

**Statement for  
the Record**

**Reserve Officers Association of the United States  
And  
Reserve Enlisted Association**

**for the**

**Subcommittee on Personnel  
Senate Armed Services Committee  
United States Senate**

**May 20, 2009**



*“Serving Citizen Warriors through Advocacy and Education since 1922.”™*



---

**Reserve Officers Association  
1 Constitution Avenue, N.E.  
Washington, DC 20002-5618  
(202) 646-7719**

**Reserve Enlisted Association  
1501 Lee Highway, Suite 200  
Arlington, VA 22209  
(202) 646-7715**

---

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: "...support and promote the development and execution of a military policy for the United States that will provide adequate National Security."

The Association's 65,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security. .

President:

Col Ladd Pattillo, USAR (Ret.) 512-940-2854 cell

Staff Contacts:

Executive Director:

LtGen. Dennis M. McCarthy, USMC (Ret.) 202-646-7701

Legislative Director, Health Care:

CAPT Marshall Hanson, USNR (Ret.) 202-646-7713

Air Force Director,

Mr. David Small 202-646-7719

Army and Strategic Defense Education Director:

Mr. "Bob" Feidler 202-646-7717

USNR, USMCR, USCGR, Retirement:

CAPT Marshall Hanson, USNR (Ret.) 202-646-7713

The Reserve Enlisted Association is an advocate for the enlisted men and women of the United States Military Reserve Components in support of National Security and Homeland Defense, with emphasis on the readiness, training, and quality of life issues affecting their welfare and that of their families and survivors. REA is the only Joint Reserve association representing enlisted reservists – all ranks from all five branches of the military.

Executive Director

CMSgt Lani Burnett, USAF (Ret) 202-646-7715

## DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers and Reserve Enlisted Associations are member-supported organizations. Neither ROA nor REA have received grants, sub-grants, contracts, or subcontracts from the federal government in the past three years. All other activities and services of the associations are accomplished free of any direct federal funding.

## INTRODUCTION

On behalf of our members, the Reserve Officers and the Reserve Enlisted Associations thank the committee for the opportunity to submit testimony on military personnel issues. ROA and REA applaud the ongoing efforts by Congress to address readiness, recruiting and retention as evidenced by incentives in several provisions included in the FY2009 National Defense Authorization Act (NDAA). We further would like to pass along the thankfulness that was shared with ROA and REA from TRICARE Reserve Select beneficiaries to the committee for actions taken that allowed adjustments to the TRS Premiums.

## EXECUTIVE SUMMARY

The Reserve Officers Association CY-2009 Legislative Priorities are:

- Reset the whole force to include fully funding equipment and training for the National Guard and Reserves.
- Providing adequate resources and authorities to support the current recruiting and retention requirements of the Reserves and National Guard.
- Support citizen warriors, families and survivors.
- Assure that the Reserve and National Guard continue in a key national defense role, both at home and abroad.

Issues supported by the Reserve Officers and Reserve Enlisted Associations are to:

### *Changes to retention policies:*

- continue support incentives for affiliation, reenlistment, retention and continuation in the Reserve Component (RC), especially for midgrade officers and enlisted.
- continue to correct and improve legislation on reducing the RC retirement age.
- permit mobilized retirees to earn additional retirement points.
- permit service beyond the current ROPMA limitations.
- ensure that new non-prior servicemembers, who are over 40 years of age, are permitted to qualify for non-regular retirement.

### *Pay and Compensation:*

- ensure Army policy on mobilization and allowances doesn't destabilize retention.
- compensate all RC members for expenses incurred in connection with round-trip travel in excess of 100 miles to any inactive training location, including travel and lodging and subsistence, and permit tax deductions for unreimbursed travel over 50 miles.
- seek permanent differential pay for federal employees.
- provide professional pay for RC medical professionals.
- eliminate the 1/30<sup>th</sup> rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.
- simplify the Reserve duty order system without compromising drill compensation.

### *Education:*

- place all GI Bill funding and administration belongs under the jurisdiction of the Senate and House committees on Veteran Affairs.

- extend MGIB-SR, chapter 1606, eligibility for 10 years following separation or transfer from the Selected Reserve in paid drill status.
- return the MGIB-SR (Chapter 1606) payment rate to 47 percent of MGIB-Active.
- include 4-year as well as 6- year reenlistment contracts to qualify for a prorated MGIB-SR (Chapter 1606) benefit.
- stipulate that RC personnel can use their education benefits while mobilized.
- allow use of the MGIB benefit to pay off student loans.

*Spouse Support:*

- repeal the SBP-Dependency Indemnity Clause (DIC) offset.

*Health Care:*

- support allowing gray-area retirees to buy into TRICARE Reserve Select
- encourage hearings on DoD's response to recommendations made by the Task Force on the future of Military Health care.
- examine sustaining the TRICARE health system by:

TRICARE Prime:

- only making adjustments to the enrollment fee if tied to true health care costs.
- reviewing current total cost of DoD health care benefits by an independent evaluation. Such an audit will permit Congress to validate proposals made by all parties.
- cost-sharing adjustments to fees being spread over at least five years to permit household budgets to adjust.
- not tying annual increases to the market-driven Federal Employee Health Benefits Plan (FEHBP).

TRICARE Standard:

- not including an annual enrollment fee for either DoD (or VA) beneficiaries.
- by limiting TRICARE Standard beneficiary enrollment to only a one-time minimal administrative fee, if even necessary.
- adjustments to TRICARE Standard being made to the deductibles.
- analyzing the total cost rather than initial cost perspective, because of 25 percent co-payments after the deductible.
- decoupling TRICARE standard deductible increases from TRS as Reservists pay more upfront.

On Pharmacy Co-payments:

- not applying higher retail pharmacy co-payments to initial prescriptions, but on maintenance refills only.
  - continuing DoD efforts to enhance usage of the mail-order prescription benefit.
- Continue to improve health care continuity to all drilling Reservists and their families by:
    - allowing gray-area retirees to buy into TRICARE Reserve Select (TRS).
    - permitting Individual Ready Reservists access to buy into TRS.
    - providing TRS coverage to mobilization ready IRR members; with levels of subsidy varying for different levels of readiness.

- allowing demobilized Retirees and Reservists involuntarily returning to IRR to qualify for subsidized TRS.
  - providing the individual Reservist an option of DoD paying a stipend toward employer's health care.
  - allowing demobilized FEHBP beneficiaries the option of TRS coverage.
- Extend military coverage for restorative dental care following deployment as a means to insure dental readiness for future mobilization.
  - Permit the post deployment physical screening to be processed at home station.
  - Improve military coverage for mental health care for Guard and Reservists, and separated veterans following deployment to identify problems and ensure treatment.

←→

Only issues needing additional explanation are included below. Self-explanatory or issues covered by other testimony will not be elaborated upon, but ROA and REA can provide further information if requested.

|  |
|--|
| <b>COMPENSATION AND READINESS DISCUSSION</b> |
|--|

**Operational versus strategic missions for the Reserve Component:** The Reserve forces are no longer just a part-time strategic force but are an integral contributor to our nation's operational ability to defend our soil, assist other countries in maintaining global peace, and fight in overseas contingency operations.

Concerns have been expressed that "operationalizing" the Reserve Components will eventually destroy the concept of the citizen warrior. ROA and REA share such concerns as citizen warriors cannot be expected to maintain their civilian professional edge if an entire career is operational. Families, civilian careers, and civic pursuits distinguish Guard and Reserve members from the nation's Active duty service members. Those who would be long-serving citizen warriors must balance the many demands on their time. Currently, deployment frequency is close between the Active and Reserve Components, creating disproportionate obligations. The Reserve Component can ill afford to be strictly a full-time operational reserve, as it is impacting the sustainability of the Reserve Component. Sustainment means not burning up all of our reserve capability in any one national effort, and fairly compensating the Reservists for their extra efforts.

National security demands both a strategic and an operational reserve. The operational reserve requires a more significant investment of training and equipment resources, and places greater demands on its personnel as compared to the strategic reserve. Those serving in operational reserve units must be fully aware of the commitment required to maintain the expected level of readiness. A similar awareness and commitment is necessary for those responsible for providing resources to the operational reserve.

Planners also must recognize that few individuals can remain in the operational reserve for an entire career. There will be times when family, education, civilian career, and the other demands competing for their time and talents take priority. Such an approach requires the ability to move freely and without penalty between the operational and strategic elements of the Reserve Component as a continuum of service.

A strategic reserve component is comprised of units that provide a surge capability, and also provide domestic security and defense. While the traditional view is that members in a strategic reserve are at a lower level of readiness, training and equipping are still significant resource commitments in order to respond to natural and man-made disasters, and to retain the Guard and Reserve members who are operationally experienced.

Each service has its own force generation models and the services organize, train and equip their Reserve Components to a prescribed level of readiness prior to mobilization to limit post-mobilization training and to maximize operational deployment time. **ROA and REA urge Congress to continue to support and fund each service's authority to manage the readiness of its own reserve forces as one model does not fit all.**

**Congress can play an important role by requiring reports from service leaders to ensure they have a plan for systematic augmentation, that the plan is adequately resourced, and that Reserve training and equipment will permit interoperability with the units they augment and reinforce.** In an era of constrained budgets, a capable and sustainable Reserve and National Guard is a cost-effective element of national security.

**Junior Officer and Enlisted Drain:** As an initial obligated period draws to the end, many junior officers and enlisted choose to leave, creating a critical shortage of young people in the leadership conduit. This challenge has yet to be solved. ROA and the National Guard Education Foundation published a report suggesting solutions to the problem. Copies can be provided to the committee, or be found at <http://www.roa.org/JO-shortage> .

**End Strength:** It is noted that the only service component to suffer continued cuts in the FY-2010 budget was the Navy Reserve. Before these cuts are made, ROA and REA hope that Congress requests a report from the Department of the Navy updating its Zero Based Review which was last done over five years ago.

|                             |
|-----------------------------|
| <b>PROPOSED LEGISLATION</b> |
|-----------------------------|

**Retirement** - ROA and REA again thank the committee for passing the early retirement benefit in the Fiscal Year 2008 National Defense Authorization Act, as a good first step toward changing the retirement compensation for serving Guard and Reserve members, but ...

Guard and Reserve members feel that with the change in the roles and missions of the Reserve Component, their contracts have changed. Informal surveys keep indicating that earlier retirement remains a top issue asked for by Guardsmen and Reservists. They ask why so many Guard and Reserve members who have served in the Global War on Terrorism were excluded from the new benefit; they also ask why even earlier duty is not included; and if faced with the same risks as Active duty, why there is a 20 year difference in access to retirement pay?

**1. "ROA and REA" endorse S.831, National Guard and Reserve Retired Pay Equity Act of 200'**, which is a corrective measure to the Fiscal Year 2008 National Defense Authorization Act, including those Guard and Reserve members who have been mobilized since 9/11/2001. Over 600,000 were unfairly excluded. We realize the expense of this corrective measure scored by CBO is \$2.1 billion over ten years, but hopes that offset dollars can be found.

2. ROA and REA don't view this congressional solution as the final retirement plan. The Commission on the National Guard and Reserve recommends that Congress should amend laws to place the active and reserve components into the same retirement system. Secretary of Defense Robert Gates refers to the Tenth Quadrennial Review of Military Compensation's comprehensive review of the military retirement systems for suggested reform. The later report suggests a retirement pay equal to 2.5 percent of basic pay multiplied by the number of years of service.

**ROA and REA agree that a retirement plan, at least for the Reserve Component, should be based on accrual of active and inactive duty.** Early retirement should not be based on the type of service, but on the aggregate of duty. It shouldn't matter if a member's contributions were paid or non-paid; inactive duty, active duty for training, special works or for mobilization. Under a continuum of service, this approach would provide both the Active or Reserve Component members with an element of personal control to determine when they retire and will encourage increased frequency of service beyond 20 years within the Reserve.

**3. With changes in the maximum recruitment age, ROA and REA urge Congress to ensure that new non-prior servicemembers, who are over 40 years old, are permitted to qualify for non-regular retirement.** While Congress took action to extend the military Mandatory Retirement Age to 62 years, services aren't necessary electing to increase their MRA policies.

4. An additional problem arises for O-4 officers who, after a break in service, have returned to the Reserve Component. After being encouraged to return a number of officers find they are not eligible for non-regular retirement. When reaching 20 years of commissioned service they find they may have only 15 good federal years. Current policy allows these individuals to have only 24 years of commissioned time to earn 20 good federal years. **ROA urges Congress to make changes to allow O-4s with 14 to 15 good federal years to remain in the Reserve until they qualify for non-regular retirement.**

### Education

1. *Montgomery "GI" Bill-Selected Reserve (MGIB-SR):* To assist in recruiting efforts for the Marine Corps Reserve and the other uniformed services, **ROA and REA urge Congress to reduce the obligation period to qualify for MGIB-SR (Section 1606) from six years in the Selected Reserve to four years in the Selected Reserve plus four years in the Individual Ready Reserve, thereby remaining a mobilization asset for eight years.**

2. *Extending MGIB-SR eligibility beyond Selected Reserve Status:* Because of funding constraints, no Reserve Component member will be guaranteed a full career without some period in a non-pay status. BRAC realignments are also restructuring the RC force and reducing available paid billets. Whether attached to a volunteer unit or as an individual mobilization augmentee, this status represents periods of drilling without pay. **MGIB-SR eligibility should extend for 10 years beyond separation or transfer from of a paid billet.**

### Military Voting

Just because last November's ballots have been tallied, the problems with military voting should not be set aside. Military personnel, overseas citizens and their families residing

outside their election districts deserve every reasonable opportunity to participate in the electoral process. Yet, tens of thousands of military and family members are being deprived of the right to vote by ballots not delivered, received or counted by States and local jurisdictions. Studies by Congressional Research Service show that 25 percent of military member and family votes were not counted in the 2008 election.

ROA and REA urge Congress to direct the Government Accountability Office to report further on the effectiveness of absentee voting assistance to Military and Overseas Citizens for the 2008 General Election and determine how Federal Voting Assistance Program's efforts to facilitate absentee voting by military personnel and overseas citizens differed between the 2004 and 2008 national elections. ROA and REA also hopes the Congress encourages the Secretary of Defense, in conjunction with States and local jurisdictions, to gather and publish national data about the 2008 election by voting jurisdiction on disqualified military and overseas absentee ballots and reasons for disqualification.

## HEALTH CARE DISCUSSION

**1. ROA and REA endorse S.731** which amends title 10, United States Code, to provide for continuity of TRICARE Standard coverage for certain members of the Retired Reserve by allowing gray area retirees to buy into TRICARE Reserve Select (TRS). Gray-area Reservists are currently in limbo between TRS eligibility while a Selected Reservist and TRICARE with retirement-in-pay. TRS buy-in would provide a continuity of health care. TRS buy-in would be at the full monthly cost, and provide a healthcare option for those waiting for TRICARE retirement. With recent reduction in TRS premiums the cost to a gray-area retiree at current rates would be about \$645 a month. Costs will be minimal.

**2. Sustaining Military Health care.** ROA and REA applaud the efforts by Congress to address the issue of increasing Department of Defense (DoD) health care costs and its interest to initiate dialogue and work with both the Pentagon and the beneficiary associations to find the best solution. The time has come to examine the cost of TRICARE and the level of beneficiary contribution.

ROA and REA are committed to our membership to sustain this health care benefit. We fear that we will be unable to continue to sustain prohibitions on health care fees into the future. We need to work together to find a fair and equitable solution that protects our beneficiaries and ensures the financial viability of the military health care system for the future. Some associations seek to continue a freeze on premium fees permanently; others have joined ROA and REA by admitting that some increases are necessary.

Reserve Component members have a different perspective on the issue of TRICARE fees as they have relied on private health insurance for most of their careers. Guard and Reserve retirees only qualify for TRICARE from age 60 until age 65, and participate in TRICARE for Life once in Medicare.

The Task Force on the Future of Medical Health Care has published their final report with 12 recommendations. These include responsible cost accounting, wellness programs and fee adjustments. The recommendation by the Task Force is that a TRICARE fee increases be limited to retirees, and not affect Active Duty members or their families. **ROA and REA**

**remind the committee that recommendations for changes to deductibles should not be applied to the serving Reservist either.**

**A. TRICARE Reserve Select** has evolved into a stand alone health plan. While it uses the TRICARE standard as an engine, it is no longer a TRICARE standard program. **TRICARE standard fee increases must not be rolled over into TRS.**

**B. TRICARE PRIME:** ROA and REA clearly understand that health care costs must be brought back into alignment.

**ROA and REA endorse a tiered enrollment fee** and congratulate the Task Force for developing one **based on annual income**. As most Guard and Reserve members retire at 25 to 30 percent of active duty retirement pay, it makes sense that G-R enrollment fees should be lower. **ROA and REA do suggest that if enrollment fees are based on income that it be based just on military retirement income of Active and Reserve retirees.**

**C. TRICARE Standard:** Following the Task Force report, the ROA and REA still have concerns with recommended enrollment fees and deductible increases for TRICARE Standard. While it was intended as the low cost option to TRICARE Prime, Standard is already more expensive than Prime. TRICARE Standard is a fee for service plan. With a \$150 deductible for singles and a \$300 deductible for families, TRICARE Standard retiree beneficiaries also pay co-payments (cost-share) of 25 percent per visit after the deductible.

Offered as an option to TRICARE Prime to active duty retirees, TRICARE Standard (TRS) is the required choice for serving Reservists and may be the health care plan of choice for Guard and Reserve retirees between the ages of 60 and 65 because most live outside the TRICARE Prime network of health care providers.

Geographically removed, Standard areas have fewer authorized TRICARE providers. It becomes incumbent upon the TRICARE beneficiary to find a physician that accepts TRICARE Standard and often the beneficiaries must administer their own TRICARE health plan. Because of its costs and problems with availability, TRICARE Standard can only be viewed as DoD's "basic model" health care program.

**The ROA and REA do not endorse annual enrollment fees for individuals who don't use the TRICARE Standard plan.** Eligibility should remain universal; a one-time administrative enrollment fee might be implemented with first use of the program.

**If TRICARE Standard enrollment fees are increased, Congress needs to review the recommended deductibles and current co-payment levels.** While TRICARE Prime is in the top 90 percent for cost generosity, TRICARE Standard is at a lower level of the spectrum of plan generosity.

The Task Force recommends that there be one annual enrollment or disenrollment period. **If an enrollment fee is implemented, the individuals should have an ability to disenroll at any point during that first year.** TRICARE Standard has no guaranteed access, and Standard beneficiaries may be unable to find a health care provider.

**3. Dental Readiness.** Currently, dental readiness has the largest impact on mobilization. In the fourth quarter of FY-2007, the Army Reserve was 51.8% dental class 1 or 2, Navy was 90%, Air Force 83.5 %, USMCR 77.2%, Air Guard 87.3%, Army Guard 45.6% and USCGR 74.6%.

The services require a minimum of Class 2 (where treatment is needed, however no dental emergency is likely within six months) for deployment. Current policy relies on voluntary dental care by the Guard or Reserve member. Once alerted, dental treatment can be done by the military, but often times there isn't adequate time for proper restorative remedy.

The services admit that dental hygiene and treatment is lacking during overseas deployments.

**ROA and REA suggest that the services are responsible to restore a demobilized Guard or Reserve member to a Class 2 status to ensure the member maintains deployment eligibility.**

Because there are inadequate dental assets at Military Treatment Facilities for active members, active families, and reservists, **ROA and REA further recommend that dental restoration be included as part of the six months TAMP period following demobilization.** DoD should cover full costs for restoration, but it could be tied into the TRICARE Dental program for cost and quality assurance.

**4. Employer health care option: The ROA and REA continues to support an option for individual Reservists where DoD pays a stipend to employers** of deployed Guard and Reserve members to continue employer health care during deployment. Because TRICARE Prime or Standard is not available in all regions that are some distance from military bases, it is an advantage to provide a continuity of health care by continuing an employer's health plan for the family members. This stipend would be equal to DoD's contribution to Active Duty TRICARE.

**5. Advocacy and education are the twin pillars of the Reserve Officers Association.** The ROA has held successful seminars on Traumatic Brain Injury (TBI) and Post Traumatic Stress Disorder (PTSD) and new forms of treatment for these signature wounds of current contingency operations. It and will hold another program on mental health care on May 21st. A report has been published on Healthcare Delivery to the Armed Forces, with one section focusing on gaps in coverage and another on mental healthcare delivery, which was too lengthy to include in this testimony. Copies can be provided to the committee or it can be found at [www.roa.org/healthcarereport](http://www.roa.org/healthcarereport) .

## CONCLUSION

ROA and REA reiterate our profound gratitude for the progress achieved by this committee by providing parity on pay and compensation between the Active and Reserve Components, with the sub-committee also understanding the difference in service between the two components.

ROA and REA look forward to working with the personnel sub-committee where we can present solutions to these and other issues, and offers our support in anyway.