN will conduct a thorough analysis of the final version of the bill, currently in the form of [H.R. 3304](#), and post it on the website for our members and followers to review. In the meantime, the [Congressional Research Service \(CRS\) released a detailed Report on the FY14 NDAA which can be read here](#). Earlier in the week, AUSN participated in its monthly meeting of the National Military and Veterans Alliance (NMVA) where we discussed future goals and developments with the Budget debate. In addition, AUSN also held its last Legislative Liaison Drumbeat of the year with our 100 plus liaisons spread across the country as more AUSN members have reached out to volunteer at the grassroots level and engage their Congressional delegation in 2014. Finally, AUSN had an end of the year meeting to look at 2014 collaborations with the Deputy Chief of the Navy Reserve (DCNR) at the Pentagon.

PRIORITY BILLS INTRODUCED THIS WEEK

No significant legislation introduced.

In the advocacy section of the website, you can click on [Bills of Interest](#) to get daily revisions on Congressional action for all AUSN priority bills. We STRONGLY encourage you all to visit our [Advocacy](#) page, especially the [Capitol Hill Blog](#) which receives almost daily submissions when Congress is in session to see what AUSN is doing for you on Capitol Hill.

We also encourage you and your friends and family to visit the [AUSN FACEBOOK PAGE](#). If you have an account, please Login and “Like” us, which will allow you to see our [TWITTER](#) feeds and other updates from AUSN that shows us monitoring Capitol Hill on your behalf!

NEW LEGISLATIVE ALERTS

There were two new Legislative Alerts sent this week based on hearings and interaction with Congressional staff, as well as traction on the issue. When these alerts are sent to your email, please click on the **TAKE ACTION** link that is at the top of the alert email to send a letter response to your Members of Congress. If you have not seen them, please go to the [Legislative Alerts](#) section on the AUSN webpage and/or check your e-mail for the following alerts which were titled:

Legislative Alert #113-31: SUPPORT H.R. 3453 & S. 6, the Putting our Veterans Back to Work Act

Legislative Alert #113-32: SUPPORT & PASS S. 944, the Veterans Health & Benefits Improvement Act

NEXT WEEK OUTLOOK

Next week, and the week after, both the House and Senate will be on recess for the holidays/New Year. Congress is expected to return the week of 6 January 2014. While gone, the President is expected to sign the Fiscal Year 2014 (FY14) National Defense Authorization Act (NDAA). In the meantime, AUSN will write an analysis of the FY14 NDAA once it has been approved and signed into Public Law and post it on its website by the time Congress returns in early January. With the House and Senate in recess, AUSN won't be doing another Legislative Watch until early January 2014, but in the interim, will be making preparations for its 2014 Legislative Objectives/Priorities card to start Hill meetings in anticipation of the President's Budget (PB) release for Fiscal Year 2015 (FY15). However, with the House and Senate scrambling to wrap up Appropriations for the remainder of FY14 before the Continuing Resolution (CR) expires on 15 January 2014, in order to prevent another Federal government shutdown, the FY15 PB may be delayed than its typical early February release (last year the PB wasn't released until early April), since Executive Branch agencies won't have a clearer idea of what funds they have to work with until Congress passes Appropriation bills for the remainder of the fiscal year.

AUSN's Legislative Department thanks all of you for your continued support and activism on these important issues this past year for our Navy, Sailors, Veterans and families. Hope everyone has a safe and happy holiday season and we'll see you all again in 2014!

QUESTIONS/COMMENTS/CONCERNS

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