

## **Army Echoes, Issue 1, January-April 2004**

### **New law changes concurrent receipt, CRSC**

**ARLINGTON, VA (DFAS)** — Military retirees rated at least 50 percent disabled by the Department of Veterans Affairs (VA) will be receiving both retired pay and VA disability compensation as the VA disability offset of retired pay is phased out over the next 10 years. The offset reduces retired pay by an amount equal to any VA disability payment.

Legislation authorizing concurrent disability payments (CDP), that is, receipt of both forms of compensation, took effect Jan. 1, 2004, and will affect more than 200,000 disabled military retirees. Public Law 108-136 (Sections 641 and 642) authorizes a 10-year, phased-in elimination of the VA disability offset to retired pay. This will affect members with non-disability retirements, without regard to years of service. Those who retired as a result of a service-related disability are also eligible; however, these members must have at least 20 years of qualifying service. In all cases, the retiree must be rated at least 50 percent disabled by the VA.

### **CRSC changes**

This legislation expands the field of eligibility for Combat-Related Special Compensation (CRSC) to include retirees with 20 years of qualifying service, who have a combined, combat-related disability of 10 percent or more. CRSC is a tax-exempt payment which replaces retired pay lost to the concurrent receipt ban, but only for retirees with 20 or more years of service and disabilities tied to combat or combat-related training who apply and are approved. Reserve retirees are included; people who retired under Temporary Early Retirement Authority are not. Eligible retirees may **not** receive both CDP and CRSC at the same time. The new law requires an annual "Open Season" to be conducted to allow veterans eligible for both concurrent disability payment and CRSC to choose between the two options. Details on the annual open season are being developed.

### **Special Compensation repealed**

The new law also repeals the authorization for Special Compensation for the Severely Disabled (SCSD), a special payment for retirees with 20 or more years of creditable service with disabilities rated greater than 60 percent. Since retirees who had been receiving SCSD are qualified for CDP and since there is already a database identifying them as qualified, these 37,000 retirees (15,789 Army) received the first CDP in the February retired paycheck. Retirees who had not been receiving SCSD but who have at least 20 years of creditable service and disability ratings of 50 percent or higher will receive CDP when DFAS identifies them as eligible.

System changes required to fully implement the legislation will take several months to complete. DFAS is working with the VA to issue payments to all eligible retirees as soon as possible. When full implementation is completed, payments will include those due retroactively to Jan. 1, 2004.

Updated information will be available at [myPay.dfas.mil](http://myPay.dfas.mil) and [www.dfas.mil](http://www.dfas.mil).

### **Tax statements by computer**

**ARLINGTON, VA** – Retirees and annuitants have the option of going to [myPay.dfas.mil](http://myPay.dfas.mil) for a copy of your 1099R tax statement.

**NOTE: The site address is [myPay.dfas.mil](http://myPay.dfas.mil) -- remember to use .mil and not .com or any other extension that will bring you to a different site!**

Certain active duty and civilian government employees will have to request a paper copy of their tax statement; however, **retired military service members and annuitants will continue to receive their tax statements or 1099R statements by mail. You will not need to make a special request.** If you have not received a statement by mail and wish to do so, contact DFAS at 1-800-321-1080 to request a 1099R and ensure that your mailing address is correct.

The online version, complete with printing instructions, is 100 percent compatible for all tax purposes and allows users to print as many copies as they need without having to depend on saving a hard copy. A "save" button is also available to allow individuals to save their W-2s to disk.

Note: The IRS reminds retirees to make sure you have enough tax withheld from your retired pay. Not having enough tax withheld can cost you an underpayment penalty. To avoid underpaying your taxes and owing this penalty, you should review the number of exemptions you claim for your retired pay. You can do this by estimating how much tax you may owe by completing IRS Form 1040 ES, *Estimated Tax for Individuals*. This form has a worksheet similar to a mini tax return that will help you estimate your tax for the year. If you need to change your exemptions, file a new W-4P with DFAS (address on pg. 10).

## Highlights from Headquarters

### Greetings, Retirees/Soldiers and family members --

Since our last edition of "Army Echoes," much has happened. I was privileged to be a part of seven Retiree Appreciation Days (RADs), five in the U.S. and two in Europe. In every location, I was impressed by the professionalism and dedication of our RSOs; the strong support of their chain of command; and, of course, the strength and steadfast example of the many retirees I was privileged to meet and talk with.

Back here at HQDA, we welcomed GEN Casey as our new Vice Chief of Staff, and LTG Hagenbeck as our new Deputy Chief of Staff for Personnel, G-1. Both are passionate advocates of our most important resource: Army Soldiers and their families. We salute GEN Keane and LTG Le Moyne as they retired after long and distinguished careers in the service of our Army and Nation.

In addition to the normal Retirement Services operations, this office has been at the forefront of the development of the web-based "Army Benefits Tool" (see pg. 3) which I invite you to explore for a wealth of information. Most recently, we have been leading the G-1 effort to build and sustain a "Disabled Soldier Support System" designed to insure that severely wounded/injured Soldiers and their families receive the best care as they are medically retired/separated from the Army. The DSSS is partnering with the VA and several veterans service organizations to enhance transition and quality of life as these Soldiers reenter civilian life. While this effort has only begun, the potential to serve our disabled retirees is tremendous and recognizes their unique contributions to our Nation.

With the recent enactment of the 2004 National Defense Authorization Act (NDAA) came the first movement in years on a topic that's been of high interest to many of you for many years. "Concurrent receipt" has also remained on the "hot topics" list of the Chief of Staff, Army Retiree Council for years. While the new law does not eliminate for all of you the bar to receipt of full military retired pay and full VA disability compensation, those of you rated by the VA as more than 50 percent disabled will achieve full concurrent receipt status over a phased-in period of 10 years. In addition, last year's Combat-Related Special Compensation (CRSC) program's eligibility was expanded by

the NDAA to include all combat- or operations-related disabilities with VA ratings from 10-100 percent. Check the “what-we-know-today” coverage of these two programs in this issue (pages 1 and 3); then contact your installation Retirement Services Officer (RSO) if you need assistance. Your RSO remains your closest and best benefits and entitlements expert for the Army.

The CSA Retiree Council will meet in late April to discuss the most important issues recently submitted by your installation retiree councils. During the mid-year review in October, the Co-Chairs and I met with GEN Schoomaker. As the then ‘new CSA,’ he promised strong support for retirees and also urged them “to be active at the local level and to speak out on the important issues facing our Army and Nation. As a retiree YOU can make a difference”. It is obvious that he is very proud of the service and national legacy of our past Soldiers; and equally proud of our current warriors carrying out their missions all over the world under some very trying conditions.

I would also like to thank our installation RSOs for the great work they do. Given the shrinking installation staffs and the increased workload in the personnel arena because of the high operational tempo, RSOs remain the bedrock of our program. Without their dedication and professional expertise, Soldiers/retirees and families would be missing a very important part of the personal care and attention to detail all members of our Army family deserve. Tell your installation and garrison commanders how important RSOs are. Without their strong, local installation presence, the Army Retirement Services program will erode and the Army will be diminished.

It remains an honor to serve you!

**John W. Radke**  
**Chief, Army Retirement**  
**Services**

## **Online Army Benefits Tool for retirees, families**

Retirees and families have quick online access to information about benefits through the “Army Benefits Tool” (ABT) on Army Knowledge Online (AKO) (<https://www.us.army.mil>).

Because AKO is a special Army site limited to certain users, including Army retirees, you must start an account to access it. If you don't have an AKO account, you can go to the site and register under "New User". Retirees will be asked to give your Social Security Number, Date of Birth and Pay Entry Basic Date to authenticate who you are. For retirees' spouses to be able to use the site, retirees needs to sponsor them for a guest AKO account.

To reach the ABT, go to the "Self Service" section on the left side of the AKO screen and click on "My Benefits". The site links Web sites that cover the “life cycle” of the soldier – Recruiting, Pay and Retention; Soldier and Family Well-Being; Transitioning; Retirement; Casualty Affairs and Survivor Assistance -- and provides links to calculators.

Links of interest to retirees and families include TRICARE; Social Security; National Archives – Military Records Request; VA; Army Casualty; and, of course, Army Retirement Services. Benefit calculators include retired pay and Survivor Benefit Plan (SBP) for active duty and Reserve retirees.

The ABT site has proved popular since its introduction in September 2003, averaging 70,600 visits a day. Of course, Retirement Services Officers (RSOs) (see pgs. 9 and 10) are still available to help those who are about to retire or who have retired.

## **Study gives retired pay contract thumbs up**

**WASHINGTON, DC**— A Center for Naval Analyses (CNA) study concluded that the Defense Finance and Accounting Service (DFAS) should continue to operate military Retired and Annuitant Pay Services through its contractor, Affiliated Computer Services (ACS).

DFAS had asked CNA to do an independent review of this controversial public-private competition after a DoD Inspector General (IG) report found errors in the estimate used in the competition.

ACS began contract operations for Retired and Annuitant Pay Operations Jan. 28, 2002. After ACS had started to perform its duties, the DoD IG identified an error in the in-house cost estimate. The IG reported that, if the error had not been made, DFAS might have kept the work in-house, being performed by government employees.

CNA was asked to evaluate the potential courses of action, given the contractor has been performing the work for about a year and a half at the time the error was discovered. CNA is a non-profit, federally funded research and development center.

According to the CNA study, adjusting costs to reflect a decrease in the systems software workload gives a \$42 million advantage to the contractor over the 10-year contract period when compared to the government's proposed cost for the competition. When compared to the actual government cost of performing this function before the competition, the expected cost to the taxpayer will be about \$100 million less over the 10-year contract period.

The CNA analysis weighed several factors in addition to cost including customer satisfaction and the affect on prior government employees and concluded that retaining the current contractor to operate Retired and Annuitant Pay is the best solution.

Note: Lockheed Martin and ACS are working a business transaction that will transfer ACS federal government services such as Retired and Annuitant Pay Services from ACS to Lockheed.

## **Government hires more vets**

**WASHINGTON (AFPS)** – Hiring of military veterans across the federal civilian work force increased in fiscal year (FY) 2002, the government's director of personnel recently reported.

In fact, hiring of veterans in the federal work force was up more than 19 percent over the previous fiscal year, Kay Coles James, director of the U.S. Office of Personnel Management, noted in her agency's most recent annual report to Congress.

In a recent news release, James asserted that the employment of veterans within the federal government and in private industry is appropriate, because "the many freedoms we enjoy as a nation did not come freely. They were earned through the lives and selfless sacrifices of our veterans."

According to the OPM report, 47,510 veterans were hired government-wide in FY 2002, compared to 39,874 hired the year before, representing a 19.2 percent increase.

The Defense Department hired 21,657 veterans in fiscal 2002, representing 45.6 percent of all new veteran hires across the federal government that year, according to the OPM report. Non-DoD federal organizations with the highest percentages of all new veteran hires in FY 2002 included the Veterans Affairs Department with 23.5 percent, and the Justice Department with 19.7 percent.

The federal government employed 450,100 veterans during FY 2002, according to the OPM report.

For more information on federal employment, go to [www.usajobs.opm.gov/](http://www.usajobs.opm.gov/). Retiree job search assistance is also available through the Army Career and Alumni Program (ACAP) at [www.acap.army.mil](http://www.acap.army.mil) or at the ACAP office at an Army installation in your area.

## **Long-time Retirement Services employee dies**

We are saddened to report the death of former employee Melissa Dean (Lauer) on Dec. 19, 2003. Melissa served as the Army Retirement Services Program Manager from 1985 to 2002 when she transferred to the Adjutant General's Field Systems Directorate. Prior to 1985, she had served retirees as part of the Retirement Services Office and then as the Retirement Services Officer (RSO) at Ft Meade, MD. Melissa took care of the people who take care of Soldiers, retirees and families -- overseeing the RSO program as well as handling special projects.

Those who want to remember Melissa can make a donation to a breast cancer organization in your community.

## **Chief of Staff supports AER campaign**

The Army's 2004 fund-raising campaign for Army Emergency Relief (AER) begins Mar. 1, 2004.

The Army Chief of Staff, GEN Peter Schoomaker, in his message to Soldiers and their families, wrote: "Each of you should be proud to know that Readers' Digest Magazine recently selected Army Emergency Relief (AER) as one of the best charities in the United States. In the November 2003 issue of their magazine they wrote that AER is one of a group of charities that 'you can trust with your dollars'."

Every 80 minutes of every day, a retired Soldier or a surviving spouse receives emergency financial assistance through AER. During the last 25 years AER has assisted more than 250,000 retired Soldiers and surviving spouses.

Since 1998, AER has paid all direct costs of emergency financial assistance provided to Soldiers by the American Red Cross (ARC). This reimbursement agreement between these two organizations is especially important for retirees because it insures that you have ready access to AER through almost 1,200 ARC Chapters throughout the United States.

Retirees needing emergency financial assistance should contact the AER Section at any Army installation, the nearest ARC Chapter, or the office of any other Service Military Aid Society, located at most military installations around the world. Reciprocal agreements exist with the other military service's relief organizations whereby Army retirees will receive the same assistance that you would get directly from AER.

Contributions from all Soldiers (both Active Duty and retired) make this program possible. Your generous contribution will help insure that AER continues to provide assistance to all Army people as needed. Please complete and mail the contribution form for your allotment to AER. You can also make your contribution online with an allotment from your retired pay at: [www.aerhq.org/Camp\\_Allotment\\_Info.htm](http://www.aerhq.org/Camp_Allotment_Info.htm)

## **VA seeks volunteers to inventory cemetery memorials**

The Department of Veterans Affairs (VA) is seeking volunteers to research and photograph monuments in its 120 national cemeteries and 33 Soldiers' lots.

When the project began in May 2002, it was estimated that 300 memorials would be found in national cemeteries and Soldiers' lots. To date, nearly 800 memorials have been identified with help from more than 200 volunteers. About 300 memorials in 20 states remain to be documented.

VA provides volunteers with project instructions, survey questionnaires and film. Volunteers take measurements and photographs, record inscriptions, make notes on a monument's condition and conduct historical research. The information obtained from

the project will be made available to the public through the Smithsonian Institute's art inventory database.

For more information about the project or to volunteer, please contact historian Darlene Richardson at (202) 565-5426 or email [nca.memorials@mail.va.gov](mailto:nca.memorials@mail.va.gov).

### **'Gray area' Reservists get commissary benefit**

**FT LEE, VA** – The 2004 National Defense Authorization Act has granted unlimited shopping privileges for "gray area" Reserve retirees and their families. "Gray area" Reserve retirees are those who have earned at least 20 years of creditable service but are not yet age 60 and receiving retired pay. Previously, "gray area" Reserve retirees and their families were allowed 24 commissary shopping days per calendar year; and they had to have their privilege cards initialed at the commissary each day they shopped. They were not entitled to unlimited commissary shopping until age 60.

"Gray area" Reserve personnel and their authorized family members can join other commissary shoppers in saving an average of 30 percent or more over commercial grocery prices every day.

The extended benefit may not apply worldwide. Many overseas installations are impacted by host nation agreements that limit on-base shopping by non-active-duty personnel. When visiting or living outside the U.S. or its territories, you should always check with appropriate installation authorities about local commissary shopping privileges.

### **DoD responds to closing, pricing policy reports**

**WASHINGTON (AFPS)** – John Molino, Deputy Undersecretary of Defense for Military Community and Family Policy has responded to recent reports regarding possible commissary closings and changing pricing policies.

"The future of the commissary benefit is very sound, very healthy," Molino said. "The department is committed to maintain a commissary benefit."

Molino said the controversy goes back to when, shortly after arriving at the Pentagon, Secretary of Defense Donald Rumsfeld asked whether DoD should be running a chain of grocery stores.

"We did a detailed analysis of whether or not there were other ways to deliver the commissary benefit," Molino said. "The conclusion was the commissary needs to stay (as) something we do within the Department of Defense."

People forget that DoD conducted a study and Deputy Secretary of Defense Paul Wolfowitz concluded that the "commissary is not an item for privatization," Molino noted.

Even though DoD isn't searching for ways to close commissaries, Molino said there might be a location that needs to be closed such as one that's draining the system and affecting customer support. He cited the commissary closing at Ft Monroe, VA, recently as an example.

Molino also commented on media response to DoD's announcement that it was studying the "variable pricing" concept being used by private-sector grocery stores and supermarkets.

"Variable pricing isn't the 'poison pill' for commissary benefits some media articles have indicated," Molino said.

"Variable pricing is a technical term used in the grocery industry," he explained. "All it means is not every item is marked up by the same amount to produce a profit." By law, everything currently sold in commissaries is marked up 5 percent above cost.

"So variable pricing isn't that evil animal in the shadows that it has been painted to be," Molino said. "But remember, we're not implementing variable pricing. We are simply

studying the concept.” He emphasized that DoD is studying the concept to determine whether it will work in the commissary system and benefit customers.

“If the study says it won’t work in commissaries, we won’t go down that path,” Molino said. “But if it has the potential to provide a better benefit, we’re going to ask Congress for permission to go there.” But, he said, DoD will go there only if variable pricing doesn’t erode the 30 percent savings customers enjoy now.

The grocery industry also uses variable pricing to build customer loyalty. “The motive of those stores is profit,” Molino said. “The motive of our stores is to keep it a 30 percent savings for the customer...” So, even if the variable pricing concept were implemented, it wouldn’t affect your total savings, Molino said. But he added, “You might save more on one item and a little less on another.”

## **No home-printed coupons for DeCA**

**FT LEE, VA** – Commissaries are no longer accepting home-printed coupons because of the fraudulent use of Internet coupons.

Commissaries will still accept manufacturers’ coupons – the kind you clip out of newspapers or magazines or that you receive in the mail. What they will not accept are coupons that have been downloaded from the Internet and printed with a home computer because it’s too difficult for their cashiers to tell if they are valid.

## **AAFES takes stores to deployed troops**

*(Following are excerpts from a recent message from MG Kathryn Frost, Army and Air Force Exchange Service (AAFES) Commander, to AAFES employees.)*

From the humble beginnings of a back-of-the-truck mobile PX operation at Tallil Air Base on April 7, 2003, AAFES continues to expand support throughout Iraq. Today there are at least 30 PX/BX locations in the country offering a bit of home to Soldiers and Airmen. I say “at least” because we open stores almost as quickly as new sites are approved. In addition to these stores, AAFES supports those in isolated and hostile areas with some 85 unit-run stores and mobile operations.

There are about 247 AAFES associates currently working in Iraq to bring a little bit of home to our troops. An additional 132 associates are in Kuwait.

Both the facilities and stock assortment are improving. AAFES just recently broke ground for new stores in Mosul and Kirkuk. The stock assortment at Operation Iraqi Freedom locations has evolved. Customers today will find the latest in electronics, DVDs, CDs and souvenirs.

AAFES is also bridging the gap between the front lines and the home front with 15 call centers.

The troops are coming through “loud and clear” on one topic: name brand fast food is something they miss from home! AAFES now operates three Burger Kings and two Pizza Huts in Iraq. In fact, the Burger King at Baghdad International Airport is now one of the top 10 Burger Kings in the world.... and it’s operated out of a trailer!

People continue to ask me what AAFES’ long-term plan for Iraq is. Today, the only thing that’s for sure is that AAFES will be there for as long as it takes — we’ll turn the light out. While we are in Iraq for the long haul, it goes without saying that the cost of providing this support doesn’t come cheap. With this in mind, I must tell you of the amazing efforts of several AAFES associates, Congressional representatives and the Air Force budget officers.

With the help of these folks, AAFES was able to work with Congress to secure \$40 million for the extraordinary expenses being incurred in Operations Iraqi and Enduring Freedom in 2004. Although in no way a full reimbursement (our anticipated ’04 cost

is \$77 million) it is the first time AAFES has been reimbursed for contingency operations since Desert Storm. This will help AAFES continue to accomplish all aspects of its mission.

I hope you have a bright and beautiful New Year. Don't forget to shop your PX/BX. Just Compare: We Save You Money Every Day.

## **AAFES guarantees best price**

**DALLAS (AAFES)** - Many major retailers work to convince their customers that they have the best prices on all items everyday. AAFES prices are routinely lower than all other retailers on most items, and, if they aren't, AAFES has policies to ensure the customer always receives the best price.

With the "best price" program, AAFES pledges that its retail stores will match competitors' current, local price on any identical merchandise. AAFES also offers a 30-day price guarantee on any item originally purchased from AAFES and later sold at a lower price by AAFES or any local competitor.

AAFES customers can receive a reduced price by bringing in a current local competitor's ad. The competitor's item, of course, must be identical to the item in the AAFES store.

Since AAFES does have a dual mission to provide quality merchandise and services at uniformly low prices and generate reasonable earnings to supplement Morale, Welfare and Recreation programs, there are exceptions to the "best price" program. Stores will not accept challenges from any catalog, including the All Services Exchange Mail Order Catalog. Other exclusions include "gimmick" promotions, special order automotive parts, gasoline, automotive labor/service, double and triple coupons, clearance items, flat percentage-off items and vending items.

## **Homefront program tops \$325,000**

**DALLAS** - Since its start, more than 16,000 Americans have contributed more than \$325,000 to AAFES "Gifts from the Homefront" program. This money is used to purchase gift certificates for deployed Soldiers and Airmen.

Those wishing to send a "Gift from the Homefront" can log on to [aafes.com](http://aafes.com) or call, toll-free, 877-770-4438 to purchase gift certificates in \$10, \$20, \$25 or \$50.

## **New Bavarian resort to open in September**

Thoughts turning to travel? The Edelweiss Lodge and Resort in Garmisch, in the Bavarian Alps, is scheduled to open Sept. 15. The Armed Forces Recreation Center (AFRC) Europe is accepting reservations now.

The Edelweiss Lodge and Resort will boast a 330-room resort hotel including a conference center, three restaurants, entertainment game rooms, indoor pool and wellness club. The resort will also include a nine-hole Alpine golf course, Hausberg Sport Lodge and Vacation Village Campground. The Hausberg Lodge has undergone a massive renovation to accommodate the increased number of guests visiting Garmisch.

The Edelweiss is the newest joint services resort hotel centrally managed by the Army's Community and Family Support Center (CFSC). The other CFSC resort hotels are the Hale Koa in Honolulu, HI; Shades of Green in Orlando, FL; and Dragon Hill Lodge in Seoul, Korea.

The new \$60 million resort is the result of the consolidation of the AFRC Europe hotel facilities in Garmisch and Chiemsee. The construction has been financed with a commercial loan (no tax dollars), which is a first for the U.S. military.

You can get a “sneak peak” of the new era of AFRC Europe by visiting the [www.afrcurope.com](http://www.afrcurope.com) website, for information on current AFRC Europe opportunities, their special R&R program and several new pages on Edelweiss Lodge and Resort. These pages have been created to give online visitors a glimpse of the resort hotel's interior design, project scope and resort portfolio. You can also join a mailing list to receive information via email.

Between now and the Edelweiss opening, AFRC Europe will continue to provide vacation opportunities. The General Patton Hotel, Vacation Village and Campground and Hausberg Lodge are open and welcome you to visit Garmisch.

To make your reservations or to find out more about the Edelweiss Lodge and Resort, go to [www.afrcurope.com](http://www.afrcurope.com) or call the AFRC Europe Vacation Planning Center at 011-49-08821-72981.

## **DoD asks commanders for data for 2005 base closing review**

**WASHINGTON**— Base commanders in the U.S., its territories and possessions have been asked to gather data on their installations in preparation for the 2005 round of base realignments and closures, DoD officials said.

The fiscal year 2002 National Defense Authorization Act (NDAA) authorized one Base Realignment and Closure (BRAC) round in 2005. DoD will use BRAC to eliminate unnecessary infrastructure and increase military capability and effectiveness, officials said. Formal data calls ensure that DoD uses the most current data on installations throughout the BRAC analysis.

Since each installation will take part in these data calls, officials emphasized that participating does not mean DoD is considering that installation for closure or realignment.

The Defense Base Closure and Realignment Act of 1990 (Public Law 101-501), as amended by the FY 02 NDAA, sets the criteria for closure and realignment recommendations. The law sets military value as the primary consideration. Other criteria include the extent and timing of potential costs and savings, the economic impact on existing communities in the vicinity of military installations, the ability of communities to support an installation's mission, and the environmental impact on communities.

Information on DoD's BRAC process is available online at <http://www.dod.mil/brac/> .

## **Federal Long Term Care Insurance still available**

Even though the “open season” is over, those eligible can still apply for the Federal Long Term Care Insurance Program (FLTCIP).

The Office of Personnel Management selected Long Term Care Partners (LTCP) -- a joint venture of John Hancock and Metropolitan Life Insurance Companies -- to administer the program.

The FLTCIP covers a variety of areas such as long term care in the home, adult day care centers, assisted living facilities and nursing homes. This includes care that is not paid for by TRICARE, TRICARE For Life or Federal Employees Health Benefits.

“Gray area” Reserve retirees, that is, those qualified to receive retired pay, but not yet age 60, have been added to those eligible to apply. Others eligible include active and retired Soldiers, the current spouses and adult children of living retirees and surviving spouses of deceased retirees *only if the surviving spouse is receiving a survivor's annuity*.

There is no upper age limit on who can apply; however, you do have to answer questions about your health on the underwriting application and may need to have your

medical records reviewed or be interviewed by a nurse. Qualified family members can apply for their own coverage, even if the retiree chooses not to apply.

Those considering enrollment have a variety of options, depending on where they want the care covered and how much coverage they want.

Demographics indicate that the need for long term care is increasing as our population ages and the cost of such care can be very expensive. Further information to help you make a decision regarding this program is available at [www.LTCFEDS.com](http://www.LTCFEDS.com) or by calling 1-800-LTC-FEDS (1-800-582-3337).

## **TRICARE retail pharmacy goes to one contract**

Express Scripts Inc. of Maryland Heights, MO, has been awarded the TRICARE retail pharmacy contract.

The single contract will be simpler for the government to administer and make the program more accountable. The new contract will integrate with other health contracts to create one uniform benefit. This consolidation provides service for beneficiaries in the United States, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands. It also ensures significant cost avoidance for the government. The new retail pharmacy program will be fully portable, allowing beneficiaries access to network pharmacies while traveling outside of their regions. Beneficiaries may also obtain prescription medications from their military treatment facilities and the TRICARE Mail Order Pharmacy.

The transition to the new retail pharmacy contract began on Oct. 1, 2003, and is continuing for six months; the turnover of responsibility for delivery of retail pharmacy services will occur nationwide on April 1, 2004.

Beneficiaries will be informed by Express Scripts Inc. about network coverage and procedures for filling prescriptions at their neighborhood pharmacies. DoD will monitor the new retail network to ensure patient safety and provide continuity of services. For more information on TRICARE contracts, visit [www.tricare.osd.mil/](http://www.tricare.osd.mil/)

## **Mail order prescription warning**

If your health care provider faxes prescriptions to the TRICARE Mail Order Pharmacy (TMOP), please ask your provider to include a cover sheet, with his/her name and phone number to prevent delays.

Many prescription pads contain embedded watermarks to prevent fraud and forgery. When faxed, the watermarked area is often unreadable or blank. A cover sheet lets TMOP contact the provider when an unreadable watermarked prescription is received. TMOP- related information is available online at <http://www.tricare.osd.mil/pharmacy/tmop.cfm>.

## **Long term care pharmacy options**

*Can TRICARE retail or mail-order pharmacy programs be used to distribute medications to TRICARE For Life (TFL) beneficiaries residing in long term care institutions?*

In some facilities, such as an assisted living facility, the pharmacy programs can be used for patients who control and self-administer their medications. In other cases, such as long term care facilities where special packaging and labeling is required, the option of using the pharmacy programs will depend on State laws and the facility's policies. Beneficiaries or family members should speak to the facility administrator to find out how the facility or the patient routinely obtains medications for administration within the facility.

## **Army Surgeon General message to retirees**

*By LTG James B. Peake, M.D.  
The Surgeon General of the Army*

TRICARE will replace its regional managed-care support contracts during 2004. The transition to the new contracts begins in June and should be complete by November. The 11 CONUS TRICARE regions will be consolidated into three: TRICARE Region North, TRICARE Region South and TRICARE Region West.

Your benefits will remain the same under the new contracts. Incentives within the new contract ensure contractors are rewarded for improvements in quality care, access and claims payments. Costs – deductibles, enrollment fees, co-payments, catastrophic caps, cost shares – all remain the same. With transition to the new contracts, the catastrophic cap and deductible periods are being realigned from the beneficiary enrollment year to the standard Fiscal Year (Oct. 1-Sept. 30).

If you are enrolled in TRICARE Prime and wish to remain enrolled, you do **not** have to reenroll with the new contractor; your records will be automatically forwarded.

Consolidating the number of contracts will also reduce the need to change your TRICARE enrollment if you move about the country. Health-care providers who are serving as primary-care providers will continue to participate in the new TRICARE network. However, if your primary-care manager (PCM) does not remain in the new network, the new contractors will help you find a new PCM.

You should continue to file claims with your current claims processor until you are notified of a new address. Claims sent to the old claims processing address will be forwarded to the new claims processor when necessary. After the transition, overseas claims will be processed by the new contractor for TRICARE Region South.

To prepare for the transition and to ensure you receive up-to-date information as it's available, make sure your Defense Enrollment Eligibility Reporting System (DEERS) information is accurate. You may update this information in any of the following ways:

- Electronically at [www.tricare.osd.mil/deers](http://www.tricare.osd.mil/deers)
- By visiting or calling the nearest Uniformed Services ID card facility. You can find the nearest facility at [www.dmdc.osd.mil/rsl/](http://www.dmdc.osd.mil/rsl/).
- By calling the Defense Manpower Data Center Support Office toll-free at 1-800-538-9552.

For general TRICARE information, visit the Beneficiary Counseling Assistance Coordinator at a military treatment facility, or go online at [www.tricare.osd.mil](http://www.tricare.osd.mil). If you have a specific question about TRICARE, you can send an email message to [TRICARE\\_Help@amedd.army.mil](mailto:TRICARE_Help@amedd.army.mil) and you will receive an individual reply.

Retirees are a significant part of the 8.7 million TRICARE beneficiaries. Medical care is one of the important ways the nation expresses its gratitude to those who devoted a career to military service. TRICARE combines quality care and minimum patient expense in a most valuable benefit. These new contracts should make the system even more responsive.

## **New contractor answers TRICARE toll-free calls**

Under a new TRICARE Information Service contract, customer service representatives will be available Monday through Friday (except federal holidays) from 8:00 a.m. to 8:00 p.m., Eastern Time, to answer TRICARE beneficiary questions. This service will continue to use the existing TRICARE telephone numbers (888) 363-LIFE (TRICARE For Life); (877) 363-MEDS (TRICARE Pharmacy Program); (888) 363-HIPA (Health Insurance Portability Accounting Act); and (866) DOD-EWEB (TRICARE Online).

An interactive voice response (IVR) feature is available 24 hours a day, 7 days a week and works with the Information Service, offering beneficiaries and providers access to

commonly requested eligibility information, as well as assistance finding the appropriate call center for specific issues. With the TRICARE IVR, callers may request TRICARE information by saying the number of the option they wish to hear about or using a touch-tone phone keypad.

The TRICARE Information Service contractor is Automated Sciences Group Inc., a subsidiary of CACI International Inc. of Chantilly, VA. CACI has also provided call center and education outreach support for the Department of Veterans Affairs (VA) Healthcare Benefits Information Center for more than 12 years. The TRICARE Information Service contract provides information to the military health system's 8.7 million eligible members, including uniformed services members, retirees, family members and survivors.

## How Medicare Improvement Act affects you

The "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" is extensive, complex, and makes dramatic changes to Medicare. It is important for you to understand how these changes will affect you.

### Medicare Part B Premiums

The new law makes three important changes relating to enrollment in Medicare Part B, the Supplementary Medical Insurance Program. The first two changes affect persons who aren't enrolled, or who are paying surcharges because they enrolled after they were first eligible for Part B.

First, uniformed services beneficiaries who would be eligible for TRICARE For Life, but are **not** enrolled in Medicare Part B, may enroll **without penalty** during a special enrollment period **through Dec. 31, 2004**. Details of the special enrollment period will be announced at [www.tricare.osd.mil](http://www.tricare.osd.mil) and publicized widely through *Echoes* and other media.

Second, uniformed services beneficiaries who enrolled in Medicare Part B in 2001, 2002, 2003, or 2004 and are subject to a premium surcharge for late enrollment in Part B **can get those surcharges eliminated** by demonstrating that they're covered under TRICARE. The elimination of surcharges was effective Jan. 1, 2004, but the Department of Health and Human Services needs to work out procedures to be followed. Procedures will be announced at [www.tricare.osd.mil](http://www.tricare.osd.mil) and publicized widely.

The third change made by the new law affects all seniors, not just uniformed services beneficiaries. The Part B premium will be tied to income, beginning in 2007. Individuals with incomes above \$80,000 and couples with incomes above \$160,000 will pay more.

### Drug Benefit

For many people, the law's most significant aspect is the new outpatient prescription drug benefit. *This does not affect uniformed services beneficiaries; their TRICARE pharmacy benefits will continue as a separate program.*

Those who want to participate in the Medicare outpatient prescription plan should enroll when first eligible. Those who enroll after they're first eligible are **normally** assessed an annual late penalty. However, TRICARE pharmacy benefits are considered a creditable prescription plan under the new law, and so, uniformed services beneficiaries who don't enroll in the Medicare prescription drug benefit when first eligible do **not** have to pay an annual penalty if they enroll later **because they involuntarily lost their eligibility under TRICARE**.

Who could involuntarily lose TRICARE eligibility? A dependent widow(er) who remarries a person who isn't a uniformed services member or retiree; or a dependent

who divorces a military retiree and doesn't qualify under the law as a former spouse eligible for TRI-CARE benefits could involuntarily lose TRICARE eligibility.

The TRICARE pharmacy benefit provides coverage and wide availability of services through military facilities, retail pharmacies, and mail order. Thus, it is likely that most uniformed services beneficiaries will not find it advantageous to enroll in the new Medicare pharmacy benefit.

TRICARE and Medicare need to establish procedures for coordination of benefits for beneficiaries who do decide to sign up for the Medicare benefit.

### **Medicare Advantage**

The new law introduces improvements to the current Medicare+Choice program that are expected to increase the availability of private plans offering benefits to Medicare beneficiaries. TRICARE For Life beneficiaries can enroll in Medicare+Choice plans (and TRICARE will reimburse their copayments). Information about Medicare+Choice plans is available at [www.medicare.gov/Choices/Overview.asp](http://www.medicare.gov/Choices/Overview.asp) or by calling 1-800-MEDICARE.

Most people eligible for Medicare use traditional fee-for-service Medicare. The new law includes provisions for a pilot program beginning in 2010 (the Comparative Cost Adjustment program) that could result in increased Part B premiums for persons in traditional fee-for-service Medicare, if sicker patients gravitate to private plans in the test sites.

### **Provider Reimbursement**

The new law includes numerous provisions relating to reimbursement of hospitals, physicians, and other service providers. *Significantly, physicians will receive a 1.5 percent payment increase in 2004 for 2005, rather than the reduction that was anticipated.*

### **Part B Deductible**

The new law increases the Medicare Part B deductible to \$110 in 2005 and indexes it to inflation for following years. This should have minimal impact on uniformed services beneficiaries, since the Medicare deductible is payable by TRICARE.

### **Disabled veterans get VA health care priority**

**WASHINGTON** - All veterans with service-connected medical problems will receive priority access to health care from the Department of Veterans Affairs (VA) under a new directive.

The directive provides that all veterans requiring care for a service-connected disability — regardless of the extent of their injury — must be scheduled for a primary care evaluation within 30 days of their request for care. If a VA facility is unable to schedule an appointment within 30 days, it must arrange for care at another VA facility, at a contract facility or through a sharing agreement.

The directive covers hospitalization and outpatient care. It does not apply to care for medical problems not related to a service-connected disability. However, veterans needing emergency care will be treated immediately.

The new provision is an extension of rules that took effect in October 2002 for severely disabled veterans. Under the earlier rules, priority access to health care went to veterans with disabilities rated at 50 percent or more. For the severely disabled, the priority includes care for non-service-connected medical problems.

The number of veterans using VA's health care system has increased from 2.9 million in 1995 to nearly 5 million in 2003. Although VA operates more than 1,300 health care sites, including 162 hospitals and more than 800 outpatient clinics, the increase in veterans seeking care outstrips VA's capacity to treat them.

## **How Veterans Benefits Act affects you**

**(ST. PETERSBURG, FL – VA)** The Veterans Benefits Act of 2003 authorizes \$1 billion over the next ten years for new and expanded benefits for disabled veterans, surviving spouses, and children.

The new law:

- Increases the specially adapted automobile grant from \$9,000 to \$11,000, and the specially adapted housing grants from \$48,000 to \$50,000 for the most severely disabled veterans, and from \$9,250 to \$10,000 for less severely disabled veterans for assistance furnished on or after Dec. 16, 2003, the date of the new law.
- Increases monthly educational benefits for spouses and dependent children of disabled veterans from \$695 to \$788 for full-time study, from \$522 to \$592 for three-quarter time study, and from \$347 to \$394 for half-time study, effective July 1, 2004.
- Expands benefits eligibility to children with spina bifida who were born to certain Vietnam-era veterans who served in Korea near the demilitarized zone.
- Allows the surviving spouse or dependent children to receive full accrued benefits if the veteran dies while their claim is still pending, effective for deaths occurring on or after Dec. 16, 2003.
- Eliminates the 30-day requirement (period of time detained as a POW) for POWs to qualify for presumptions of service-connection for certain disabilities: psychosis, any of the anxiety states, dysthymic disorder, organic residuals of frostbite, and post-traumatic osteoarthritis.
- Expands the Montgomery GI Bill program to cover self-employment training programs of less than six months and entrepreneurship courses at approved institutions. [Takes effect June 16, 2004 and applies to self-employment on-the-job training approved and pursued on or after that date.]
- Allows federal agencies to create "sole-source" contracts for disabled veteran-owned small businesses -- up to \$5 million for manufacturing contract awards and up to \$3 million for non-manufacturing contract awards.
- Allows federal agencies to restrict certain contracts to disabled veteran-owned small businesses if at least two such concerns are qualified to bid on the contract.
- Mandates that the Department of Labor place staff in veterans' assistance offices at overseas military installations 90 days after Dec. 16, 2003.

## **DIC restored for some**

- Restores Dependency and Indemnity Compensation (DIC), VA home loan guarantee, and education benefits eligibility for eligible surviving spouses **remarried after age 57**, and burial eligibility for all remarried spouses. This was effective Jan. 1, 2004.

Surviving spouses who were receiving DIC and remarried before Dec. 16, 2003, and after their 57th birthdays **have one year from Dec. 16, 2003 in which to apply**. The burial eligibility is effective for deaths which occurred on or after Jan. 1, 2000. Contact the VA at 1-800-827-1000 to request VA form 21-686C or go to [www.vba.va.gov/pubs/forms/21-686c.pdf](http://www.vba.va.gov/pubs/forms/21-686c.pdf).

**(Note: If you know of anyone who may be eligible for these benefits, please share this information with them.)**

## Short shots

*(Note: Publications, organizations and events that may be of interest to retirees appear in this section as a service to retirees. This doesn't imply that Army Echoes endorses these publications or programs. Any problems should be directed to the specific publisher or organization.)*

- In its fifth year, **The 2004 Retired Military Personnel Handbook** has been revised and expanded. It is written for military personnel and retirees and their families to guide them through retirement, explaining benefits and providing a context for decision making. New or expanded information includes: TRICARE Plus, Federal LTC Insurance program, tax policies, estate tax treatment and long term care premiums, new retirement lifestyle information, incapacity planning, pay and benefit policies. *The 2004 Retired Military Personnel Handbook* costs \$9.95, plus \$4 shipping and handling, and can be ordered online at [www.fedweek.com/Publications/default.asp](http://www.fedweek.com/Publications/default.asp), by calling (888)333-9335 or writing to FEDweek, PO Box 5519, Glen Allen, VA 23058.
- The **21<sup>st</sup> Annual National Retired Military Golf Classic** will be held in Myrtle Beach, S.C., from June 1-5, 2004, at Myrtle Beach Nation and Wildwing Golf Clubs. Only 864 men and 132 women will be accepted for this event, competing for more than \$125,000 in cash and prizes. Applications were sent in December 2003 to those on the mailing list. Applications are also available at most military golf courses in the U.S. Priority has been given to those who have recently played in the classic. Since Feb. 1, 2004, acceptance has been on a first-come first-served basis. A waiting list will be established once the classic is full. For applications, call 1 (800) 255-4763 or 1 (866) 469-7853 or write to the National Retired Military Golf Classic, PO Box 3608, Myrtle Beach, SC 29578.

## VA 2004 insurance dividends

**WASHINGTON** — The VA is paying more than \$517 million in dividends to 1.5 million **active** policyholders of veterans' life insurance. Veterans will receive payments on the anniversary date of their policies, with the dividend amount varying according to age, type of insurance, and length of time the policy has been in force. Eligible veterans will **automatically** receive their annual dividend through one of the nine payment options available to them.

Dividends cover only veterans with government life insurance policies who served between 1917 and 1956. Veterans who were discharged after 1956 are covered by VA term insurance programs that do not pay dividends.

Only those with policies that have been kept in force when premiums were required are eligible for the payout. False stories surface periodically saying that veterans who have not maintained insurance are eligible for a special dividend if they contact VA, but this isn't so. Eligible policyholders receive dividends automatically.

Veterans who have questions about their policies may call the VA Insurance toll-free number at 1-800-669-8477, send an e-mail to [VAinsurance@vba.va.gov](mailto:VAinsurance@vba.va.gov), or visit the web site at [www.insurance.va.gov](http://www.insurance.va.gov).

## Keep retired pay records current

Too often, we hear about survivors who have been denied Survivor Benefit Plan (SBP) benefits because the retiree failed to update retired pay records when the retiree married, divorced, remarried, was widowed or gained a child. We hear from surviving

spouses who did not receive the retired pay for the portion of the last month the retiree was alive because this money went to someone else whom the soldier had named at retirement.

We hear from former spouses who lost SBP because neither the former spouse nor the retiree notified the Defense Finance and Accounting Service within a year of the divorce that SBP was part of the divorce by sending a letter and a copy of the decree.

To make sure your spouse (or former spouse) is prepared, keep a file of information that your spouse (or former spouse) will need when you die. Make sure your spouse (or former spouse) knows what benefits to expect or not to expect. **Clip this article to your files as a reminder to keep your retired pay records current when your status changes.**

**Note:** The SBP "paid up" provision which allows retirees to stop paying SBP premiums after 30 years of premium payments and reaching age 70 goes into effect Oct. 1, 2008.

**Remember:** You are responsible for updating your retired pay file information at DFAS-CL (address below) within one year of the event if you marry, remarry, have a child, are widowed or divorced and need to make or update a Survivor Benefit Plan (SBP) election.