

Army Echoes, Issue 1, Jan-Apr 2005

Law increases Survivor Benefit Plan annuity for beneficiaries over 62, sets 'open season'

The National Defense Authorization Act for Fiscal Year 05 (NDAA 05) makes the biggest change to the Survivor Benefit Plan (SBP) since the plan started in 1972. SBP is a program that let retirees choose to receive reduced retired pay so that their elected beneficiary can receive an annuity after the death of the retiree. **Without SBP, retired pay stops when the retiree dies.**

Under the new law, SBP annuitants will no longer have their benefits reduced from 55% to 35% of the base amount at age 62. After Apr. 1, 2008, SBP annuitants will receive 55% of the base amount elected, with cost-of-living adjustments, regardless of age. The base amount is the part of retired pay that the retiree elects to cover. The base amount can range from \$300 a month to full retired pay.

This change is being phased in over the next three years. NDAA 05 will raise the minimum SBP annuity for survivors age 62 and older to 40% of the base amount covered as of Oct. 1, 2005; to 45% of the base amount on Apr. 1, 2006; to 50% on Apr. 1, 2007; and to 55% on Apr. 1, 2008.

Open enrollment period

Because of this major change, Congress declared a one-year open season for retirees to elect SBP or increase their current coverage, running from Oct. 1, 2005 to Sep. 30, 2006. Following are possible open season elections:

- Retirees who are not participating in SBP will be able to elect it.
- Retirees who elected SBP, but are covering less than full retired pay as their base amount will be able to increase the base amount
- Retirees who have child only coverage will be able to add spouse or former spouse coverage to the child coverage and will be able to increase the base amount.

Retirees who want to elect or increase SBP coverage during the open season will have to pay a buy-in premium covering all the costs that would have been paid for the election if it had been made at the first opportunity to do so. Interest and any actuarial charges necessary may be added to this amount. The costs associated with the buy-in premium have not been determined, but they will be posted at <http://www.dfas.mil> and <http://www.armyg1.army.mil/retire> as soon as they are available.

Retirees who make an open season election must live for two years following the election for it to become effective. If the retiree dies before the end of the two-year period, the open season election will become void and all costs resulting from the new election will be refunded to the named beneficiary of the voided open season election. *Further information will be reported in future issues and on our homepage.*

Highlights from headquarters

Greetings Retirees/Soldiers and Family Members,

This year will be another busy year both here and throughout the Army. The global war on terror continues to have dramatic impact on our Army at every level. However, I believe you will find that exciting things have happened or soon will happen in the Retirement Services arena.

This edition recaps the most important issues that occurred late last year. For example, on pages 1 and 11, we report on the FY 2005 National Defense Authorization Act. On page 12, we

give new information on the Medicare special enrollment period set by the Medicare Modernization Act. On page 14, we report on the Veterans Benefits Improvement Act. These topics represent important legislative changes helpful to retirees or their survivors.

This past year we welcomed two new members to our staff -- Rich Lechnir and Renetta Carroll. Rich is the Army program manager working issues surrounding support and communications with our installation Retirement Services Officers (RSO). He comes to us after having served as the RSO at Ft Gordon, GA. Renetta worked for many years at the Army Physical Disability Agency helping with individual casework there.

In the past quarter, I attended meetings of the retiree councils for both the Defense Commissary Agency and the Army & Air Force Exchange Service. This issue has information about both agencies and what they do to help our Soldiers, retirees and family members. I think it's important to note AAFES' contributions for our forward deployed troops. Their motto of "We go where you go" has never been more important than over the past few years.

In December, this office, with the Installation Management Agency (IMA) at HQDA, finalized our Memorandum of Understanding (MOU). Our mutual goal is to have "common levels of support" so that Soldiers, retirees, and family members can be served at the same level of excellence at each installation. It's only the first big step, but is a major leap in the right direction.

Throughout the year I travel to some of the installation Retiree Appreciation Days (RADs) conducted by our installation RSOs and Retiree Councils. I appreciate each opportunity to speak at these events and continue to be deeply impressed with the retirees I meet and the RSOs who work so hard for you at our installations. Each event is a little bit different but all have one constant theme: Recognition of YOU as Army retirees and your spouses and family members. I recommend you attend a RAD this year. On page 3 we have listed the schedule as we have it at press time. We also give you notice of other service RADs in case you may be near another service installation.

I urge you to become active in military activities or veterans service organizations in your area. I know many of you are, and you make a difference. Some may say "I would be active in retiree affairs or military affairs but I don't live close to an Army installation.....". I say "you may be much closer to Soldiers than you think". Did you know that we have about 160,000 Army Reservists and National Guardsmen on ACTIVE DUTY now? Some of them, and their family members, live close to you. I recommend that you contact your nearest installation, or USAR or National Guard unit. They will be glad to hear from you and will have something in mind to use your talents and time. You will be making a difference!

Later this year, the United States Army will celebrate its 230th year of service. Never in recorded history has an Army served its nation as well and as faithfully as the United States Army. Aside from your personal legacy that you will one day leave to your family, nothing shines brighter or is more lasting than the legacy you bequeath the nation because of your career of service in the United States Army. Thank you!

Remember our Soldiers in harm's way. Keep them in your daily thoughts and prayers. It's an honor to serve you! Keep chargin!!

John W. Radke
Chief, Army Retirement
Services

What Retiree Appreciation Days can do for you

You should consider attending a RAD. Once a year, every Army installation Retirement Services Officer invites military retirees living in or visiting their area of responsibility to attend a Retiree Appreciation Day (RAD). RADs vary from place to place, but here are features you'll find at most:

- **Guest speakers addressing Army programs and retiree benefits.** Cynthia Anderson, RSO at Redstone Arsenal, AL, said that she always offers a variety of guest speakers. Last year's RAD speakers included the Chief of the Army's Combat-Related Special Compensation (CRSC) Division; and a representative from the Defense Finance and Accounting Service's Cleveland Center.
- **Representatives from the installation such as the Commander or Command Sergeant Major.** They will brief you on what's going on at the installation, usually telling you where to go to serve or be served.
- **A county fair/health fair offering medical tests, legal information and news from a variety of other sources.** Salvador Toscano, RSO at Ft Sam Houston, TX, reports that their county fair featured 39 organizations including the Ft Sam Houston Clubs and Morale, Welfare and Recreation (MWR), the fort's Mentor Program, the Texas Veterans Land Board and several military-related organizations. Attendees at the health fair could choose from 22 medical clinics offering screenings or services including cardiology, nutrition care and pharmacy services.
- **Special benefit guides and brochures including unique publications created by some RSOs.** Theresa Derr, RSO at Carlisle Barracks, PA, has found that her brochures on MWR benefits and on requesting military documents have been well-received by retirees.
- **Special sales or offers at the commissary and Exchange.** Pam Irvin, acting RSO at Ft Polk, LA, said that their commissary conducts a case lot sale and AAFES provides discount coupons, special sales and door prizes for their RAD.
- **A chance to gather with other retirees and spouses at a lunch, dinner or other special event.** Karen Williams, RSO at Ft Jackson, SC, reported that their 2005 RAD will be expanded to two days – Apr. 29-30. The first day will include golf and bowling tournaments and a Retiree Appreciation Dinner with a special guest speaker. The second day will include a Colors Ceremony honoring retirees, with 300 Soldiers taking part. Retirees will have the rest of the day to visit the agencies at the Information/Medical Fair. Retiree participation will determine if this remains a two-day event.
- **Door prizes.** RSOs report that local businesses often show their appreciation of retirees by donating door prizes.

We usually list RADs on page 15 (although we've moved them for this article) and on our homepage <http://www.armyg1.army.mil/retire> in the postretirement section. We've listed the RADs that have already been scheduled. Since it's still early in the year, many more will be added to the list as they're scheduled. You can check our homepage for current schedule information between issues of *Echoes*.

If you're not near an Army installation, you may find that the RSO serving your area hosts a RAD closer to home. For example, Florida retirees (or those visiting) can attend a RAD in Orlando March 5th, hosted by the Ft Stewart RSO. We also list RADs hosted by our sister services. For example, the RAD at Dover Air Force Base March 12th is a joint Air Force and Navy event. The Millington, TN, RAD April 16th is hosted by the Navy.

Check your schedule and make time to attend a RAD!

Retiree Appreciation Days

Contact the RAD host (see pg. 9 for RSO listing) for information. We have listed phone numbers here for RADs whose hosts are not listed on pg. 9.

Mar 5	Orlando, FL (<i>sponsor Ft Stewart</i>)
Mar 12	Dover AFB, DE (302) 677-4612
Apr. TBD	Ft Wainwright, AK
Apr 16	Millington, TN 1-866-225-8582
Apr 16	West Point, NY

Apr 29-30	Ft Jackson, SC
Apr 30	Schofield Barracks, HI
May 20	Ft Lewis, WA
Jun 5	Ft Ord, CA
Jun 25	Ft McPherson, GA
Aug 6	Tobyhanna Army Depot, PA
Aug 27	Redstone Arsenal, AL
Aug 27	Ft Devens, MA (<i>sponsor Ft Drum</i>)
Sep 16-17	Ft Sill, OK
Sep 17	Carlisle Barracks, PA
Sep 24	Ft Polk, LA
Sep 24	Ft Dix, NJ
Sep 30	Ft Myer, VA
Oct TBD	Ft Richardson, AK
Oct 7	Ft Gordon, GA
Oct 15	Ft Monmouth, NJ
Oct 28-29	Ft Rucker, AL
Oct 29	Ft Leavenworth, KS
Nov 4	Ft Benning, GA

DS3 on track to help severely injured Soldiers

WASHINGTON (ARNEWS) – The Army’s Disabled Soldier Support System (DS3) is moving forward with plans to compile the database of severely injured Soldiers and to increase staff to help these Soldiers navigate the system. Army leadership announced the DS3 initiative in April 2004 and, since then, have secured \$8.3 million to finance the effort. DS3 supports Soldiers and their family members from the time of injury through the recovery process and as they transition into civilian life or return to active duty.

The DS3 team continues to build the database of Soldiers classified as severely injured since Sept. 11, 2001 and to develop the framework to support them. Most of these Soldiers are being treated in the Washington, DC, area and are being assisted by the DS3 staff at Walter Reed Army Medical Center. The intent is to have DS3 offices staffed with Soldier/Family Management Specialists (counselors) in medical facilities throughout the Army, COL(P) Robert Woods, Jr., Director of the Army G-1’s Human Resources Policy Directorate, said.

DS3 doesn’t create any new processes, procedures or services, but instead acts as an advocate to make sure that Soldiers and family members are well educated about the procedural steps, know their available options, and have DS3 as a resource for solving many of the problems they encounter.

The program staff works closely with the Department of Veterans Affairs (VA), the Army Career and Alumni Program (ACAP), and civilian corporations to help Soldiers who are medically retired establish a new life outside of the military. Program staff will maintain contact with Soldiers for up to five years, but will continue to assist beyond that if called upon, Woods said.

Soldiers and families can reach the DS3 call center at 1-800-833-6622 or go to <http://www.ArmyDS3.org>.

You can contribute to DS3 Soldiers through organizations such as the Helping our Heroes Foundation at <http://www.hohf.org>; Fisher House, <http://www.fisherhouse.org>, 1-888-294-8560; or Army Emergency Relief (see pg. 5).

Some disabled servicemembers can stay in military

WASHINGTON — DoD is allowing some disabled service- members to remain in the military if they want to and can continue to perform, DoD’s disability program manager said.

Judy Gilliom said servicemembers with disabling injuries had been automatically turned over to the VA in the past. If they returned to DoD, it was generally after being medically retired, then hired as civilian employees.

Now, Undersecretary of Defense for Personnel and Readiness David S. C. Chu said, "With advances in medicine, technology and rehabilitation techniques, we are making every attempt to return willing servicemembers back to duty. We are increasing that capability with advances in amputee care, new prosthetic devices, and the new Advanced Amputee Training Center at Walter Reed."

President asks nation to support troops

WASHINGTON (AFPS) — President Bush urged every American "to find some way to thank our military and help out the military family down the street" and suggested they visit DoD's "America Supports You" Web site <http://www.americasupportsyou.mil>. The site showcases some of the ways the country is expressing support and appreciation for the men and women of the armed forces.

President Bush gave examples of Americans' support for the troops. Vietnam vet Steve Cobb and his wife Tanya "welcome the troops home and offer whatever help they can provide," the President said. Despite earning four Purple Hearts and a Silver Star in Vietnam, Cobb said "nobody but demonstrators" came to meet him and other returning veterans of the war, and he vowed not to let that happen again.

Echoes by e-mail update

As we go to press, 8,000 of you have asked to have the paper *Echoes* stopped and the e-mail *Echoes* started. With the help of Milton Bell of the Army Medical Command, we have been able to get e-mail *Echoes* to most of you. However, the programmers are still working on taking your names off the mailing list, so your patience is requested. To volunteer, you will be able to use a new form that will be on this homepage soon. Please include your **full** name, Social Security number and e-mail address. Thanks for your support of this cost-saving effort!

How you can help the Pentagon Memorial fund

About a year after they started, those raising funds for the Pentagon Memorial have collected \$4.6 of the \$17.5 million needed to build it. The memorial will honor those who died there Sept. 11, 2001, both in the Pentagon and on Flight 77. It will feature a tree-lined park with 184 lighted benches, each dedicated to a victim of the attack. .

Donations to the fund are tax deductible. You can send a donation to: Pentagon Memorial Fund, Inc.; 5185 MacArthur Boulevard, NW; Ste 115; Washington, DC 20016; or call 1-800-929-4911; or contribute online at <http://www.pentagonmemorial.net>. Organizations or individuals who want to host a fundraiser can find information on this site or can write to: Pentagon Memorial Fund, Inc.; Attn: Wendy Gutscher; 1850 K Street, NW; Suite 380; Washington, DC 20006; or can call (202) 775-9797, ext. 11, or FAX (202) 466-5534.

More information on the project is available at <http://memorial.pentagon.mil>.

Chief of Staff urges support of AER campaign

The Army's 2005 fundraising campaign for Army Emergency Relief (AER) begins Mar. 1, 2005.

Army Chief of Staff, GEN Peter Schoomaker, in his message to Soldiers and their families, wrote: "The Army Emergency Relief Campaign theme this year is 'One Nation, One Army, One Organization,' drawing on one of our current Army strategic themes: We are one Army...Active, Guard, and Reserve...interdependent, serving a Nation at war. And, the Army Emergency

Relief is the one organization providing financial support to all of your comrades in time of need.”

Every 80 minutes, 365 days a year, a retired Soldier or a surviving spouse receives emergency financial assistance through AER. During the last 27 years, AER has assisted more than 250,000 retired Soldiers and surviving spouses.

Since 1998, AER has paid all direct costs of emergency financial assistance provided to Soldiers by the American Red Cross (ARC). This reimbursement agreement is important for retirees because it insures that you have ready access to AER through almost 1,200 ARC chapters in the U.S.

Retirees needing emergency financial assistance should contact the AER section at any Army installation, the nearest ARC chapter, or the office of any other Military Aid Society, located at most military installations around the world. Reciprocal agreements exist between all Military Relief Societies giving Army retirees the same assistance that you would get directly from AER.

Contributions from all Soldiers (both Active Duty and retired) make this program possible. Your contribution will help insure that AER continues to provide assistance to all Army people as needed. Please complete and mail the contribution form for your allotment to AER. You can also make your contribution online with an allotment from your retired pay by initiating an allotment at: https://63.111.59.14/Camp_Allotment_form.htm.

Unlimited commissary shopping for Guard/Reserve hits 1-year mark

FT LEE, VA – If you’re a “gray area” Guard or Reserve retiree (those not yet age 60 but eligible to receive retired pay at that time) or family member, you recently celebrated your first anniversary of unlimited commissary shopping and Defense Commissary Agency (DeCA) officials want to make sure you know about it.

Previously, Guard and Reserve members had been authorized only 24 commissary shopping days a year. The 04 National Defense Authorization Act granted members of the Guard and Reserve, authorized family members, and “gray area” retirees unlimited commissary shopping privileges.

These families are discovering average commissary savings of 30% or more can help their grocery budgets now that there are no limits to their shopping days.

Unlimited shopping privileges also eliminated the additional costs of producing and administering the pink Commissary Privilege Cards, which were initialed by commissary employees whenever Guard and Reserve personnel shopped.

To find out more about commissary shopping, check out the FAQs link in the upper right corner of <http://www.commissaries.com>.

How to find a commissary

The “commissary locator,” a new driving-distance calculator and mapping feature on <http://www.commissaries.com>, highlights several changes to the DeCA Web site designed to help patrons maximize their shopping experience. Retirees who live some distance from a commissary may find this tool useful in determining where to shop.

Visitors use the commissary locator by providing their ZIP code and preferred driving distance. The system responds with a list of all commissaries within the driving distance. When visitors select a commissary from the list, they’re taken to that commissary’s Web page that features a link for detailed driving directions.

Commissary store Web pages, which each of the 272 commissaries maintain to provide current local shopping information, are featured under “locations”.

Internet coupons stretch savings

Even though DeCA sells groceries at cost, it's always looking for new ways to help customers save money. One way the agency is doing this is by making Internet coupon links available on its Web site <http://www.commissaries.com> in the "links" section.

Along with links to top Web sites for military grocery coupons, the section has a link to a site that offers visitors a choice of English or Spanish; and another link that offers commissary shoppers the opportunity to sign up for coupons by mail.

According to a 2003 report by NCH Marketing Services, which specializes in coupon processing and promotion information management, commissaries are among the top five retailers redeeming grocery coupons. Commissaries, and other grocery retailers, had stopped accepting home-printed coupons in September 2003 because of fraud. All 273 commissaries worldwide now accept computer-generated Internet coupons as long as they have a bar code for scanning purposes, and don't offer a free product.

DeCA has new consumer advocate

Robert Hansgen is DeCA's new consumer advocate program manager. The consumer advocate is responsible for improving communications between commissary customers and DeCA officials.

Hansgen can be reached by e-mailing robert.hansgen@deca.mil, calling (804) 734-8772, by FAXing (804) 734-8248 or writing to Defense Commissary Agency; Office of Corporate Communications; 1300 E St.; Ft Lee, VA 23801-1800.

The survey says...

Customers gave all-time high grades in DeCA's latest customer satisfaction survey. The survey, conducted at all commissaries in fall 2004, collected responses from more than 21,000 customers. They gave the highest overall marks ever – 4.55 out of 5 – and marks were up for all 14 questions compared to the October 2003 survey. They gave "Courteous Friendly and Helpful Employees" their highest rating – 4.75.

AAFES: Serving troops downrange

DALLAS - One of the Army & Air Force Exchange Service's (AAFES) most rewarding missions is serving troops deployed in operations such as Operations Iraqi Freedom and Enduring Freedom (OIF/OEF) and the Balkans. This support includes activities operated by military members at remote locations where AAFES is not allowed to open a PX/BX.

Problems affecting AAFES operations in deployed areas are not the kind faced by Wal-Mart or K-Mart. A super store staff does not have to worry about mortar and rocket attacks, heavy gun fire, suicide and car bombs and improvised explosive devices (IED).

AAFES operates in a variety of permanent structures, pre-fab buildings, trailers, tents and, at times, on pallets in the sand. They support numerous mobile operations to remote locations to reach out to as many troops as possible.

AAFES contingency operations are staffed and operated by associates on a volunteer basis. They work long hard hours in austere conditions and are true heroes.

AAFES is operating 60 stores in support of OIF/OEF. About 500 AAFES associates are deployed in support of contingency operations with more deploying daily.

In November, OEF/OIF sales totaled \$57.9M with a daily average of \$1.93M. Sales included not only AAFES stores, but the all-important call centers as well. From Nov. 24 - Jan. 5, servicemembers deployed to Iraq and Afghanistan paid a lower holiday rate for their calls.

You can help support our troops through the AAFES "Gifts from the Homefront" program by going to <http://www.aafes.com> or calling 1-877-770-4438 to buy gift certificates for deployed troops.

Army awards AAFES Meritorious Unit Commendation

AAFES has been awarded the Meritorious Unit Commendation by the Secretary of the Army for outstanding support of more than 300,000 U.S. servicemembers and coalition personnel serving in OIF.

“The award description says that to be eligible for this award, a unit must display such outstanding devotion and superior performance of exceptionally difficult tasks as to set it apart from and above other units with similar missions,” AAFES Commander MG Kathryn Frost said. “Only in AAFES’ case, we did something nobody else could do – provide this kind of support to our troops in a war zone.”

“Working continuously to improve the overall morale of all deployed personnel, the Army & Air Force Exchange Service opened post exchanges, fast food restaurants, gift and alterations shops, and telecommunication centers as quickly as conditions allowed,” reads the citation. “The Army & Air Force Exchange Service lived up to its motto ‘We Go Where You Go’ and dedicated precious time and resources to maintaining outstanding customer service even in times of war.”

“From the initial force buildup in Kuwait, Oman, Qatar, United Arab Emirates and Bahrain, to the actual invasion of Iraq, until robust operations throughout Iraq today, AAFES has been with our troops every step of the way,” MG Frost said. “I’m so proud of the AAFES team who accomplished the seemingly impossible to support the troops.”

STAR card rate rises

The Exchange Credit Program is raising the interest rate for the Military STAR card by .25 percentage points to 10%. This increase is based on the Federal Reserve’s raising the prime rate to 5%. Military STAR card terms and conditions state that the interest charged will be based upon the current prime rate plus 5%.

The interest rate becomes effective after the January billing statement.

Could you be eligible for CRSC?

Could you be eligible for the Combat-Related Special Compensation (CRSC) benefit? CRSC is a tax-free benefit available for retirees with 20 years of service and disabilities rated by the VA at 10% or more, resulting directly from combat including armed conflict, hazardous military duty, training exercises or an instrumentality of war. Members retired because of a disability with less than 20 years of service are **not** eligible.

Unlike other benefits, **retirees need to apply in order to receive CRSC**. The Army’s CRSC Division has received more than 35,000 applications (including re-considerations) for this benefit, but the Division believes many more Army retirees could be eligible and wants to make sure that every retiree who is eligible applies. They note that of the \$22 billion set aside by Congress to pay for this benefit for all services, only \$489 million has been awarded.

Note: Because of the volume of applications received, the CRSC Division did have a backlog; however, they expect that all applications older than 30 days will have been processed by Feb. 6. You can view the weekly progress made processing applications at <http://www.crsc.army.mil/utilities/stats.htm>.

For more information or to obtain an application packet, visit <http://www.crsc.army.mil>; or contact your local RSO; or call the Army’s CRSC Service Center toll-free at 1-866-281-3254; or (703) 325-5163, Monday to Friday, from 8 a.m. to 8 p.m.

DFAS reports CRSC payment status

ARLINGTON, VA - The Defense Finance and Accounting Service (DFAS) has completed processing the backlog of more than 9,000 approved CRSC retroactive payments, older than 60 days, to qualified military retirees.

CRSC applications will normally be paid within 60 days of military service approval. DFAS is working on automating CRSC payments to improve that service and expects to have automation completed by summer 2005.

The backlog was created when legislation, passed in June 2003 and January 2004, added entitlements that required additional policy and coordination among the military services, the VA and DFAS before certain CRSC payments could begin. The legislation changed the entitlements to include the following considerations, which required additional time to process because of their complexity:

- Court-ordered garnishments
- Deductions for former spouses
- Disabled retirees whose pay is computed using the percentage of disability instead of years of service
- Multiple changes in the awarded disability since the inception of CRSC.

Since April 2004, DFAS has received almost 2,000 approved applications every month. As of Dec. 29, 2004, more than 26,000 military retirees have received CRSC payments totaling about \$489 million.

More information is available from DFAS at <http://www.dfas.mil/money/retired/crscindex.htm>, 1-800-321-1080; (216) 522-5955; or from the Army CRSC branch at <http://www.crsc.army.mil>; or 1-866 -281-3254; or (703) 325-5163.

Are you still waiting for your tax statement?

DFAS mailed paper copies of retiree and annuitant tax statements at the end of December. Retiree and annuitants who use the online myPay system (<https://myPay.dfas.mil>) could access and print their tax statements beginning in the middle of December. (The myPay project was recently awarded a 2004 Grace Hopper Government Technology Leadership Award for challenging conventional thinking and using technology to improve services.)

If you want a mailed copy of your tax statement and haven't received one, you should contact the DFAS Retired and Annuitant Pay Center in Cleveland, OH, at 1-800-321-1080, Monday through Friday, from 7 a.m. to 7:30 p.m., Eastern Time. DFAS has announced that the call center will **not** open Saturdays this year during tax season as it has in the past because of the low volume of calls. You can also e-mail DFAS through their Web site <http://www.dfas.mil>.

If you need a tax statement or other information, don't wait until Apr. 14 to contact DFAS.

How NDAA 05 affects retirees, families

The NDAA 05 made other changes affecting retirees and their family members in addition to the major SBP changes reported on pg. 1. These changes include:

- **Concurrent receipt for 100% disabled retirees.** Under the 04 NDAA, concurrent receipt of retired pay and disability pay for retirees rated at least 50% disabled by the VA is being phased in over a ten-year period. NDAA 05 eliminates the phase-in period for retirees rated 100% disabled by the VA and makes full concurrent receipt effective for them Jan. 1, 2005, payable in the Feb. 1, 2005 check.

At press time, no decision had been made regarding whether this change would apply to retirees rated 100% disabled because of unemployment.

- **ID cards for retirees' family members over age 75.** While retirees' ID cards don't expire, their family members have to renew theirs every four years. The new law eliminates this requirement for eligible family members age 75 and older. Permanent ID cards are not

available yet because the ID card software needs to be updated to create them. As soon as these cards are available, we will report it on our homepage <http://www.armyg1.army.mil/retire>, and in *Army Echoes*. In the meantime, retirees' eligible family members will have to renew expired ID cards, regardless of your age.

- **Base closings.** The law does not eliminate the 2005 Base Realignment and Closure study, but it does add some selection criteria, including elements of military value, for example, repair facilities or interaction with the local community.
- **Return to active duty.** The law reports the "sense of Congress" that highly motivated former servicemembers should be permitted to return to active duty.
- **Health care delivery.** NDAA 05 states that the Secretary of Defense may conduct a pilot program at two or more sites to test building cooperative health care arrangements between installations and local or regional health care systems. The results are due to Congress by July 2007.
- **Travel reimbursement.** This provides for a study of reimbursing travel expenses for two years after retirement for those retired for disability.

How will DoD determine which bases to close?

WASHINGTON - The 2005 Base Realignment and Closure (BRAC) initiative will be unique since besides cutting no-longer-needed facilities, it will also support transformation goals and make DoD better prepared for combating 21st century threats like global terrorism, Raymond DuBois, Deputy Undersecretary of Defense for Installations and Environment, said.

DoD will present final 2005 BRAC recommendations to Congress in the spring.

BRACs conducted between 1988 and 1995 closed 97 military bases and realigned 57. Officials estimate DoD still carries about 23% excess infrastructure.

A key component of 2005 BRAC consideration, DuBois explained, involves weighing an installation's military value in view of how it contributes to and accommodates joint operations. Joint warfighting has proven to be the "coin of the realm" when confronting terrorists in Afghanistan and Iraq, he said.

DuBois said the 2005 BRAC is aimed at combining combat projection power, including joint training, at installations that best offer it. Also, he noted, duplication can be reduced by merging military research and laboratory facilities.

Any new base closures would take into account the need to maintain a military "surge" capacity to deal with potential future threats, DuBois emphasized.

Previous BRACs have provided \$7 billion in annual savings to DoD since 2001, DuBois said, but DoD still has \$660 billion tied up in property inventory.

Vets records not in danger

WASHINGTON (NARA) - A rumor has been circulating that Official Military Personnel Files (OMPFs) at the National Personnel Records Center (NPRC), operated by the National Archives and Records Administration (NARA), will be digitized and then destroyed. This rumor is NOT TRUE.

Neither the DoD nor the NPRC intends to destroy any OMPFs stored at the Center. The purpose of any electronic scanning would be to help preserve the originals and increase efficiency in handling reference requests. Record requests resulting from this false rumor will have a negative impact on NPRC's ability to respond to requests from veterans with real immediate needs, such as medical treatment, employment, retirement, etc. (Note: Please share this news with anyone you know who has heard the rumor!)

No TRICARE for Life without Medicare Part B

Effective Jan. 1, 2005, TRICARE is **denying payment of health care claims** if you're entitled to Medicare Part A but have not enrolled in Part B. If you're Medicare-eligible, you're not eligible for TRICARE benefits unless you're enrolled in Medicare Part B.

Medicare-eligible retirees and family members who had not enrolled in Part B should have received letters from TRICARE and the Social Security Administration (SSA) enrolling them in Medicare Part B during a special enrollment period (SEP) from Sept. through Dec. 31, 2004. If you're in this group and did not receive a letter from SSA, you can contact Medicare (1-800-Medicare) or SSA (1-800-772-1213) to be enrolled immediately. If you received a letter but declined enrollment and have changed your mind, contact SSA or Medicare immediately.

Note: If you do not take advantage of this SEP opportunity, you can enroll during Medicare's General Enrollment Period (GEP); however, **the cost of your Medicare Part B premium will increase by 10% for every 12-month period you were eligible but chose not to purchase Part B.** The GEP runs from January 1 through March 31 each year and Part B coverage will begin on July 1 of the year you enroll.

If you make an SEP enrollment, once your information is provided to proper officials and your eligibility for the SEP has been confirmed, you will be enrolled in Medicare Part B. Your Part B effective date, unless you specify otherwise, will be SSA's operating month. After processing the enrollment request, SSA will notify you by letter and, within a few weeks, you will receive a new Medicare card reflecting your Part B enrollment.

Because of the processing time necessary for enrollment information to cross over to TRICARE from Medicare, TRICARE could deny claims for those who recently enrolled or were automatically enrolled in Medicare Part B. If a TRICARE claim is denied, you have two options: 1) You can wait until the enrollment has been reflected in DoD records and ask your provider to resubmit the claim, or 2) You can update your records. You can take your Medicare card to your local uniformed services personnel ID office for assistance, or contact the Defense Manpower Data Center Support Office (DSO) at 1-800-538-9552 or 1-866-363-2883, for the hearing impaired (TTY/TDD), Monday through Friday, 6:00 a.m. to 3:30 p.m. (Pacific Time), except federal holidays. You can locate the nearest uniformed services personnel office at: <http://www.dmdc.osd.mil/rsl>. You can also mail a copy of your Medicare card and uniformed services ID card to DSO; 400 Gigling Rd; Seaside, CA 93955-6771.

Even if you haven't had a TRICARE claim denied, you may choose to take the preceding steps to update your record.

(Note: If you're entitled to Medicare Part A but also have group health plan coverage based on your current employment, you do not need to enroll in Medicare Part B while you're employed and covered under their group health plan. You may enroll in Part B during the eight-month period following the month in which the employment ends or the group health coverage ends, whichever comes first.)

Waiver of the Medicare Part B premium surcharge

The Medicare Modernization Act also waived the Medicare Part B premium surcharge for certain beneficiaries. TRICARE beneficiaries who enrolled in Medicare Part B from Jan. 1, 2001, through Dec. 31, 2004, and whose Part B premium was more than the 2004 premium of \$66.60 per month may have the premium surcharge removed and get a refund of all premium surcharges previously paid in 2004. They should call or visit their local Social Security office or call the SSA at 1-800-772-1213.

If you enrolled in Medicare Part B late, but before Jan. 1, 2001, the law does **not** provide for removal or refund of your Medicare premium surcharge.

The law which set this Medicare open season was the Medicare Prescription Drug, Improvement and Modernization Act of 2003. If you have questions about this law, you can call or visit your local Social Security office or call SSA or visit the SSA Web site at <http://www.ssa.gov/legislation> (toward the bottom of that page).

Gray area retirees eligible for TRICARE Retiree Dental Plan

This is a reminder that "gray area" Guard and Reserve retirees (those not yet age 60 but eligible to receive retired pay at that age) and their family members are among those eligible for the TRICARE Retiree Dental Plan (TRDP).

For information on the all-enrollee-paid, voluntary dental plan, go to <http://www.trdp.org> or call the plan administrator, Delta Dental of California, toll-free at 1-888-838-8737.

TRICARE to enforce generic drug policy

As we reported in the last issue, DoD and Express Scripts Inc. (ESI), which manages the TRICARE Retail Pharmacy program (TRRx), are working to implement the long-standing mandatory generic drug program. This 10-year-old policy requires that prescriptions be filled with the generic product, if one is available.

When the TRRx contract went into effect June 1, 2004, ESI enforced the generic policy, resulting in denials of brand-name drug prescriptions for many beneficiaries accustomed to receiving these products even when generic equivalents were available.

Waiver extended

To give DoD an opportunity to develop a solution for these beneficiaries, a 120-day grace period was granted and later extended 60 days while the TRICARE Management Activity (TMA) finalized options. This waiver, scheduled to expire on Dec. 13, 2004, was delayed because patient notifications needed to be made.

DoD has contracted with ESI to send a letter to all patients who, on June 1, 2004, were receiving a brand-name drug for which there was a generic equivalent available. Although this letter had been written in December, DoD had to compile the list of addresses of affected beneficiaries before it could be sent. Once the affected beneficiaries have received their letters, they will be given 30 days before any action is taken. The letter states that the beneficiaries' prescription for the brand-name medication will be honored for all the refills on the current prescription. When these refills have expired and a new prescription is presented at the retail pharmacy for the brand name medication, the generic equivalent will be dispensed. The brand-name medication will not be covered unless medical necessity has been established. For medical necessity to be established, one or more of the following must occur:

- Patient must experience, or be likely to experience, significant adverse effects from the generic medicine;
- The generic medicine has resulted in, or is likely to result in, therapeutic failure; or
- Patient has responded to the brand-name medication, and changing to the generic medication would incur an unacceptable clinical risk.

The letter continues with a description of generic drugs and an explanation of their safety, therapeutic effectiveness and cost effectiveness. Patients are told how they can switch to a generic drug.

Decision up to doctor

TRICARE understands that patient treatment decisions are between the patient and the doctor. A physician who feels it's medically necessary for a patient to receive the brand-name version of the medication should call the TRICARE Retail Pharmacy program Prior Authorization Line at 1-866-684-4488 to get the letter of medical necessity before the patient obtains the next prescription at the retail pharmacy.

If patients don't have an approved letter of medical necessity before they fill new prescriptions, they will have to pay the full cost of the medication in addition to the cost share.

For questions about the prescription drug benefit, call Express Scripts at 1-866-DoD-TRRx (1-866-363-8779) or go to <http://www.express-scripts.com>. You can call the TRICARE Information

Center at 1-888-DoD-LIFE (363-5433), 1-877-DoD MEDS (363-6337), or 1-888-DoD-CARE (363-2273), Monday through Friday, 8:00 a.m. to 8:00 p.m. (ET) (excluding federal holidays).

How other health insurance affects TRICARE mail order pharmacy

Beneficiaries who have prescription drug coverage from another health insurance plan may **not** use TRICARE Mail Order Pharmacy (TMOP) unless the medication is not covered under the other plan, or unless the beneficiary exceeds the dollar limit of coverage under the other plan.

If the beneficiary is using a retail pharmacy, the other policy must be used first to cover any costs. Beneficiaries may be eligible for full or partial reimbursement from TRICARE for out-of-pocket costs.

The mandatory generic policy applies to all TRICARE pharmacy claims when using other health insurance as first payer. Brand-name medications require a *prior* medical necessity waiver even when other health insurance has paid the claim. Beneficiaries with other health insurance should call Express Scripts at 1-866- DoD-TRRx for instructions about filing pharmacy claims.

How NDAA 05 affects retirees, families

President Bush signed the Veterans Benefits Improvement Act of 2004 on Dec. 10, 2004. Among the law's highlights are:

- Providing an additional \$250 monthly in Dependency and Indemnity Compensation (DIC) for surviving spouses with one or more children under the age of 18 for the first two years the surviving spouse is eligible for the benefit. DIC is paid to survivors of servicemembers who are killed on active duty or who die as the result of a service-connected disability.
- Extending eligibility for specially adapted housing grants to veterans with permanent and total service-connected disabilities due to the loss or loss of use of both arms at or above the elbows.
- Increasing by 10%, the percentage of the full-time VA monthly educational assistance allowance payable to those pursuing a full-time apprenticeship or on-the-job training program, effective Oct. 1, 2005 through Dec. 31, 2007.
- Extending eligibility for Survivors' and Dependents' Educational Assistance from 10 to 20 years for a surviving spouse of any person who died on active duty.
- Reinstating the program of VA-guarantees for adjustable rate mortgages through FY 2008.

Veterans' new ID cards help battle identity theft

WASHINGTON – With identity theft on the rise, the VA has designed a new identification card for veterans that will safeguard confidential information and ensure that only eligible veterans receive the benefits they've earned. The existing cards will remain valid until veterans receive their new cards.

The Veterans Identification Card (VIC) will have the veteran's photo on the front and identify the veteran as an enrollee in the VA's health care system. The card includes the words "service connected" under the photo if the veteran has a service-connected disability.

Veterans should request the new card at the closest medical center. Processing will take five to seven days once eligibility is verified.

VA ends laser eye surgery by optometrists

The VA has ended a five-month-old policy that had permitted optometrists to perform laser eye surgery at its health care facilities under the supervision of ophthalmologists.

Traditionally, ophthalmologists perform eye surgery, while optometrists conduct visual examinations.

In the VA, health professionals can perform only services identified by professional licenses issued by each state. Oklahoma is the only state that licenses properly trained optometrists to perform laser eye surgery.

The VA had been permitting optometrists with licenses authorizing laser eye surgery to perform those procedures under the supervision of an ophthalmologist. However, a VA panel with representatives from both professions could not agree on how this supervision would take place. The policy affects all VA facilities providing laser eye surgery.

Benefits expanded for former POWs

The VA is expanding benefits to all former POWs with strokes and common heart diseases.

The decision benefits former POWs with strokes and most heart diseases. These veterans will be eligible for disability compensation for those common ailments, and their spouses and dependents will be eligible for service-connected survivors' benefits if these diseases contribute to the death of the former POW.

In September 2003, the VA launched a nationwide outreach effort to identify and provide benefits to the estimated 11,000 former POWs not receiving VA disability compensation or other services. There are about 35,000 living ex-POWs. Please share this information with anyone you know who may be eligible.

For more information, call 1-800-827-1000 or go to <http://www.va.gov>.

VA commits \$15M to Gulf War illness study

The VA will fund up to \$15 million in additional research for Gulf War illnesses. The funding commitment represents the VA's single largest set-aside of research funding for a specific area of investigation and could constitute up to nearly 20% of its new research grant awards for FY 2005. Over the past decade, the VA has spent more than \$50 million for research into Gulf War illnesses. Much of that work is still ongoing.

Short Shots

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

- The **2005 Retired Military Almanac** is now available. In its 28th year, the almanac is a 256-page guide designed to keep retirees current on many subjects such as recent legislation, including updates to the Concurrent Retirement and Disability Payments (CRDP) Program and improvements to the Survivor Benefit Plan (SBP) and the upcoming open enrollment period). Also included are sections on military health care and veterans benefits information; space-available lodging and travel; and many other topics affecting retirees and their families. You can order from the publisher for \$12.45 (includes postage) by sending a check or money order to Uniformed Services Almanac, Inc., PO Box 4144-AE, Falls Church, VA 22044, or order by credit card, by calling toll-free 1-888-872-9698, or online at <http://www.militaryalmanac.com>.

VA builds, funds cemeteries

WASHINGTON – The VA is building a national cemetery in Michigan and has awarded funds to California for building a state cemetery and to New Jersey for improving a state cemetery.

The VA has awarded an \$8.7 million contract to a local small business to work on the **Great Lakes National Cemetery** in Oakland County, MI, 45 miles northwest of Detroit. After the first phase of construction, the 50-acre site will contain 6,500 full-casket gravesites, plus a 1,768 unit columbarium and 1,450 sites for in-ground cremated remains.

Burials are expected to begin in mid-2005 during construction of the cemetery. The second phase of the project, planned to begin in 2007, will prepare for 10 additional years worth of gravesites. For information, call (810) 695-2007.

The VA has awarded \$8.5 million to California to establish the **Northern California Veterans Cemetery** near Redding in Shasta County. About 49,000 Northern California veterans and their dependents are not served by a national or state veterans cemetery. The site is about 170 miles south of the nearest national cemetery, Eagle Point National Cemetery, in Oregon. Development will provide 8,523 burial sites.

More information is available from the California Department of Veterans Affairs, Veterans Services Division, or at <http://www.cdva.ca.gov> or by calling (916) 653-2573.

The VA has awarded \$6.1 million to **New Jersey** for the improvement of the **BG William C. Doyle Veterans Memorial Cemetery**, the nation's busiest state veterans' cemetery.

The cemetery, in central New Jersey near Trenton, provided 2,669 interments in the state's fiscal year 2004. This is about twice as many burials as the cemetery was designed to accommodate. The cemetery serves about 592,000 New Jersey veterans and their dependents. For more information, call (609) 758-7250.

Information on VA burial benefits is available from national cemetery offices, or at <http://www.cem.va.gov>, or by calling 1-800-827-1000.

Study says VA health care beats private sector

WASHINGTON – Patients in the VA health care system receive significantly better care than private-sector patients, according to a recently released independent study.

The study by RAND, an independent think-tank, found that VA patients were significantly more likely than non-VA patients to receive needed preventative care. The study also found that VA patients with chronic medical problems received the treatment they needed more often than private-sector patients.

Researchers examined the medical records of nearly 600 VA patients and about 1,000 non-VA patients with similar health problems. Then, researchers compared the treatment received by both groups to well-established standards for medical care for 26 conditions.

How care compares

They found that about 51% of non-VA patients received care that met the latest standards of the health care profession, compared with 67% for VA patients. For preventative care, such as pneumonia vaccination and certain cancer screenings, 64% of VA patients received the appropriate care, compared to only 44% in the private sector.

Researchers attributed the difference to technological innovations, such as VA's computerized patient records, and to policies holding top managers accountable for standards in preventative care and the treatment of long-term conditions.

Keep retired pay records current

Too often, we hear about survivors who have been denied Survivor Benefit Plan (SBP) benefits because the retiree failed to update retired pay records when the retiree married, divorced, remarried, was widowed or gained a child. We hear from surviving spouses who did not receive the retired pay for the portion of the last month the retiree was alive because this money went to someone else whom the Soldier had named at retirement.

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

To make sure your spouse (or former spouse) is prepared, keep a file of information that your spouse (or former spouse) will need when you die. Make sure your spouse (or former spouse)

knows what benefits to expect or not to expect. **Clip this article to your files as a reminder to keep your retired pay records current when your status changes.**

Note: The SBP "paid up" provision which allows retirees to stop paying SBP premiums after 30 years of premium payments and reaching age 70 does not go into effect until Oct. 1, 2008.

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