

> RAO Bulletin Update  
> 15 January 2008

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> NDAA 2008 UPDATE 13: Ending its sine die adjournment (sine die adjournment is an adjournment that terminates a session of Congress), the House convened on 3 JAN to begin the second session of the 110th Congress as prescribed by the Constitution of the United States. The House convened at 12 noon and pursuant to S. Con. Res. 61, 110th Congress, adjourned at 12:03 p.m. until noon on Tuesday, 15 JAN 08. Similarly, the Senate met on Jan. 3 to convene the 2nd session of Congress as prescribed by the Constitution. The Senate met for 46 seconds in a pro forma session from 12:04:26 and

recessed at 12:05:12 noon. It is scheduled to meet again in pro forma session at 9 a.m., on Monday, Jan. 7, with formal session scheduled on Jan. 22 pursuant to S. Con. Res. 61,

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> As previously reported, President Bush used a pocket veto to reject H.R. 1585, the FY 2008 National Defense Authorization Act (NDAA), because a provision in the bill would render the new Iraqi government responsible for compensation claims against the Saddam Hussein led former government. The President's pocket veto decision drew immediate criticism from several House and Senate leaders. At question is the constitutionality of President's ability to use the pocket veto. Under Article 1 Section 7 of the Constitution, the President has 10 days to approve or disapprove legislation (excluding Sundays) after it is presented. If the President doesn't approve the bill-that is that he wishes to veto it-his obligation is to return it with his objections to the House where it originated, unless the Congress by its adjournment prevents its return, in which case the bill "shall not be law" if unsigned after 10-days (the House adjourned sine die Dec. 19). Withholding signature in such a case is known as a "pocket veto," and unlike a regular veto, it cannot be overridden by a two-thirds vote in Congress. It is absolute. Once a pocket veto occurs, the only way for Congress to enact the legislation would be to resubmit the measure in the form of a new bill once it returns from adjournment.

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> House leader Nancy Pelosi (D-CA), has said the House may still vote to override the veto. She has said that because the Senate has been in Pro Forma sessions, President Bush cannot pocket veto the bill. The White House argues the bill originated in the House and because the House is in recess, the bill has been pocket vetoed. A Constitutional battle could ensue before a new authorization bill is developed. There is much at stake in resolving this issue quickly. Passage of the NDAA authorizes a 3.5% military pay raise; reauthorizes enlistment, reenlistment, and specialty bonuses; expands Combat-Related Special Compensation to all combat-related disabled veterans; and provides full Concurrent Retirement and Disability Pay for disabled retirees rated as Individually Unemployable by the VA. The bill also lowers the minimum Guard and Reserve retirement age by 90 days for every 3 months served on active duty and establishes a Special Survivor Indemnity Allowance beginning 1 OCT 08. Each of these items remains on hold as we await the resolution of this matter. [Source: NAUS Weekly Update 4 Jan 07 ++]

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> TRICARE EOBS UPDATE 02: Tricare for Life (TFL) beneficiaries can soon print a copy of their Explanation of Benefits (EOB) from the convenience of their own homes. Starting in JAN 08, the only paper EOB's that beneficiaries will receive are monthly summaries. The exception to this is if a claim includes services that are rejected, and those services have appeal rights; or if the EOB is mailed with a payment to the beneficiary. In February, beneficiaries will have the option to receive an electronic notification every time a claim processes. Beneficiaries can then log on to the secure web site at [www.TRICARE4U.com](http://www.TRICARE4U.com), to view and print their EOB. The EOB will be available online and beneficiaries will have the ability to access EOB's for any claim processed during the last 27 months. Once a beneficiary signs up for this option, they will not receive a monthly paper summary. TFL beneficiaries will receive letters notifying them of the changes, either with their current EOB's or any other correspondence. If there are any questions about the registration process beneficiaries can call

1-866-773-0404. Those requiring a Telecommunications Device for the Deaf (TDD) can call 1-866-773-0405. [Source: TMA News Release 9 Jan 08 ++]

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> SS RETIREMENT AGE UPDATE 01: About half of the soon-to-be-62-year-olds are expected to do just what their parents generally did: file for Social Security benefits at the youngest possible age, in exchange for a smaller benefit than they'd get if they waited to retire at 66. Many are relying on conventional wisdom that suggests they're better off filing for Social Security as soon as possible. Yet if they follow that advice, millions of the oldest boomers may be about to make a colossal error - one that would be magnified by their record-setting longevity. Over time, taking benefits early could mean a smaller payout, hefty taxes on their retirement savings and a heightened risk of outliving their money. In fact, the roughly 50% of the oldest baby boomers who the Social Security Administration estimates will tap their benefits starting this year will absorb a permanent 25% cut in benefits. Up to three-quarters of them are expected to file for benefits before age 66, their full retirement age. How much their benefits will shrink depends on how close they are to full retirement age once they begin to take those benefits.

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> Those who wait till after age 66 will enjoy an 8% annual increase in benefits until age 70. (After that, there's no advantage to delaying benefits.) Yet on the most fateful financial decision most of them will make, only about 5% of retirees wait until after they've reached full retirement age to claim benefits. And it's a trend that's likely to persist, says Stephen Goss, chief actuary for the Social Security Administration.

> Many retirees who plan to start taking their benefits early assume it won't make much difference over time. In reality, boomers who live the longest stand to lose the most by taking benefits early, according to an analysis by the American Academy of Actuaries. Retirees who file for Social Security at age 62 and live into their mid-90s could lose nearly \$150,000 in benefits, says Ron Gebhardtsbauer, senior pension fellow with the academy. Factors that could hurt boomers who take early Social Security benefits at age 62:

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> 1. Longevity

> . There's a 41% chance that a 62-year-old woman today will live to 90; a 62-year-old man has a 29% chance. For a married couple, there's a 58% chance that one of them will live to 90 and a 29% chance that one will reach 95.

> . The Social Security Administration projects that the average retiree's "break-even" age for Social Security benefits is 77. A retiree who dies before then would have fared better by taking benefits at 62. Those who live past 77 would earn more by delaying benefits.

> . Retirees who take reduced benefits at 62 and live to 90 would lose \$39,000 in benefits; those who live to 95 would give up \$54,000, the SSA says.

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> Some financial analysts say your losses would be far greater than the SSA's projections. If, for example, you include the annual cost-of-living increases that boost Social Security checks, Gebhardtsbauer's estimate of how much you'd lose by taking benefits early far exceeds the SSA's: \$83,000 for those who take benefits at 62 and live to age 90 and nearly \$149,000 for those who live to 95. Gebhardtsbauer sets the break-even age a bit higher than the SSA does. That's because he takes into account interest earned by

those who take benefits starting at 62. Even so, by including the annual cost-of-living increases, he calculates even more value in delaying benefits. The reason: The cost-of-living adjustments will apply to a larger sum. Thanks to compounding, "those cost-of-living adjustments will be huge, especially if you live long in retirement," says James Mahaney, a retirement specialist at Prudential Financial. Even if you're convinced you won't live so long, taking your benefits early could hurt your spouse. When a married beneficiary dies, the survivor can continue receiving his or her own benefit or the deceased spouse's benefit, whichever is more. So spouses who take their benefits early don't just shrink their own payouts; they also reduce the amount the surviving spouse will be eligible for.

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> 2. Taxes. Analysts generally urge retirees to delay withdrawing money from their 401(k), IRA and other retirement savings accounts as long as possible. That way, the thinking goes, the tax-deferred investments can grow and compound. But that advice, Mahaney says, ignores the punishing effect of taxes on Social Security benefits. If all your income comes from Social Security, your benefits usually aren't taxable. But retirees with other income, including withdrawals from most retirement plans, could owe taxes on a huge chunk - 50% to 85% - of their benefits. The tax was originally designed to target wealthy seniors. But because the income thresholds weren't indexed to inflation, the tax has spread to middle-income retirees.

> Married couples with \$32,000 in combined income face taxes on half their Social Security benefits.

> Couples with a combined income of at least \$44,000 could owe taxes on 85% of their benefits. (For the purposes of the tax, combined income includes half of a retiree's Social Security benefits, wages from a job, pensions and withdrawals from most retirement plans.) Retirees can avoid this by using their retirement savings to pay living costs in the early years of retirement, Mahaney says, and then taking their Social Security benefits later.

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> 3. Risk of outliving your full benefit: Unless Congress acts, by 2017 Social Security will start paying out more in benefits than it receives in tax revenue. By 2027, it will have to tap its trust fund to pay benefits. And by 2041, Social Security will be able to pay only about 75% of promised benefits, according to the agency's report to Congress. But the 79 million people born from 1946 through 1964 represent an extraordinarily potent voting bloc. Reducing their benefits "would be a huge political burden," Prudential's Mahaney says. He thinks lawmakers are more likely to raise payroll taxes on workers than reduce benefits for retirees.

> [Source: USA Today Sandra Block article 14 Jan 08 ++]

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> VA EYE CARE: Eye-care services are available at the VA Medical Center. The following veterans are eligible to receive eye care and eyeglasses from VA:

> . Veterans rated 10% or more service-connected for any condition;

> . veterans rated service-connected for an eye condition that requires corrective lenses;

> . former prisoners of war;

> . veterans enrolled in a VA-approved Vocational Rehabilitation Training Program; and

> . veterans in receipt of increased VA nonservice-connected pension based on need of regular aid.

> For more information on VA eye care, call your local VA Medical Center.

[Source: Honolulu Star Bulletin Gregg K. Kakesako article 13 Jan 08 ++]

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> **MEDICARE EYE CARE:** Medicare covers most doctor services and routine medical care required to keep you healthy. However, there are some services, such as eye care, that Medicare will only cover in very limited

circumstances. For instance, Medicare will only pay for routine eye care if

> . You have diabetes. Medicare will pay for an eye exam once every 12 months to check for vision loss due to the condition; or

> . You are at high risk for glaucoma. Medicare will cover 80% of the cost of an eye exam by a state-authorized eye doctor once every 12 months, after you pay your Part B deductible. You are considered to be at high risk for glaucoma if you have diabetes; have a family history of glaucoma; are African American and age 50 or older; or are Hispanic and age 65 or older.

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> Glaucoma is a group of eye diseases in which damage to the nerve located in the back of the eye (the optic nerve) results in loss of eyesight. Over three million Americans, and nearly 70 million people worldwide, have glaucoma. Experts estimate that half of them don't know they have it.

Although the most common forms primarily affect the middle-aged and the elderly, glaucoma can affect people of all ages. If glaucoma is not

treated, vision loss may continue, leading to total blindness. There's no

sure way to prevent glaucoma, but early treatment helps slow the disease and

prevent blindness. Note: if you have Medicaid health coverage, then you are

eligible for routine eye services through Medicaid. Medicare will also pay

for certain nonroutine eye-care services if they are related to a chronic eye condition, such as cataracts or glaucoma. Medicare will cover

> . Surgical procedures to help repair the function of your eyes due to

these conditions. For example, Medicare will cover surgery to remove the cataract and replace your eye's lens with a man-made intraocular lens.

> . Eyeglasses or contacts only if you have had cataract surgery to replace your eye's lens with a man-made lens (an "intraocular" lens). Medicare will

cover the dark glasses that you must wear immediately after surgery to

protect your eyes, as well as a standard pair of untinted prescription

eyeglasses or contacts if you need them after surgery. If it is medically

necessary, Medicare may pay for customized eyeglasses or contact lenses.

> . An eye exam to diagnose potential vision problems. If you are having

vision problems that may indicate a serious eye condition (for example,

having constant double-vision, progressive blurring vision or the decrease

of sight on the edges of your vision), Medicare will pay for an exam to see

what is wrong, even if it turns out there is nothing wrong with your sight.

> [Source: The Medicare Counselor Jan/Feb 08 ++]

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> **VA VET CENTERS UPDATE 03:** U.S. Senator Russ Feingold led a letter from the Wisconsin congressional delegation in an effort to establish more

Veteran Centers in Wisconsin. In the letter, Feingold and all nine other

members of the delegation urged the Department of Veteran Affairs (VA) to

open two additional Vet Centers in Wisconsin's La Crosse and Brown counties.

The delegation expressed its disappointment that none of the 23 new centers

the VA plans to open in the U.S. this year would be built in Wisconsin,

which ranks seventh worst in the nation for veterans' access to these

centers. Approximately 40% of Wisconsin veterans do not have a Vet Center

close enough for them to go on a regular basis. Vet Centers provide

counseling in a non-medical setting to complement the services provided in VA medical centers and outpatient clinics. Wisconsin only has two Vet Centers, both in the southern part of the state, to serve the state's 469,000 veterans. States with similar veteran populations have more than double this number of Vet Centers. Maryland, for example, has fewer veterans than Wisconsin and is one fifth its size but has four Vet Centers.

Massachusetts is about one eighth the size of Wisconsin, and has only a slightly larger veteran population, but it has seven Vet Centers. If Vet Centers were established in La Crosse and Brown counties in Wisconsin, roughly 82% of Wisconsin veterans would be within an hour drive of a Vet Center. A copy of the letter can be viewed at

[http://feingold.senate.gov/pdf/ltr\\_vets\\_121107.pdf](http://feingold.senate.gov/pdf/ltr_vets_121107.pdf). [Source: Sen. Feingold Press Release 7 Jan 08 ++]

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> ALABAMA VETERANS HOMES UPDATE 01: Pell City won the competition 11 JAN to get Alabama's fourth veterans nursing home. The state Board of Veterans Affairs voted unanimously to place the home on a 27-acre site near the intersection of Interstate 20 and U.S. 231. The St. Clair County Economic Development Council offered the site, along with roads and water and sewer lines, worth \$2.2 million to attract the nursing home. The veterans' board, which was looking for a location convenient to the Veterans Administration Medical Center in Birmingham, also received proposals for sites in Helena and Tuscaloosa. Ken Rollins of Oxford, chairman of the board's nursing home committee, said the St. Clair County site stood out because it adjoins the Pell City campus of Jefferson State Community College. The college plans a nursing program at the campus, and is next to the proposed location of the St. Vincent's St. Clair Hospital. The board plans to begin work on the home in 2009 and open it in 2011.

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> The federal government has set aside \$26 million toward building the home. The Department of Veterans Affairs plans to put up \$12 million from the portion of the state property tax that it receives to help veterans. The \$2.2 million in donations from Pell City will push the total project to \$40 million, according to Alabama's Veterans Affairs Commissioner Clyde Marsh. The state's three veteran's nursing homes in Huntsville, Alexander City and Bay Minette are filled to capacity with 450 people and have waiting lists. The Pell City home will be the state's largest with 280 beds. That will include 50 beds for Alzheimer's disease and dementia patients and, for the first time, 50 to 80 beds that will be more like assisted-living care than a nursing home. The cost of staying in one of the nursing homes is \$156.82 per day, but the patient pays only \$11.64, making it much cheaper than paying for a privately owned nursing home. The remainder of the cost is paid by the state and federal government. Changes approved by the board provide for the state to pay \$73.76 and the federal government \$71.42. [Source: AP Phillip Rawls article 11 Jan 08 ++]

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> USERRA UPDATE 05: The Labor Department once again has sole jurisdiction to investigate military service members' complaints about their federal employment, even though a study examining the processing of such claims was considered inconclusive. A pilot project created by Congress in 2004 sought to determine which of two federal agencies -- Labor's Veterans Employment and Training Service (VETS) or the Office of Special Counsel -- was better suited to investigate alleged violations of the 1994 Uniformed Services

Employment and Reemployment Rights Act. The law protects veterans from employment discrimination resulting from their service. Lawmakers allowed the demonstration project to expire on 1 JAN 08, and federally employed service members now must return to consulting VETS for initial investigation of their claims. The project, which was launched after criticism from Guard and Reserve personnel that VETS took far too long to investigate alleged violations of USERRA, was designed to determine whether OSC's expertise in enforcing federal sector prohibited personnel practices could strengthen the law's enforcement for government employees. But the project did not give lawmakers the definitive answer they expected.

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> In July, the Government Accountability Office issued a report that did not reach a conclusion about which agency was better suited to handle USERRA cases. George Stalcup, director of strategic issues at GAO, testified at an OCT 07 hearing of the Senate Veterans Affairs Committee that data problems at both agencies affected GAO's ability to draw conclusions. Sen. Daniel Akaka, D-Hawaii, proposed at the hearing a one-year extension for the demonstration project. But a congressional aide said 11 JAN that lawmakers opted not to extend the project, largely because GAO had determined that further analysis would not be possible. Jim Mitchell, a spokesman for OSC, said that the major concern is stepped-up withdrawal of troops from Iraq and Afghanistan could result in a surge of claims to VETS. According to Pentagon figures released 9 JAN, the number of National Guard and Reserve personnel who have been mobilized currently stands at 92,673. Mitchell proposed allowing OSC to have jurisdiction over federal claims, which would free VETS to focus on providing services to USERRA claimants in the private sector.

> OSC will continue to have a role in USERRA enforcement, however, if VETS is unable to resolve a federal sector claim. The claimant may request that VETS refer the matter to OSC, which may then represent the claimant before the Merit Systems Protection Board.

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> The congressional aide noted that there may be an additional role for OSC in the future, but lawmakers have not yet decided what it would be. Akaka and Sen. Edward Kennedy (D-MA) recently introduced legislation that would strengthen USERRA by imposing deadlines on federal agencies to assist service members. The legislation also would implement the recommendations in GAO's report to reduce inefficiencies and improve data collection by the government on USERRA issues. The real issue, the aide said, is that federal response to USERRA claims has been lacking, especially when the government should be a model employer in enforcing the law. To address this, lawmakers are considering whether to require that an agency's Chief Human Capital Officer (CHCO) be notified when a USERRA claim is filed. CHCOs then could then determine whether more training and education on the law was necessary. He said, "This is a very complicated law and many may very well not understand it. I think it comes down to making sure that the education and outreach is there and that the federal government is setting the role as a model employer." [Source: GOVExec.com Brittany R. Ballenstedt article 11 Jan 08 ++]

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> VA LAWSUIT (LACK OF CARE) UPDATE 04: Veterans' advocates can proceed with a lawsuit claiming that the federal government's health care system for troops returning from Iraq and Afghanistan illegally denies care and benefits, a federal judge in San Francisco ruled 10 JA. U.S. District Judge Samuel Conti, a conservative jurist and a World War II veteran, rejected

Bush administration arguments that civil courts have no authority over the Department of Veterans Affairs' medical decisions or how it handles grievances and claims. If the plaintiffs can prove their allegations, Conti said, they would show that "thousands of veterans, if not more, are suffering grievous injuries as the result of their inability to procure desperately needed and obviously deserved health care." He said federal courts are competent to decide whether those injuries were caused by flaws in the health care system and the VA's grievance procedures. Conti did not rule on the adequacy of the treatment system, which will be addressed in future proceedings. But he decided one disputed issue, finding that veterans are legally entitled to two years of health care after leaving the service. The government had argued that it was required to provide only as much care as the VA's budget allowed in a given year. A lawyer for the plaintiffs, Melissa Kasnitz of Disability Rights Advocates, said the judge had rejected the VA's "shameful effort to keep these deserving veterans from their day in court."

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> The next step is a hearing on the plaintiffs' request for an injunction that would require the federal agency to provide immediate mental health treatment for veterans who suffer from stress disorders and are at risk of suicide, said Sidney Wolinsky, another Disability Rights Advocates lawyer. That hearing is scheduled for 22 FEB. The suit claims that the federal government's failure to provide timely treatment is contributing to an epidemic of suicides among returning soldiers. The suit was filed in July by two organizations, Veterans for Common Sense and Veterans United for Truth, as a proposed class action on behalf of 320,000 to 800,000 veterans or their survivors. The groups said the VA arbitrarily denies care and benefits to wounded veterans, forces them to wait months for treatment and years for benefits, and gives them little recourse when it rejects their medical claims. The department has a backlog of more than 600,000 disability claims, the suit said. A Pentagon study group reported in June that the system was understaffed, prompting the VA to announce staffing increases in July. The study group also found that 84,000 veterans, more than one-third of those who sought care from the department from 2002 through 2006, had been diagnosed with post-traumatic stress or another mental disorder.

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> In seeking dismissal of the suit, the Justice Department argued that Congress had barred federal courts from hearing complaints about the VA system when it established a special Court of Appeals for Veteran Claims in 1988 to review grievances over treatment and benefits. But Conti said the special court can examine only individual cases and has no power to consider "systematic, constitutional challenges." He said those belong in regular courts. Conti also said the VA system, originally intended as an informal procedure to help veterans resolve their claims, has morphed into an adversarial process in which claimants have to comply with formal legal rules, often without a lawyer. "It is within the court's power to insist that veterans be granted a level of due process that is commensurate with the adjudication procedures with which they are confronted," Conti said. Efforts to reach the Justice Department for comment were unsuccessful. [Source: San Francisco Chronicle Bob Egelko article 11 Jan 08 ++]

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> TRICARE UNIFORM FORMULARY UPDATE 23: On 10 JAN the DoD Beneficiary Advisory Panel (BAP) met to review DoD proposals to elevate some cardiovascular disorder, prostate, and immune disease medications to the

third tier, or \$22 copay level. In the cardiovascular disorder category, the BAP concurred with keeping Zebeta, Coreg, Toprol XL, and Lopressor at \$3 or \$9 copays. Within the prostate medications, DoD proposed a "prior authorization" requirement which would require beneficiaries to try Uroxatral before Hytrin, Cardura, or Flomax unless they had a current prescription within the last 180 days. Even after trying Uroxatral without success, a "medical necessity" statement from a physician is still needed for Flomax or beneficiaries would have to pay a \$22 copay. The BAP agreed to the prior authorization requirement but urged DoD to move Flomax back to a lower copay.

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> The targeted immunomodulatory biologics (TIB) -- Enbrel, Kineret, Humira, Raptiva, and Amevive -- are used to treat various forms of arthritis, psoriasis, Chron's Disease, and ulcerative colitis. By a one-vote margin, the BAP concurred with moving Enbrel and Kineret to the third tier but recommended delaying implementation for 120 days to allow time for patients to consult with their doctor and a rheumatologist.

> The BAP agreed to move Exforge, a combination drug for high blood pressure, and the contraceptive Lybrel to the third tier with a 60-day implementation period. However, the BAP did not concur with moving Vyvase, used to treat ADHD, to a \$22 copay. This is the first case where DoD has recommended third tier status when there was no clinically meaningful therapeutic disadvantage or cost advantage. The BAP concurred with DoD's recommendations to place the generic version of the hypertension drug Norvasc back on the formulary at a lower copay than the current \$22 price. All recommendations will be submitted to the Assistant Secretary of Defense (Health Affairs) for final decision. Beneficiaries can use the Formulary Search Tool located on TRICARE's pharmacy web site <http://www.tricare.mil/mybenefit/home/Prescriptions> for additional information about medications, their availability and cost. [Source: MOAA Leg Up 11 Jan 08 ++]

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> VA BUDGET 2008 UPDATE 11: President George W. Bush recently signed HR 2764, the Consolidated Appropriations Act, 2008; which, the Military Construction and Veterans Affairs and Related Agencies Appropriations Act of 2008 falls under Division "I" of this bill. The 11-bill Omnibus, one that increases the VA budget by \$6.6 billion above the 2007 level, calls for \$3.7 billion above the President's request for fiscal year 2008, which is the largest single increase in the 77-year history of the Veterans Administration. The \$3.7 billion increase for veterans is designated as emergency funding under the final bill, and is contingent on approval by the President before it can be released to the VA prior to the 18 JAN deadline. The president has indicated he will approve this by the deadline. VA needs the additional \$3.7 billion in emergency funding to help reduce the unacceptable claims backlog and hire PTSD counselors and claims adjudicators to work with returning OEF/OIF veterans. [Source: AL Philippine DNL Jan 08 ++]

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> RESERVE RETIREMENT AGE UPDATE 12: The President issued a pocket veto of the defense bill just after Christmas because of an unrelated provision about lawsuits against the current Iraq government. Lawmakers are expected to resolve this issue and resubmit it for the President's signature within the next few weeks. The vetoed legislation included language sponsored by

Senator Saxby Chambliss (R-GA) that lowers the reserve retirement age below age 60 by three months for each cumulative 90 days of active duty served on "contingency operation" orders. The activation orders, whether involuntary or not, must indicate a contingency operation. The activated member need not be deployed to qualify. Reservists could retire as early as age 50 with 10 years' qualifying active duty service, if otherwise qualified for a reserve retirement. The pending change, however, is prospective only. That means only active duty service after the date the defense bill is signed into law (hopefully, later this month) will be credited toward reducing the retirement age. A second concern is that reservists who qualify under the new law to retire before age 60 would not be entitled to TRICARE until they reach age 60.

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> The new retirement upgrade doesn't go far enough. But it's at least a first-ever beachhead on this issue. Now that Congress has explicitly recognized the obsolescence of a retirement system built 50 years ago for a different force and the Cold War, members of the Military Coalition (TMC) should pursue more comprehensive reform until it's achieved. The next step is to make the "90 days retirement credit for 90 days active service" change retroactive to cover active service in the post-911 era. Since then, more than 600,000 Guard and Reserve warriors have served contingency operation active duty. More than 142,000 have served multiple tours.

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> While Congress contemplates a remedy for the current National Defense Authorization bill, Representative Joe Wilson (R-SC) has taken a preemptive measure to address reserve retirement pay. Wilson has introduced H.R. 4930 a bill that would make the early reserve retirement pay language of NDAA Section 647 retroactive to September 11, 2001. The legislation would count any aggregate of 90 days of qualifying service performed in any fiscal year after 911 toward reducing the 60-year eligibility age by three months. Proposals that would simply change the reserve retirement age from 60 to 55, including H.R. 690 (Rep. Jim Saxton, R-NJ) and S. 1243 (Sen. John Kerry, D-MA), are also still in play. But it's more likely in the future that Congress will tie additional service, including operational service, to any broad plan to lower the reserve retirement age. Such proposals need to include TRICARE eligibility. It makes no sense to provide access to TRICARE (TRICARE Reserve Select) for Selected Reserve families and then cut off that coverage for "gray area" and other pre-age 60 reserve retirees. The evolution of the reserve forces from a strategic to an operational role means more service on active duty, more time away from home, and diminished civilian career prospects. Now that Congress has begun to recognize these realities, it's time for more aggressive steps by the military community in communicating with their legislators to improve the reserve retirement system. [Source: NGAUS LEGIT & MOAA Leg Up 11 Jan 08 ++]

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> VETERAN CHARITIES UPDATE 05: Many people want to donate money and assets to help veterans. To help you make an informed decision, the Florida Department of Veterans' Affairs has compiled a list of resources provided below:

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> . [www.sunbiz.org](http://www.sunbiz.org) : For information on organizations registered with the Florida Department of State's Division of Corporations, including non-profit organizations.

> . <http://app1.800helpfla.com/giftgiversguide> . : The Florida Department of

Agriculture and Consumer Services' Gift Givers' Guide provides revenue information, as well as costs, surplus and more on charitable organizations.

> . [www.charitynavigator.org](http://www.charitynavigator.org) . : This national Web site hosts information on large charitable organizations that take in at least \$500,000 per year and have existed for a minimum of five years. Charity Navigator also includes helpful tips for donating.

> . [www.charitywatch.org](http://www.charitywatch.org) . : The American Institute of Philanthropy is a nationally prominent charity watchdog service whose purpose is to help donors make informed giving decisions.

> If you want to donate money to help your fellow veterans or current servicemembers, a good rule of thumb to go by is to donate to organizations that you know are legitimate and well-established. The VA has published a Directory of Veterans Service Organizations, which you can access by logging onto [www1.va.gov/vso](http://www1.va.gov/vso). [Source: eFlorida Vet News 11 Jan 08 ++]

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> **VA PERFORMANCE:** The health care system of the Department of Veterans Affairs (VA) received a highly favorable review in an interim report recently published by the Congressional Budget Office (CBO). The report credits organizational restructuring and management systems, performance measurement and information technology (IT) as contributors to VA's success. It also outlines ways in which VA can continue serving as a model for other health care systems. The interim report is featured on CBO's Web site at [www.cbo.gov](http://www.cbo.gov). The final report, expected in early 2008, will address the potential for other public and private health care systems to apply similar approaches and other issues. The report, completed at the request of the chairmen of the House Committee on Veterans' Affairs and the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies of the House Committee on Appropriations, reviews the quality of VA's health care, examines VA's achievements and looks at lessons learned from both its management initiatives and application of information technology. Key factors cited in the report included VA's restructuring efforts to permit more shared decision making between VA's central office, regional managers and facility directors; measuring performance, process and outcomes; and system-wide use of health information technology.

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> The improvement in VA's health care quality in recent years has been well-documented in a number of independent studies including those by the Institute of Medicine (IOM). VA's accomplishments are all the more noteworthy as they came during a period of increased demand for services. From 1999 through 2007, enrollment in the VA health care system, mandated by the Veterans' Eligibility Reform Act of 1996, swelled from just over three million to nearly eight million veterans. Consequently, the number of veteran patients treated each year increased from approximately 3.2 million to more than five million. The CBO report pointed to VA's structure as an integrated health care system that allows the use of two important tools: incentives given to managers and providers to meet quality of care and practice guideline targets; and health IT systems that provide reminders about tests and treatments recommended by the practice guidelines. It also examined the low cost of care for veterans as an incentive for seeking care. VA has an electronic health record for every patient, which provides up-to-date information about a patient at the point of care, including his or her history, allergies, and medications. It also consists of relevant diagnoses and laboratory tests, enabling providers to avoid duplicate tests and adverse drug interactions. Research indicates that computer reminders

and prompts can significantly improve adherence to clinical guidelines, particularly for preventive care.

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> The CBO said that VA's integrated structure and appropriated funding may have helped VA focus on providing the best quality care for a given amount of funds as contrasted to fee-for-service incentives toward billable services and procedures. These and other issues will be addressed in the final report.

> VA is the second largest cabinet department, with about 250,000 employees, a health care budget last year of \$32 billion and an overall budget exceeding \$82 billion. VA will provide care to more than 5.8 million veterans this year in its 153 hospitals and nearly 900 clinics. VA also provides disability compensation and pensions to 3.5 million veterans and family members, and operates 125 national cemeteries. [Source: VA News Release 9 Jan 08 ++]

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> IRS DATA BREACH UPDATE 01: In addition to addressing less than 30% of the information security weaknesses highlighted in a 2007 Government Accountability Office report, the Internal Revenue Service provided false claims about its progress, according to a Government Accountability Office auditor.

> A new GAO report (GAO-08-211) released 9 JAN states that the agency corrected or mitigated 29 of the 98 information security weaknesses highlighted at the time of GAO's last review in 2007. Among other findings, the IRS failed to consistently enforce strong password management for identifying users, authorize user access according to job functions, encrypt sensitive data, monitor changes on the mainframe computer server that supports the agency's general ledger for tax administration, and physically protect computer resources. That, combined with failure to implement internal controls and system configuration policies, continues to threaten financial and taxpayer information, according to the report. "IRS needs to establish a risk-based approach for mitigating weaknesses and ... fully implement an information security program on an agency wide basis in order to ensure that issues don't reoccur later," said Gregory Wilshusen, director of information security issues at GAO.

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> Also of concern to GAO were incorrect reports from the IRS about steps made to improve information security. "Our objective was to follow up on previously reported weaknesses to see progress," Wilshusen said. "Interestingly, they reported several weaknesses as being mitigated, but when we went in to do our follow-up exam, we found they had not been corrected." Wilshusen could not specify which vulnerabilities the IRS erroneously claimed to have been dealt with, saying that release of specific information could spur malicious attacks against its networks. The IRS declined comment for this article. The agency has made some progress, tightening access controls for certain critical servers, limiting computer room access to authorized individuals, developing a security plan for a key financial system, and updating servers that were running unsupported operating systems. In addition, the IRS began efforts to establish security policies, procedures and practices with six enterprise wide goals that would help protect and encrypt data, secure information technology assets, and build security into new applications. GAO also made seven recommendations to improve information security, including updates to policies and procedures for configuring mainframe operations, specialized training, expanded

testing, enhanced contractor oversight and contingency planning. In addition to implementing a strict information security program, the IRS will initiate a performance standard focused on resolving security weaknesses and reporting the security compliance status of computer systems connected to its network.

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> The IRS is not alone. In APR 07, GAO reported (GAO-07-751T) that 24 major federal agencies continue to have weaknesses with information security controls. A number of other GAO reports highlight the failures by specific agencies to deal with problems. "The guys at GAO are wonderful, but this report could have been written every year for the past eight years -- at least -- and for nearly every agency," said Alan Paller, director of research at the SANS Institute, a nonprofit cybersecurity research organization in Bethesda, Md. In SEP 07, IT security firm Symantec released its Internet security threat report, which found that one in four security breaches occurred in the government sector. "It's almost like Groundhog Day -- we're entering 2008 with this report on IRS, but the title of the agency could just as easily be left blank," said Jim Russell, vice president for public sector at Symantec. "A lot of the issues cited can be solved through policy compliance. IRS needs to get a handle on what their environment looks like, but more importantly, they need to look at endpoints and servers and make sure they they're standardized with the latest security software and have the latest patches. [Source: GovExec.com Newsletter 9 Jan 08 ++]

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> CONGRESSIONAL COLA 2008: Fortunately for members of Congress, their pay isn't tied to their approval ratings. Lawmakers in 2008 will receive salaries of \$169,300, a boost of \$4,100 over the pay they have lived with since January 2006. That 2.5% increase is mirrored by similar raises for associate justices of the Supreme Court, who will see their pay go from \$203,000 to \$208,100, and Chief Justice John Roberts, whose pay will rise to \$217,400 from \$212,100. House Speaker Nancy Pelosi, D-Calif., will get a pay boost from \$212,100 last year to \$217,400, the same as Chief Justice Roberts. The majority and minority leaders of the House and Senate and Senate president pro tempore Robert Byrd, D-W.Va., will get increases from \$183,500 to \$188,100. Dick Cheney, in his last year as vice president, will receive \$221,100, up from \$215,700. President Bush's salary of \$400,000 is unchanged.

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> The salary figures were published in the 8 JAN edition of the Federal Register. Last year was the first since 1999, when the pay was \$136,700, that members of Congress did not receive a cost-of-living allowance raise along with other federal employees. Democrats, newly elected to the majority, had vowed to block an increase in their paychecks until Congress raised the minimum wage. With the minimum wage increase accomplished last year, House Democratic leaders joined with their Republican counterparts to oppose a procedural vote to bring the COLA issue to the floor, leaving the way clear for their automatic raise. The congressional COLA is linked, under a complicated formula, to the cost-of-living increase awarded civil servants. As part of a 1989 ethics bill, Congress gave up its ability to accept pay for speeches and made annual cost-of-living pay increases automatic unless lawmakers voted otherwise. Rep. Jim Matheson (D-UT) a leading critic of the COLA process, said in an interview that he's not proposing that members of Congress never get a pay raise. But he said that,

in a time of budget deficits when many people are undergoing economic hardships, "at least we ought to have an up-and-down vote on it. The whole process appears so secretive." Reluctance to openly discuss the salary issue comes at a time when Congress has been suffering low public approval ratings. In a December AP-Ipsos poll, only 25% of those surveyed approved of the job Congress was doing. [Source: AP Jim Abrams article 9 Jan 08 ++]

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> MERCHANT MARINE WWII COMPENSATION UPDATE 01: Thousands of civilians who ferried troops and supplies through World War II's combat zones are closer than ever to receiving lifetime federal pensions, but things don't look so good for their wives. Legislation in Congress (HR 23) that would give merchant mariners \$1,000 a month for life passed the House last year and, for the first time, has a healthy list of Senate sponsors. But the bill's new version eliminates the provision that passed the benefit on to surviving spouses, as long as their mariner husbands were living when the bill was approved. Cutting the spousal benefit was proposed in the House last year as a cost savings. The VA continues to oppose the bill, saying the monthly payments would be greater than what some disabled veterans receive and that mariners already receive other VA benefits. The Senate version (S. 961) could be heard by the U.S. Senate Committee on Veterans Affairs within the next few months. Sen. Larry Craig of Idaho, who staunchly opposed the measure because he believed it might open the door to compensating other civilian service groups, no longer is the committee's chairman. And the number of sponsors has risen from 37 last year to 57.

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> The benefit is to compensate the mariners for not being included under the GI Bill, which gave money to returning World War II soldiers and sailors for home loans and college tuition. People in the Merchant Marine were classified as civilians, even if they served in combat zones, and did not receive veteran status until 1988. Today, mariners and some other civilian groups, such as the Women Airforce Service Pilots, can get health care, disability and burial benefits through the U.S. Department of Veterans Affairs. About 250,000 mariners served during World War II. The Congressional Budget Office estimated about 16,000 mariners would meet the pension requirements and apply. The bill allocates about \$605 million to the Merchant Mariner Equity Compensation Fund, enough to fund pensions for an initial 10,000 mariners through 2012. Mariners would need an honorable discharge and proof they served "in harm's way" from 7 DEC 41 through 31 DEC 46. The Merchant Marine, which sometimes took boys too young to join the Army or Navy, lost 7,000 to 9,000 men during the war. [Source: South Florida Sun-Sentinel 10 Jan 08 ++]

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> VA FRAUD UPDATE 06: A Wichita man has been federally indicted for claiming he was a Purple Heart recipient. Albert Barker, 58, is charged with one count of making a false claim to the U.S. government, and one count of making a false statement in writing that he was awarded a Purple Heart medal. Prosecutors say the crimes occurred in OCT 05 and JAN 06 in Sedgwick County KS. The indictment alleges that in 2005, Barker applied to the Department of Veteran's Affairs for a disability rating based on his suffering from post traumatic stress disorder. He caused documents to be filed in support of the claim falsely stating he had served in a combat infantry and had received a Bronze Star. In JAN 06 he caused his American Veterans representative to submit a fraudulent Army General Order 164

claiming Barker had been awarded a Purple Heart medal. If convicted, he faces a maximum penalty of 5 years in federal prison and a fine up to \$250,000 on the charge of making a false claim to the U.S. government, and a maximum penalty of 1 year and a fine up to \$100,000 on the misdemeanor charge of making a false claim of receiving a Purple Heart medal.

> Man gets probation in fraud

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> A Billings man who stole Veterans Affairs checks sent to a man who was incarcerated out of state will spend four years on probation and have to pay \$11,778 restitution. U.S. District Judge Richard Cebull on Wednesday sentenced James Gus Georgacopoulos, 61, at the low end of the guideline range, noting he had no previous record and the crime appeared to be an isolated incident. Georgacopoulos offered no excuses. He said it was the "first time I've ever done something stupid like this and it will never happen again." Prosecutors said Georgacopoulos, while working as a desk clerk at the Esquire Hotel, stole the victim's mail and VA checks, forged the victim's signature and gave them to a co-defendant, Lowell Timothy Howell, to cash and deposit. The two split the proceeds. The victim is incarcerated in Florida. Cebull previously sentenced Howell, of Georgia, to six months in prison and also ordered him to pay restitution. [Source: Lakeland KS KAKE 10 News & Billings MT Gazette 10 Jan 08 ++]

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> SPIN CODE LAWSUIT: This case was originally filed in the US District Court, Northern District of New York, Syracuse and aspects of it are still being litigated. The lawsuit began in MAR 76 when Edwin Cosby with an Honorable Discharge discovered he had a bad "Spin Code" (i.e. Separation Program Number). Unknown to him and most other veterans beginning 11 JUN 56 under D.O.D. Instruction 1336.3 DOD ordered the military departments to begin putting a coded number on the main employment reference document of veterans. This document known as the DD-214 is often by employers of veterans seeking employment and benefits. DoD prepares eight or more copies of a veteran's DD-214 of which copy one goes to the veteran and others are eventually sent to State Adjutant General, VA Data Processing Center, Austin, TX. State Director Selective Service, and National Military Records Center, St. Louis MO. At a congressional hearing in 1974 DoD told Congress that only a couple hundred thousand documents had a code number and the "SPN" coding system would be stopped. However, in 1972, DoD started changing their "SPN" system to the "SPD" (separation program designator) and by 1977 nearly 20 million veterans with Honorable Discharges had a coded number. Congress subsequently attempted to pass a law regarding the use of the coded numbers; however, this failed to pass.

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> Numerous major corporations have admitted to having the codes and use them in their employment decisions regarding veterans. Banks, life insurance companies, State Government & Federal Government Agencies have them as well. Lists of the codes were sent to FAA, (federal aviation admin.), HUD, (housing & urban development), and Office Personnel Management. Even on an Honorable discharge, a "Spin Code" can hurt a veteran's chance of being hired by a prospective employer, obtaining a loan, and/or obtaining insurance. A few examples of spin codes and their meanings are:

> SPN 258 - Unfitness, multiple reasons

> SPN 263 - Bedwetter

> SPN 41A - Apathy, lack of interest

- > SPN 41E - Obesity
- > SPN 46C - Apathy / Obesity
- > SPN 463 - Paranoid personality

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> A complete listing of spin codes can be found at <http://www.landscaper.net/discharg.htm>. Veterans can request a new DD 214 with the spin codes removed. If you were in the US Army, written requests for having a SPN code removed from your DD 214 (Report of Separation from Active Duty) or earlier discharge papers, should be sent to: Commander, Reserve Components Personnel & Administrative Center, Box 12479, Ollivette Branch, St. Louis, MO 63132. Additional info on this subject is available at <http://veterancourtcodes.com> which contains a 90 minute video on the subject. [Source: Veteran's Forum 9 Jan 07 and Ed Crosby [ecrosby1@rochester.rr.com](mailto:ecrosby1@rochester.rr.com) ++]

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> MEDICARE PART D UPDATE 17: The Centers for Medicare & Medicaid Services (CMS) may have overpaid private contractors millions of dollars for services tied to the start-up of the Part D prescription drug benefit, according to a recent study by the Government Accountability Office (GAO). From 2004 to 2006, CMS was provided \$1 billion in federal funds for administrative start-up of the Medicare drug benefit. The vast majority (81%) of the funds were used in private sector contracts for support services, including call center support, media buys, promotional tours and research reports. According to the GAO, 45% of CMS contracts were awarded without competitive bidding, while 78% were structured for the government to assume the risk of cost overruns. GAO identified close to \$90 million in questionable payments to private companies with federal contracts. For these contracts, CMS did not conduct the audits, monitoring and other oversight to verify contractor charges, as required by federal regulation.

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> As contract awards more than doubled, CMS increased oversight staff by only 11%. As a result, many contracted agencies were reimbursed for costs not directly related to the contract or at rates higher than market value. In one audit where the GAO found that CMS paid out \$40.6 million for unsubstantiated costs, the contracted agency had charged CMS for property depreciation, grounds maintenance and recycling services, and placed questionable items such as basketball goals within its invoice package. In another audit, two companies that were contracted for similar services were found to have subcontracted the services to each other and billed CMS for \$4.2 million in overlapping indirect costs. For many contracts, CMS reimbursed labor costs at inflated rates, which included vacation or sick time, or rates that were far higher than wage rates within the company. One research firm charged CMS for labor at 14 times its average rate. The GAO recommended that CMS review its oversight policies, improve training for audits and pursue reimbursement of unsubstantiated costs outlined in the report. CMS responded to GAO that it will continue to update its policies, but otherwise defended its contracting practices. CMS said the agency has been exemplary in its use of competitive contracts.

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> The Medicare prescription drug benefit (Part D) saves enrollees \$9 or less per month, according to researchers who tracked purchases of over 100,000 older adults before and after the benefit began in 2006. The program will cost about \$1 trillion over the next ten years but these small savings to beneficiaries is the result of the Part D benefit being run by private

companies and not by Original Medicare. According to Consumer Union most Medicare Drug Plans continue to hike costs into 2008 two-to-three times rate of inflation, Consider these two facts from a recent overview of health spending published in Health Affairs by researchers for the Centers for Medicare & Medicaid Services:

> . Of the \$41 billion in Part D spending in 2006, \$5.3 billion, or 13% went for administrative costs and the profit siphoned off by the insurance companies offering Part D. By contrast, just 3% of spending for coverage of doctor visits and hospital care under Original Medicare goes to administrative costs.

> . The Part D plans cannot negotiate discounts and rebates from drug manufacturers that come close to matching what Medicaid received, when that program provided drug coverage for low income people with Medicare. In fact, even though enrollment in Part D plans is more than double the number of people enrolled in Medicare and Medicaid, the total amount of rebates received by Part D companies are less than Medicaid received before Part D took over coverage.

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> It is becoming more and more clear that the privatized structure for Part D has created a boondoggle for drug manufacturers and insurance companies even as it has fallen woefully short in providing people with Medicare the kind of drug coverage they need. It is time to for Congress to eliminate the middle man and provide a drug benefit directly through Medicare. Older adults and people with disabilities deserve that choice. [Source: Medicare Watch [www.medicarerights.org](http://www.medicarerights.org) 8 Jan 08 & Consumer Advocacy Update ++]

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> MISSOURI RETIREE TAX EXEMPTION: Military retirees in Missouri might have a state tax cut coming, if lawmakers go along with a proposal by Gov. Matt Blunt. The governor proposed to eliminate the state income tax on military pensions for tens of thousands of veterans in Missouri. The tax cut would cost the state about \$24 million a year, Blunt said. Veteran's officials said the tax cut was one of their priorities. Of the 41 states that have an income tax, 12 do not tax military pensions, including neighboring Illinois. Blunt outlined the proposal at a Veterans of Foreign Wars post in Springfield, the first of several statewide stops to promote the tax cut. The tax change would need approval by the legislature, which started its 2008 session 7 JAN. "I think there will be strong support in the legislature," Blunt said. He was flanked by state Sen. Jason Crowell, R-Cape Girardeau, head of that chamber's veteran's affairs committee, and House counterpart Rep. David Day, R-Dixon. Both men said they supported the tax cut. "The best that we can do to help is to let you keep more of your money in your wallet," Crowell said. The governor said state economic growth made the tax break possible without having to cut any programs or raise taxes elsewhere. The proposed tax cut for military veterans follows one enacted last year for retirees in general. The 2007 law exempted additional Social Security benefits and certain other retirement benefits from the state income tax. Those tax cuts are projected to cost \$154 million when fully phased in by 2012. [Source: Columbia Missourian AP article 7 Jan 07 ++]

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> VA HOSPICE CARE UPDATE 01: The Department of Veterans Affairs (VA) is providing hospice and palliative care to a growing number of veterans throughout the country as the need continues to rise for care and comfort at the end of life. VA provides palliative care consultation services at each

of its medical centers and inpatient hospice care in many of its nursing homes throughout the country. VA contracts with community-based hospice programs to enhance VA's ability to provide this critical service when and where needed. Nearly 9,000 veterans were treated in designated hospice beds at VA facilities in 2007, and thousands of other veterans were referred to community hospices to receive care in their homes. The number of veterans treated in VA's inpatient hospice beds increased by 21% in 2007. In addition, the average daily number of veterans receiving hospice care in their homes paid for by VA increased by 30% this past year. Because of the large number of World War II and Korean era veterans and a tripling of the number of veterans over the age of 85 from 2000 to 2010, the increase in the need for hospice care is expected to continue. The proportion of Vietnam-era veterans over the age of 65 will continue to increase through 2014, when Vietnam veterans will account for nearly 60% of all veterans in that age group.

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> VA's expansion of its hospice and palliative care capabilities came about through collaboration with community-care providers. In 2001, the National Hospice-Veteran Partnership Initiative began to build partnerships between VA facilities and community hospice providers, funded in part by the VA and by nonprofit groups such as the National Hospice and Palliative Care Organization and the Advanced Illness Care Coordination Center. To date, VA has partnered with community hospice programs in 35 states to promote hospice services that are not provided directly by VA staff. These partnerships help veterans transition from VA hospitals to their homes in the community. Palliative care adds a focus on quality of life and comfort to veterans with life-limiting illness, and their families. Palliative care consultation teams include physicians, nurses, social workers and chaplains. Additional support may be provided by pharmacists, rehabilitation therapists, recreation therapists, mental health professionals and other specialists. VA provides palliative care consultation teams at all of its hospitals nationwide, although such services are provided at only about one-fourth of all American hospitals. Nearly half of all veterans who died in VA facilities received care from a palliative care team prior to their deaths. For more info on VA's programs and obtaining services refer to <http://www1.va.gov/geriatricsshg/page.cfm?pg=65>. [Source: VA News Release 8 Jan 07 ++]

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> SBP PAID UP PROVISION UPDATE 04:

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> 1) What is Paid-up SBP? Paid-up SBP refers to a provision of the Survivor Benefit Plan (SBP) law passed by Congress in OCT 98 and which is due to take effect in OCT 08. This change in the law applies to qualified members who will no longer be required to pay SBP premiums once they satisfy certain age and premium payment requirements.

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> 2) Who is eligible to have their SBP premiums stopped? Any retiree who is age 70 or older and whose retired pay has been reduced for SBP premiums for at least 360 months will qualify to have their SBP costs terminated.

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> 3) Are retirees with Reserve Component SBP (RCSBP) coverage eligible? Yes. Any reference made to SBP premiums also includes RCSBP premiums.

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> 4) Is a retiree who has paid SBP premiums for 360 months or more but has

not reached age 70 eligible to have premiums terminated? No. In order to qualify for the termination of SBP premiums, a retiree must satisfy both requirements of the law. The retiree must be age 70 or older and made payments for at least 360 months of SBP costs.

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> 5) Does the termination of premium payments also apply to retirees with RSFPP coverage? Yes. Congress amended the law in OCT 99 to include Retired Serviceman's Family Protection Plan (RSFPP) participants. Any retiree who is age 70 or older and currently enrolled in the RSFPP is eligible to have their RSFPP costs terminated.

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> 6) When does Paid-up SBP begin? The earliest effective date that a qualified retiree may stop paying SBP premiums is 1 OCT 08. The first retired pay payment affected will be the payment dated 1 NOV 08.

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> 7) What if the retiree has paid more than 360 months of premiums before 1 OCT 08? Will there be a refund? No. There will be no refund of excess premiums paid prior to the 1 OCT 08, effective date of Paid-up SBP.

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> 8) When will SBP premiums stop for retirees who reach age 70 and have paid 360 months of premiums after 1 OCT 08? Retirees who fall into this category will not be charged SBP premiums beginning with the month they reach age 70 and have paid 360 months of premiums.

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> 9) How will the 360 months of paid-up premiums be determined? The retiree will receive a one-month credit for each month retired pay was reduced. This will be determined by using both current election records and historical records of the initial SBP election.

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> 10) What if the retiree does not have 360 months of paid-up premiums on 1 OCT 08? A retiree who does not have 360 months of paid-up premiums on 1 OCT 08 is not eligible to have the SBP costs stopped. In these cases the retiree will receive an additional one-month credit for each month retired pay is reduced until 360 months of paid premiums is reached.

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> 11) What if the retiree does not have SBP costs deducted from retired pay but pays by direct remittance? For the purpose of computing the number of months of retired pay reductions, direct remittance payments shall apply as if retired pay was reduced.

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> 12) Will retirees be notified of their paid-up status? Notices will be mailed to retirees informing them of the number of months of coverage that have been credited to their account toward paid-up status.

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> 13) When will retirees receive notification from DFAS? Details regarding a retiree's personal account will not be ready for release until May 2008. DFAS will begin the notification process at that time.

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> 14) Who can expect to receive notification letters from DFAS in May 2008? Retirees enrolled in either the SBP or RSFPP programs that are at least 68 years of age or have been retired and paying premiums for at least 27 years will receive notification letters in MAY 08.

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> 15) What type of information will be provided in the notification letter? The notice retirees will receive will provide Paid-up SBP information as

well as specific information about their account, the number of months of paid-up premiums and their current paid-up status. The notice will also instruct retirees of the right to challenge their paid-up status if they disagree with the number of months of paid-up premiums calculated by DFAS.

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> 16) What if the retiree does not agree with the number of months of coverage provided on their notice? If the retiree does not agree with the number of months of coverage credited to their retired pay account the retiree will have the option to prove differently.

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> 17) What information must the retiree provide to have their months of coverage adjusted? The retiree must submit DD Form 2656-11, "Statement Certifying Number of Months of SBP Premiums Paid." In addition, the retiree may be requested to provide documentary evidence for each month of Paid-up SBP credit claimed. Upon receipt of the DD Form 2656-11, DFAS will review and adjust the retired pay record to reflect the number of months that the retiree certifies has been paid.

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> 18) Can the DD Form 2656-11 be filed at any time? No. Retirees who elect to submit a DD Form 2656-11 must do so within one year after initial notification of the number of months of Paid-up SBP credited.

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> 19) How often may retirees challenge their paid-up status by filing a DD Form 2656-11? Retirees will be permitted to challenge their paid-up status only once. They will not be permitted to submit multiple forms to DFAS.

> [Source: Retiree Activities Office 314AW/CVR 7 Jan 08 ++]

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> VA CWT & IT UPDATE 01: Payments provided to veterans under two specific programs of the Department of Veterans Affairs (VA) -- the Compensated Work Therapy (CWT) and Incentive Therapy (IT) programs- are no longer taxable, according to the Internal Revenue Service. Veterans who paid tax on these benefits in the past three years can claim refunds. Recipients of CWT and IT payments no longer receive a Form 1099 (Miscellaneous Income) from VA. Veterans who paid tax on these benefits in tax years 2004, 2005 or 2006 can claim a refund by filing an amended tax return using IRS Form 1040X. Nearly 19,000 veterans received CWT benefits last year, while 8,500 received IT benefits. The IRS agreed with a U.S. Tax Court decision earlier in 2007 that CWT payments are tax-free veteran's benefits. In so doing, the agency reversed a 1965 ruling that these payments were taxable and required VA to report payments as taxable income. The CWT and IT programs provide assistance to veterans unable to work and support themselves. Under the CWT program, VA contracts with private industry and the public sector for work by veterans, who learn new job skills, strengthen successful work habits and regain a sense of self-esteem and self-worth. Veterans are compensated by VA for their work and, in turn, improve their economic and social well-being. Under the IT program, seriously disabled veterans receive payments for providing services at about 70 VA medical centers. [Source: VA News Release 7 Jan 07 ++]

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> MEDICARE SOLVENCY UPDATE 01: Cutting government spending on Medicare will take a top priority this year for President Bush and Members of Congress as a new provision of law is put to the test for the first time. Last year, for the second year in a row, the Medicare Trustees issued a

"Medicare funding warning." The funding warning alerts the President and Congress that the Medicare Trust Funds' financing is inadequate, and the amount of general federal revenues required to cover program costs is becoming unduly large. When two such warnings are issued consecutively, the President is required to submit proposed legislation to cut Medicare spending. Congress is then required to consider this legislation on an expedited basis. Medicare is financed from two distinct sources - "dedicated revenues," like the Medicare payroll tax, premiums, and tax on Social Security benefits- and general federal revenues, like income taxes. By law the federal government is required to pay the federal share of Part B and Part D costs out of general tax revenues. In addition, current law requires that the interest on the non-marketable government bonds or IOUs held by the Medicare Part A and Part B Trust Funds as well as redemption of those IOUs, must be paid out of general tax revenues.

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> To cut Medicare costs, last fall President Bush proposed that upper-income seniors enrolled in Medicare Part D should pay higher premiums as they already do for Medicare Part B premiums. But economists say Means Testing Part D alone won't be enough to put Medicare on sound financial footing, and that bigger, much broader cuts are required. In his newly published memoirs, former retired Federal Reserve chairman Alan Greenspan said that Medicare benefits would need to be cut by half. In 2007 the Congressional Budget Office released the following proposals for Congress to consider as options to cut Medicare costs.

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> . Increase the portion of the Part B premium that seniors must pay to 35% of program cost and reduce the government portion to 65%. - Currently, beneficiaries pay 25% and the government pays 75%. If this were to become effective in 2008, for example, the standard premium that most seniors would pay for Part B would be \$135 per month instead of \$96.40.

> . Increase deductibles and hospital co-pays and impose new co-pays and deductibles on services that have none now.

> . Bar Medigap supplements from covering Medicare deductibles and limit coverage of co-insurance costs, requiring seniors to pay as much as \$2,750 per year in out- of-pocket cost - sharing.

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> The Senior Citizens League is highly concerned that one or more of the above proposals may make their way into the President's plans to cut government spending on Medicare. The League is monitoring proposals that are being put forward and opposes legislation that would add any further cost burden to already over-stretched seniors' budgets. [Sources: 2007 Medicare Trustees Report 23 APR 07, The Age of Turbulence, Alan Greenspan Penguin Press 2007 & Budget Options CBO Feb 07]

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> SSA FUTURE BENEFITS UPDATE 01: Cuts to Social Security, as well as Medicare, may come under consideration of lawmakers this year. The Congressional Budget Office is predicting that surplus Social Security payroll taxes will start to decline in just two or three years. Program costs will begin to exceed cash revenues in just ten years, thus putting pressure on other parts of the federal budget. In his recently published book, retired Federal Reserve Chairman Alan Greenspan said that "resolving the funding shortfall for federal social insurance (Social Security) is going to require benefit cuts." "In short," he says, "the promises may have to be broken." Yet, despite the gloomy financial outlook for Social

Security, Congress recently considered "piecemeal approach" legislation that would legalize illegal immigrants. Just three months after Congress failed to pass guest worker immigration amnesty last year, legislation was once again introduced in the Senate that would give conditional legal status to young illegal immigrants. The measure failed.

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> Without changes to current Social Security law, should illegal immigrants gain legal work authorization and a work-authorized Social Security number, they eventually would be able to claim Social Security benefits. Under current Social Security policy, when determining benefits the Social Security Administration counts all reported earnings, even those earned for unauthorized work using an invalid or fake Social Security number. If Congress adds millions of illegal immigrants to Social Security's rolls it would make Social Security's troubled finances even worse, and could trigger benefit cuts for seniors and future retirees who earned their benefits legally. To counter this Representative Dana Rohrabacher (CA) has introduced the "No Social Security for Illegal Immigrants Act". The legislation would ban Social Security credit for earnings from illegal work, and wages from unauthorized work could not be used to determine entitlement to benefits. [Source: TSCL Social Security and Medicare Advisor 7 Jan 07 ++]

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> MEDICARE VACCINATIONS: In 2008, the way vaccinations are covered by Medicare private drug plans (Part D) will change. Medicare Part B covers vaccinations for the flu, pneumonia and hepatitis B (for patients at medium to high risk). In addition, Part B covers vaccines if you need a particular shot because you were exposed to the disease, such as tetanus shot because you were bitten by a dog. All vaccinations that are covered by Part B will continue to be covered under Part B. If you received a Medicare-covered vaccination that was not covered by Part B any time in 2007, it was covered by a combination of Part B and Part D. The drug itself was paid for by your Part D prescription drug plan. An example of a vaccine typically covered by Part D plans is the one used to treat shingles (Herpes zoster) called Zostavax. However, Part B paid for the doctor to give you the shot, the office fees and the costs of the materials needed to administer the vaccine, like a syringe or gauze. In 2008, however, vaccines not covered under Part B will have both administration and the drug itself covered by Part D (once you have met your annual deductible). This may change where you can get your Part D-covered vaccinations and what you pay for them. You should:

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> 1. Check with your plan to make sure the vaccine you need is on your plan's list of covered drugs (formulary). If the vaccine you need is on your Part D plan's formulary, the plan will pay for the vaccine itself, the fee for dispensing the drug, as well as the cost of administering it. If a vaccination is not on your plan's formulary, you will need to make a formal request to your plan-an "exception" request-to ask that the drug be covered for you. Part D plans are supposed to quickly add new vaccines to their formularies.

> 2. Ask your plan where you can get your shot so that the vaccination will be covered for you at the lowest cost. The amount you pay for your vaccination could vary based on where you get vaccinated. You will pay the least for your vaccinations if:

> . You are given the vaccine by a pharmacist or at a clinic within a pharmacy that is in your drug plan's network (an "innetwork" pharmacy); or

> . You get the vaccine at a doctor's office that can work with a pharmacy that will bill your Part D plan for the entire cost of the vaccination process (the doctor is not getting the drug from the pharmacy, but collaborating with the pharmacy to streamline the billing process); or is going to bill your plan for the drug using a special computer billing system that allows your doctor to bill your drug plan directly for your vaccine.

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> In the above circumstances, the cost of the vaccination will be viewed as in-network. For in-network vaccinations, you will pay the plan's approved coinsurance or copayment for the drug and service either to the doctor or to the pharmacist. If you have Extra Help, you can go to any doctor or in-network pharmacy and you will only be responsible for your Extra Help copayment. However, you may need to pay more for your vaccination if your doctor cannot submit the bill to your Part D plan through a partnering pharmacy; and/or does not directly bill your plan for the drug using the electronic billing system. In these circumstances, the doctor will bill you for the entire cost of the vaccination process and you will have to pay the entire bill up front. You will then have to mail your receipt to your drug plan for reimbursement. The doctor is not limited in how much to charge you for the vaccine, but Part D plans will still pay only their approved amount for the vaccine costs. Thus, when you are reimbursed by the plan, you will only be

> reimbursed for your Part D plan's approved payment. If the amount your doctor charged for the vaccination is above the Part D plan's approved amount, you will not be reimbursed for the difference between the doctor's charge and the plan's approved payment. For general info on Medicare vaccinations refer to

> <http://www.cms.hhs.gov/AdultImmunizations>. For info on the new coverage rules refer to [http://www.moshp.com/aboutus/Medicare\\_Part\\_D\\_Resources.htm](http://www.moshp.com/aboutus/Medicare_Part_D_Resources.htm) and/or

[http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/MemoVaccineAdministration\\_05.14.07.pdf](http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/MemoVaccineAdministration_05.14.07.pdf).

[Source: The Medicare Counselor [www.medicarerights.org/thecounselor.pdf](http://www.medicarerights.org/thecounselor.pdf) Jan/Feb 08 ++]

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> CRDP/CRSC OPTION UPDATE 01: January is open season for retirees to change their selection of receiving either combat related special compensation or concurrent receipt (if he or she is entitled to both). There are two factors that retirees need to consider in making an election. CRDP is taxable whereas CRSC is not and the CRDP payments increase each year during the 10 year phase in period. A retiree's election will remain in effect until the next open season. You should have already received in the mail a CRSP/CRSC Open Season Election Form. The form should include a comparison of what you would receive in either program and the tax consequences in each program. If you wish to change your designation you must send back the completed form with a postmark no later than 31 JAN. The change in the payment will be effective the first business day of FEB 08. Since DFAS has a 30 day processing time frame you may not see your first payment until 1 MAR (with a retroactive payment for the February payment. For more information you can go to the DFAS (Defense Finance and Accounting Service) website at [www.dfas.mil](http://www.dfas.mil) and go to the retired pay home page. Please remember that the selection is in effect for all of the year. [Source: TREA Washington Update 4 Jan 08 ++]

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> TRICARE RESERVE SELECT UPDATE 09: A DEC 07 report by the Government Accountability Office (GAO) reviewed the Defense Department's cost of providing the new TRICARE Reserve Select (TRS) coverage vs. its premium-setting methodology and concluded that the premiums set by the Pentagon were significantly too high -- just as The Military Coalition have contended since the program was enacted.

> When the program was first implemented, DoD based the TRS premiums on the cost of the Blue Cross Blue Shield option of the Federal Employee Health Benefit Plan (FEHBP) -- and promptly raised those premiums by 8% even before the first enrollees made their first payment. At the time, the Coalition argued strongly against using federal civilian program data and against the premature premium increase. Their view was that DoD had plenty of actual cost data from past TRICARE Standard claims. For the past two years, the Coalition has convinced Congress to bar any further premium increase pending a review of the methodology.

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> The GAO found that DoD based the premiums on projected program costs of \$70M for FY05 and \$442M for FY06. But DoD's actual costs proved to be \$5M in FY05 and about \$40M in FY06. Beneficiary premiums were intended to cover 28% of program costs. GAO concluded that current premiums are 72% too high for single coverage and 45% too high for family coverage. In other words, the monthly premium for individual coverage should have been \$48 instead of \$81. The monthly family premium should have been \$175 instead of \$253. The report says, "DoD's cost projections were too high largely because it overestimated the number of reservists who would purchase TRS as well as the associated cost per plan of providing benefits through the program." GAO recommended that DoD stop basing TRS premiums on Blue Cross Blue Shield data and use the actual costs of providing the TRICARE benefit. DoD concurred with the recommendations, saying the Pentagon "remains committed to improving the accuracy of TRS premium projections." But the Department made no commitment to start using actual TRICARE data by any specific date nor any indication of a premium refund. [Source: MOAA Leg Up 4 Jan 07 ++]

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> VA INSURANCE DIVIDENDS IN 2008: More than a million veterans are in line to share \$349 million in annual insurance dividends during 2008, according to the Department of Veterans Affairs (VA). VA operates one of the nation's largest life insurance programs, providing more than \$1 trillion in coverage to 7.1 million service members, veterans, and family members. The dividend payments will be sent to an estimated 1.1 million holders of VA insurance policies on the anniversary date of their policies. Sent automatically through different payment plans, the amounts will vary based on the age of the veteran, the type of insurance, and the length of time the policy has been in force. The dividends come from the earnings of trust funds into which veterans have paid insurance premiums over the years, and are linked to returns on investments in U.S. government securities. VA officials caution veterans about a long-running scam in which various groups charge fees to "locate" veterans who are eligible for the dividends. Veterans eligible for the dividends have had VA life insurance policies in effect since they left the military and have received annual notifications from VA about the policies.

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> Dividends are paid each year to veterans holding certain government life insurance policies and who served between 1917 and 1956. World War II veterans holding National Service Life Insurance ("V") policies comprise the

largest group receiving 2008 insurance dividend payments. They are expected to receive total payments of \$269.6 million. An additional group of World War II era veterans, those who have Veterans Reopened Insurance ("J," "JR" and "JS") policies, will in total receive dividends of \$9.2 million. Korean War era veterans who have maintained Veterans Special Life Insurance ("RS" and "W") policies can expect to receive dividends totaling \$69.3 million. Dividends totaling \$875,000 will be paid to veterans who served between World War I and 1940 and who hold U.S. Government Life Insurance ("K") policies. Veterans who have questions about their policies may contact the VA insurance toll-free number at 1-800-669-8477 or send an email to [VAinsurance@va.gov](mailto:VAinsurance@va.gov). They may also visit VA on the Internet at [www.insurance.va.gov](http://www.insurance.va.gov). [Source: VA News release 3 Jan 07 ++]

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> VA SAH UPDATE 03: The VA announced 4 JAN that s change in the law that allows certain seriously injured veterans and servicemembers to receive multiple grants for constructing or modifying homes has resulted in many new grants. Before the change, eligible veterans and servicemembers could receive special adaptive housing grants of \$10,000 or \$50,000 from VA only once. Now they may use the benefit up to three times, so long as the total grants stay within specified limits outlined in the law. In order to ensure all previous recipients are aware of this opportunity, VA has mailed more than 16,000 letters to eligible veterans, reaching out to those who used only a portion of their grant or who decided not to use the grant even after initially qualifying. The response over the past year has been dramatic, with more than 4,600 applications received thus far. Of these, approximately 3,900 veterans have been determined eligible under the new law, and more than 200 grants already awarded. VA has averaged about 1,000 adaptive housing grant applications per year during the past 10 years. Since the program began in 1948, it has provided more than \$650 million in grants to about 34,000 seriously disabled veterans.

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> To ensure veterans' and servicemembers' needs are met and grant money is spent properly, VA works closely throughout the entire process with contractors and architects to design, construct and modify homes that meet the individuals' housing accessibility needs. Eligible for the benefit are those with specific service-connected disabilities entitling them to VA compensation for a "permanent and total disability." They may receive a grant to construct an adapted home or to modify an existing one to meet their special needs. VA has three types of adapted housing grants available.

> . The Specially Adapted Housing grant (SAH), currently limited to \$50,000, is generally used to create a wheelchair-accessible home for those who may require such assistance for activities of daily living. VA's Home Loan Guaranty program and the Native American Direct Loan program may also be used with the SAH benefit to purchase an adaptive home.

> . The Special Housing Adaptations (SHA) grant, currently limited to \$10,000, is generally used to assist veterans with mobility throughout their homes due to blindness in both eyes, or the anatomical loss or loss of use of both hands or extremities below the elbow.

> . A third type established by the new law, the Temporary Residence Adaptation (TRA) grant, is available to eligible veterans and seriously injured active duty servicemembers who are temporarily living or intend to temporarily live in a home owned by a family member.

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> While the SAH and SHA grants require ownership and title to a house, in creating TRA Congress recognized the need to allow veterans and active duty members who may not yet own homes to have access to the adaptive housing grant program. Under TRA, veterans and servicemembers eligible under the SAH program would be permitted to use up to \$14,000, and those eligible under the SHA program would be allowed to use up to \$2,000 of the maximum grant amounts. Each grant would count as one of the three grants allowed under the new program. "The goal of all three grant programs is to provide a barrier-free living environment that offers the country's most severely injured veterans or servicemembers a level of independent living," said Secretary of Veterans Affairs Dr. James B. Peake. Other VA adaptive housing benefits are currently available through Vocational Rehabilitation and Employment Service's "Independent Living" program, the Insurance Service's Veterans Mortgage Life Insurance program, and the Veterans Health Administration's Home Improvement and Structural Alterations grant. For more information about grants and other adaptive housing programs, contact a local VA regional office at 1-800-827-1000 or local veteran service organization. Additional program information and grant applications (VAF-26-4555) can be found at <http://www.homeloans.va.gov/sah.htm>. [Source: VA News Release 4 Jan 08 ++]

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> MOBILIZED RESERVE 9 JAN 08: The Army, Air Force and Marine Corps announced the current number of reservists on active duty as of 2 JAN 08 in support of the partial mobilization. The net collective result is 1433 more reservists mobilized than last reported in the Bulletin on 28 NOV 07. At any given time, services may mobilize some units and individuals while demobilizing others, making it possible for these figures to either increase or decrease. The total number currently on active duty in support of the partial mobilization of the Army National Guard and Army Reserve is 72,343; Navy Reserve, 5,039; Air National Guard and Air Force Reserve, 6,281; Marine Corps Reserve, 8,684; and the Coast Guard Reserve, 326. This brings the total National Guard and Reserve personnel who have been mobilized to 92,673, including both units and individual augmentees. A cumulative roster of all National Guard and Reserve personnel, who are currently mobilized, can be found at <http://www.defenselink.mil/news/Jan2008/d20080109ngr.pdf>. [Source: DoD News Release 9 Jan 08 ++]

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> SUGAR SUBSTITUTES: Some people try to limit the amount of sugars they consume to lose weight or because they have certain medical conditions, such as diabetes mellitus. The FDA has approved several alternative sweeteners; however, anecdotal reports continue to question the safety of some of these products. Sugar alternatives are of two basic types: nonnutritive and nutritive sweeteners. Nonnutritive sweeteners are low-calorie sweeteners and include saccharin, aspartame, acesulfame K, and sucralose. Early concerns about saccharin causing human urinary bladder cancer based on animal studies have not been substantiated in later human studies. Nutritive sweeteners have the same calories as sugar (i.e. the calories are what make them nutritive) so they are not useful in low-calorie diets. They are metabolized more slowly than sugar, so they don't cause a rapid increase in blood glucose which is an advantage for diabetics. Nutritive sweeteners include mannitol and sorbitol, which can cause diarrhea if taken in large amounts. Consumers should read labels to find out which sweetener is used when a product says it is sugar free.

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> It is difficult for the home cook to replace the sugar called for in recipes with sugar substitutes. Sugar (and chemically related products such as honey, brown sugar, corn syrup, molasses, and maple syrup) has a significant effect on the texture, appearance, and other characteristics of home-cooked food - it adds more than sweetness. Eliminating sugar and replacing it with substitutes generally results in an inferior product. If you want to eat sweet yet minimize consumption of sugar and its relatives, it is probably easiest to tour your local grocery store to see what commercially available products there are with sugar substitutes.

> The list continues to grow - ice creams, frozen fruit pies, yogurts, pudding mixes, chocolate and other candies, etc. These can easily be combined to make novel low-sugar desserts. For example, a root beer float can be made with "diet root beer" and ice cream made with a sugar substitute.

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> For those who want to try cooking with sugar substitutes consider the individual characteristics of each sweetener before you use it. Many are not heat stable and should not be used in cooked products.

> . Aspartame when heated loses its sweetness so it does not work well in cooked products. Since it doesn't have an aftertaste, it can be used in products that aren't heated.

> . Saccharin can be used in cooking. However, when used in the larger amounts needed to sweeten custards and other products it has a noticeable aftertaste.

> . Acesulfame-K is in between saccharin and aspartame with little aftertaste and some heat stability.

> . Sucralose is packaged to be sold as a sugar substitute for cooking, and can be found in many grocery stores in the baking section.

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> Read the label - some products sold as a substitute for sugar are actually a combination of sucralose and table sugar. Using them only reduces calories by about 25%. An alternative is just to reduce the amount of sugar in the recipe. This works for most recipes except for some cakes and candies, which need the sugar for the desired texture and consistency. In general, it is difficult to substitute artificial sweeteners for sugar. When small amounts are used and the sugar doesn't contribute to the texture of the product - such as a sweetener sprinkled on fruit or cereal, or added to beverages such as tea or coffee - they work quite well. [Source: MOAA Health and Wellness 21 Mar 06]

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> **MILITARY COMPENSATION OFFSETS:** For most of the century, the military compensation system has been riddled with a confusing maze of offsets (i.e., benefit deductions) intended to constrain compensation payments and limit government costs. More than a decade of intensive education efforts by The Military Coalition, along with the graphic examples of inequities facing veterans and survivors of current and past conflicts, have convinced Congress that many of the offsets are unfair, as indicated by the following list of victories:

> . 1999: repealed retired pay penalty for officers working as federal civilians;

> . 1999: won the first easing of the disability offset to retired pay for severely disabled retirees;

> . 2001-03: expanded full concurrent receipt to all combat-disabled

servicemembers with 20 or more years of service and won a 10-year phase-out of the disability offset for others with 20-plus years;

> . 2004: won a four-year phase-out of the Survivor Benefit Plan (SBP) annuity reduction imposed on survivors age 62 and older (intended as an offset to Social Security);

> . 2004: won full, immediate concurrent receipt for 100-percent disabled servicemembers with 20-plus years; and

> . 2005: accelerated the effective date of full concurrent receipt for unemployables.

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> And those changes proved only a start, as the tide of philosophical change has generated more and more cracks in the logic behind the offsets. In 2007, there have been several new developments of major significance:

> . The Dole-Shalala wounded warrior task force recommended (and the Bush administration endorsed) repeal of the deduction of military disability separation pay from VA disability compensation.

> . The Veterans Disability Benefits Commission recommended elimination of any deduction of service-earned retired pay from VA disability compensation and elimination of the deduction of VA Dependency and Indemnity compensation from survivors' SBP annuities if the death was caused by service.

> . The new FY 2008 Defense Authorization Act authorizes full concurrent receipt for all combat-disabled servicemembers forced into medical retirement before 20 years of service, full concurrent receipt for unemployables, and at least some modest payment to SBP-DIC survivors in recognition of the inequity of the offset.

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> Unfortunately, most of these improvements were won despite strong objections from DoD and whichever (Clinton or Bush) administration was in place at the time (the notable exception being the Dole-Shalala recommendation on military disability separation pay, which the current administration has endorsed).

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> The past years of progress, along with the dramatic developments in 2007, show that "it's always been that way" arguments are losing their credibility. Now, we're winning more focus on what the payments actually are for and whether offsets serve that purpose. Congress has recognized that the disability offset to retired pay and the DIC offset to SBP are wrong, and we're now only talking about finding the money to fix those inequities. The next logical move is to examine the various separation pays that are subject to offset by VA disability compensation and reserve retired pay. Current law, in effect, treats separation pays as advances on retired pay. MOAA among others, disagrees with that. We think a main purpose of separation pay is to help servicemembers offset the expense of transition to post-military life, and amounts paid for that purpose shouldn't be subject to later recoupment from reserve retired pay or VA compensation. Past progress on the disability and survivor offsets gives hope for the future on easing separation pay inequities, too. [Source: MOAA News Exchange Steve Strobridge article 2 Jan 08 ++]

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> TFL ENROLLMENT: When TRICARE beneficiaries become entitled to Medicare Part A and B on the basis of age, disability or end-stage renal disease, they are eligible for Tricare for Life (TFL). TFL is Tricare's Medicare-wraparound coverage available worldwide to Tricare beneficiaries who are also entitled to Medicare. Beneficiaries entitled to Medicare Part A

who decline Medicare Part B coverage will lose their former Tricare health care benefit (with the exception of active duty family members). TFL is available to all Tricare and Medicare dual-eligible Uniformed Services beneficiaries, regardless of age, including retired members of the National Guard and Reserve who are in receipt of retired pay, family members, widows/widowers and certain former spouses. Dependent parents and parents-in-law are not eligible for TFL. Uniformed Services beneficiaries entitled to Medicare Part A are required by law to have Medicare Part B coverage to retain their Tricare benefits with one exception. Active duty family members entitled to Medicare Part A are not required to purchase Medicare Part B coverage. When the active duty service member retires, family members must have Medicare Part B coverage in place upon the date of retirement to avoid loss of Tricare benefits.

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> There are no enrollment fees for TFL. Eligible Medicare-Tricare beneficiaries must pay Medicare Part B premiums if other than active duty family member. DoD encourages beneficiaries to purchase Medicare Part B when they are first eligible. Although beneficiaries may delay Medicare Part B sign up for up to eight months in certain circumstances, they will not be covered by Tricare until Part B coverage begins. Beneficiaries should confirm that their Medicare status is current in the Defense Eligibility and Enrollment Reporting System (DEERS) by calling the DSO Telephone Center at 1(800) 538-9552 or for the Deaf (TTY/TDD) 1(866) 363-2883. Beneficiaries can visit Tricare's DEERS Web site [www.Tricare.osd.mil/deers/update-info.cfm](http://www.Tricare.osd.mil/deers/update-info.cfm) to learn how to update their personal information. Beneficiaries are signed up for Medicare Part B during their initial enrollment period, which begins three months before the month beneficiaries turn 65 and ends seven months after the month beneficiaries turn 65. Those who do not sign up for Medicare Part B when first eligible may sign up for Part B during the general enrollment period that occurs 1 JAN through 31 MAR of each year. For those who enroll in Part B during the general enrollment period, Part B and TFL coverage begin 1 JUL of that year. Beneficiaries pay a Medicare Part B premium penalty surcharge of 10% for each year or portion thereof they failed to sign up when first eligible. (NOTE: Although the eligibility age for full Social Security benefits is changing, the eligibility age for Medicare is not).

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> Beneficiaries with group health plan coverage based on their current employment or that of a family member are not required by Medicare to sign up for Part B. They may sign up for Medicare Part B without paying the surcharge for late enrollment as long as they were covered by an employer group health plan or they may delay signing up for up to eight months after employment or health plan coverage ends, whichever comes first. Although Medicare does not require beneficiaries with group health coverage to sign up for Part B, TRICARE coverage will not begin until Medicare Part B coverage begins. For information about Medicare Part B, beneficiaries can visit the Social Security Administration Web site, [www.ssa.gov](http://www.ssa.gov), or call 1(800) 772-1213. Beneficiaries can also visit the Medicare Web site, [www.medicare.gov](http://www.medicare.gov). [Source: Tricare Help E-mail Service Office of the Surgeon General msg 20 Mar 06]

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> CALIFORNIA & FEDERAL DISABLED BENEFITS (70 TO 100% SC): Veterans who are residents of California who are rated 70%, 80%, or 90% disabled by the VA as a result of a service connected (SC) determination are entitled to the

following state and federal benefits. This list was last updated OCT 06. For residents of other states the federal benefits are the same but the state benefits will be in accordance with that state's laws. To determine what they are check the VA website associated with the state in question:

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- > 1. Eligibility for a rating of total disability because of individual unemployability.
- > 2. Eligibility for additional allowance for dependents-spouse, children, dependent parent(s).
- > 3. Eligibility for additional aid and attendance allowance for disabled spouse.
- > 4. VA fee basis outpatient medical card (all conditions requiring treatment, whether SC or not, except dental).
- > 5. Enrollment in VA Healthcare Priority Group 1 (no co-payments required).
- > 6. Eligibility for sensorineural aids-hearing aids, eyeglasses, contact lenses-without regard to whether the condition producing need for such is service-connected.
- > 7. Eligibility for long-term VA Nursing Home care for any condition.
- > 8. Eligibility for Service-Disabled Veterans' Insurance (RH).
- > 9. Possible eligibility for special monthly compensation for loss or loss of use of a creative organ; loss of a female breast; loss or loss of use of one hand, one foot, or one eye; or, loss of use of both buttocks (80%).
- > 10. Possible eligibility for payment of annual clothing allowance for specified SC disorders resulting in need for prosthetic appliance or use of a wheelchair, or for certain skin conditions.
- > 11. Possible eligibility for one-time assistance in purchase of specially-adapted automobile.
- > 12. Possible eligibility for Automobile Adaptive Equipment Allowance.
- > 13. Eligibility for education or training under VA Vocational Rehabilitation.
- > 14. Golden Access Passport for U.S. National Parks.
- > 15. California State Park pass (requires SC wartime-incurred disability) (\$3.50 one-time fee). Entitles the holder to the use of all basic State Park System operated facilities at no further charge. Not valid at units operated by local government, private agencies or concessionaires.
- > 16. Reduced fee for hunting license.
- > 17. Reduced fee for basic sport fishing license.
- > 18. Eligibility for 10-point preference for Federal Civil Service employment. Under certain circumstances, may be employed on a noncompetitive basis.
- > 19. Eligibility for 15-point preference for State of California employment.
- > 20. Home loan guaranty funding fee exemption.
- > 21. Possible eligibility for Home Improvement and Structural Alteration (HISA) home modification grant.
- > 22. Eligibility for CAL-VET College Tuition and Fee Waiver for children (Plan B).
- > 23. Possible eligibility for DMV Disabled Person Parking Placard.
- > 24. If a 20-year military retiree, possible eligibility for CDRP or CRSC.
- > 25. Possible eligibility for the California Disabled Veteran Business Enterprise (DVBE) and the Federal Service Disabled Veteran Owned Business (SDVOB) programs.
- > [Source: CA Dept of VA website Nov 07 ++]
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- > CALIFORNIA & FEDERAL IU BENEFITS: Veterans who are residents of California who are rated totally disabled (i.e. 100%) by the VA as a result of service connected (SC) with an Individual Unemployability (IU) determination are entitled to the following state and federal benefits. This list was last updated OCT 06. For residents of other states the federal benefits are the same but the state benefits will be in accordance with that state's laws. To determine what they are check the VA website associated with the state in question:
- > 1. Eligibility for additional allowance for dependents-spouse, children, dependent parent(s).
  - > 2. Eligibility for additional aid and attendance allowance for disabled spouse.
  - > 3. VA fee basis outpatient medical card (all conditions requiring treatment, whether SC or not).
  - > 4. Eligibility for all necessary dental care.
  - > 5. Enrollment in VA Healthcare Priority Group 1 (no co-payments required).
  - > 6. Eligibility for sensorineural aids-hearing aids, eyeglasses, contact lenses-without regard to whether the condition producing need for such is service-connected.
  - > 7. Eligibility for long-term VA Nursing Home care for any condition.
  - > 8. Eligibility for health care coverage under CHAMPVA for spouse and children (unless they are also eligible for TRICARE).
  - > 9. Eligibility for Service-Disabled Veterans' Insurance (RH), including \$20,000 supplemental insurance beyond regular amount.
  - > 10. Waiver of VA life insurance premiums, if under age 65 (but not on additional amounts).
  - > 11. Possible eligibility for special monthly compensation for loss or loss of use of a creative organ; loss of a female breast; loss or loss of use of one hand, one foot, or one eye; or, loss of use of both buttocks.
  - > 12. Possible eligibility for payment of annual clothing allowance for specified SC disorders resulting in need for prosthetic appliance or use of a wheelchair, or for certain skin conditions.
  - > 13. Possible eligibility for one-time assistance in purchase of specially-adapted automobile.
  - > 14. Possible eligibility for Automobile Adaptive Equipment Allowance.
  - > 15. Eligibility for education or training under VA Vocational Rehabilitation.
  - > 16. Golden Access Passport for U.S. National Parks.
  - > 17. California State Park pass (requires SC wartime-incurred disability) (\$3.50 one-time fee).
  - > 18. Reduced fee for hunting license.
  - > 19. Reduced fee for basic sport fishing license.
  - > 20. Home loan guaranty funding fee exemption.
  - > 21. Possible eligibility for Special Adapted Housing Assistance.
  - > 22. Possible eligibility for Home Improvement and Structural Alteration (HISA) home modification grant.
  - > 23. Possible eligibility for Veterans' Mortgage Life Insurance (VMLI).
  - > 24. CAL-VET Home Loan Disability Insurance.
  - > 25. Eligibility for property tax exemption on principle residence.
  - > 26. Eligibility for 10-point preference for Federal Civil Service employment. Under certain circumstances, may be employed on a noncompetitive basis. The 10-point preference is also applicable for the spouse and/or natural mother of a permanently totally service-disabled veteran.
  - > 27. Eligibility for 15-point preference for State of California employment.

> 28. Eligibility for Survivors' and Dependents' Education Assistance for spouse and/or children under 38 U.S.C., Chapter 35.

> 29. Eligibility for CAL-VET College Tuition and Fee Waiver for spouse and children (Plan A). Requires wartime service. May not be authorized concurrently with VA education assistance under Chapter 35.

> 30. Eligibility for CAL-VET College Tuition and Fee Waiver for children (Plan B). May be authorized concurrently with VA education assistance under Chapter 35.

> 31. Eligibility for son(s) and/or daughter(s) to compete for admission to military academies.

> 32. Possible eligibility for DMV Disabled Person Parking Placard.

> 33. If a 20-year military retiree, possible eligibility for CDRP or CRSC.

> 34. Withdrawal from SBP program participation (military retirees) after having been rated SC, totally disabled for 10 continuous years, or, if out of service less than 10 years, having been rated SC, totally disabled for at least 5 continuous years from date of last active duty.

> [Source: CA Dept of VA website Nov 07 ++]

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> VETERAN LEGISLATION STATUS 13 JAN 08: After completing work 19 DEC, the House and Senate officially recessed until the New Year. (Technically, only the House adjourned; the Senate is keeping pro forma sessions to stop the President from making any recess appointments.) Although some pro forma sessions were scheduled, the full House will not return until 15 JAN, while the Senate will reconvene 22 JAN 08. For a listing of Congressional bills of interest to the veteran community that have been introduced in the 110th Congress refer to the Bulletin's House & Senate attachments. By clicking on the bill number indicated you can access the actual legislative language of the bill and see if your representative has signed on as a cosponsor.

Support of these bills through cosponsorship by other legislators is critical if they are ever going to move through the legislative process for a floor vote to become law. A good indication on that likelihood is the number of cosponsors who have signed onto the bill. A cosponsor is a member of Congress who has joined one or more other members in his/her chamber (i.e. House or Senate) to sponsor a bill or amendment. The member who introduces the bill is considered the sponsor. Members subsequently signing on are called cosponsors. Any number of members may cosponsor a bill in the House or Senate. At <http://thomas.loc.gov> you can also review a copy of each bill's content, determine its current status, the committee it has been assigned to, and if your legislator is a sponsor or cosponsor of it. To determine what bills, amendments your representative has sponsored, cosponsored, or dropped sponsorship on refer to

<http://thomas.loc.gov/bss/d110/sponlst.html>. The key to increasing cosponsorship on veteran related bills and subsequent passage into law is letting our representatives know of veteran's feelings on issues. At the end of some listed bills is a web link that can be used to do that.

Otherwise, you can locate on <http://thomas.loc.gov> who your representative is and his/her phone number, mailing address, or email/website to communicate with a message or letter of your own making. [Source: RAO Bulletin Attachment 13 Jan 08 ++]

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>

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