

The recent changes in the nation's health care apparatus have left many in the military and veterans community asking lots of questions. Most often asked is:

How will this affect me?

The short answer (although there are still a few unknowns) is – *very little, if at all.*

A good place to start the discussion would be to reiterate the key principles that AFA communicated on the Hill during the debate leading up to passage of the bill, H.R. 3590 and its companion reconciliation measure, H.R. 4872. One of our main priorities was to ensure that benefits provided by the Department of Veterans' Affairs or through TRICARE would not be subject to taxation, under any circumstance. It was of the utmost importance to ensure that the earned benefits through the VA and TRICARE met all thresholds for 'qualifying coverage' to prevent exposure to tax penalties associated with not meeting basic insurance coverage requirements. Finally, out of concern for the continued guarantee of 'best care anywhere' for beneficiaries of the VA and TRICARE, we sought language specifically stating that the bill would not pool all healthcare funds into one pot and would not grant any authority over those programs to boards or agencies outside the respective departments. In short, we advocated that the military and veteran communities should continue to remain distinct and separate. While other principles and positions were articulated, these basic ideas constituted our primary message to Congressional staff regarding this massive change in our health care delivery apparatus.

What is still unknown?

AFA believes our efforts to protect VA and TRICARE beneficiaries have largely paid off, as our primary goals have either been met or we are confident they will be met soon. TRICARE and VA benefits will not be taxed. Benefits under the VA and under TRICARE for Life (along with Medicare benefits) are already considered to be 'qualifying coverage' under the newly-passed law. Regarding other TRICARE programs, the law does not specifically mention that TRICARE coverage meets the individual responsibility requirement. While we have received innumerable assurances that intent of the legislation was never to undermine or change TRICARE or VA care, we continue to advocate for a law change to put it in the United States Code. The House of Representatives has already unanimously passed H.R. 4887, the TRICARE Affirmation Act – a short, to-the-point bill that explicitly carves all TRICARE programs out. Senator Webb introduced similar legislation in the Senate which passed by unanimous consent on Monday, April 12. The President is expected to sign the TRICARE Affirmation Act into law within days. In addition, both Secretary Gates and Secretary Shinseki have released statements asserting that their respective programs will not be affected by the changes in H.R. 3590 and H.R. 4872. However, we still worry about the effects of large reductions in Medicare ... and how that might affect TRICARE for Life and payments as a whole.

There have been many inaccurate statements floating around the Internet and by old-fashioned word-of-mouth that have many concerned. Let's try to clarify those.

TRICARE Co-Pays:

This bill will not change any TRICARE fees or copays. We don't see this bill directly affecting the DoD budget or any particular programs therein. Many of our AFA members have received emails to the contrary, citing as evidence a CBO report that suggested a near quadruple increase in fees and copays. This report was merely a budgetary tool and was never drafted as legislation, nor was it supported by legislators or the President.

What about the impact on Medicare?

One very unfortunate aspect of the health package was that it did not eliminate, reverse, delay, or otherwise comment on the flawed Sustainable Growth Rate (SGR) reimbursement plan for Medicare. This program was designed to contain Medicare costs by essentially pegging the amount Medicare pays doctors to growth in the economy as a whole, and not to increases in the medical sector. As we all know, medical costs have risen through the roof, while our economy has remained stagnant. As a result doctors are faced with an effective 21% cut in Medicare payments. One version of the health care bill would have plugged this funding shortfall for doctors; however, it was not included in the final bill. We expect Congress to move quickly to fix this problem as they return from the Easter recess. However, the problem is greater than the funding shortfall. The SGR, enacted in 1997, must be revised to more accurately reflect the costs associated with providing care – otherwise, doctors will see fewer Medicare and TRICARE patients, limiting access to care for our active-duty and retired personnel, in addition to their families.

What about the Congressional Budget Office report that recommends big changes to TRICARE?

CBO has done a study like this at Congress' request almost every year for the past decade. This one is almost 2 years old.

CBO does not make laws or draft legislation.

These options have appeared in almost every CBO report ... and even the CBO says implementing the changes it recommends would be very difficult

No one in Congress that we have talked with is interested in implementing any of the CBO recommendations.

The recently passed health care bill does not have these recommendations in them ... not that they could not be considered in the future.

There is now pending legislation that exempts TRICARE from the recently passed health care legislation ... [both the good and the bad parts]

AFA continues to work both with the Military Coalition (5.5 million vets) and the Congress to ensure the health care benefits provided to our veterans [which have been earned by years of sacrifice] are:

- a. Not taxed
- b. Kept separate from any "public option" and
- c. Are fully funded