

ONE CONSTITUTION AVENUE, NE WASHINGTON, DC 20002 LOCAL: 202.479.2200 TOLL-FREE: 800.809.9448 FAX: 202.547.1641

October 5, 2009

The Honorable Robert Gates Secretary of Defense 1000 Defense Pentagon Washington, D.C. 20301-1000

Dear Secretary Gates:

The Reserve Officers Association is concerned about the recent announcement by the Department of Defense of the increase to TRICARE Standard inpatient co-pays. Hospital inpatient co-pays would be increased by \$110 per day for retired servicemembers, family members and survivors as of October 1.

Earlier this year you stated that TRICARE fees would not be increased in FY-2010, and that you wanted to start a dialogue. ROA is disappointed to see a step away from this policy. ROA has always been flexible about fees on the condition that DoD must present its health care cost data. Beneficiary medical expense totals have not yet been provided by DoD.

Because of larger co-payments of 25 percent after the deductible, TRICARE Standard is already the most expensive program. Increasing its expense will cause beneficiaries to transition into Prime, and increase DoD's cost. The costs of TRICARE Standard must be analyzed from a total cost rather than initial cost perspective.

As stated in ROA's March 2006 Testimony: "The health care issues that are before us are not black and white. No single source for solution is the best one. Outreach to many groups should be encouraged to solicit various concepts. ROA favors open dialogue and the generation of new ideas in support of the best solution." Raising fees without warning, does not build confidence toward finding a win/win solution.

For two years, the Pentagon charged too much for TRICARE Reserve Select premiums. Rates were only reduced after a GAO paper identified the excessive premiums, and an act of Congress required the premium to be reduced. ROA fears that DoD will raise these premiums again, unfairly placing the higher health care costs on National Guard and Reserve members. We seek your assurances that such a rate hike will not occur.

Increasing TRICARE fees will cause further confusion for military retirees who are already nervous and short fused over the National Health Care debate. They fear its impact on TRICARE and TRICARE For Life. DoD's credibility with them is eroding with further fee increases.

On behalf of the 65,000 members of the Reserve Officers Association it is our position that this needs to be addressed at a later time when there are better cost estimates for health care. Thank you for your ongoing support of the young men and women who are serving in the ongoing contingency operations. If you have any questions, please have your staff contact ROA's legislative director, CAPT Marshall Hanson, USNR (Ret) at (202) 646 - 7713 or mhanson@roa.org.

Sincerely,

Paul T. Kayye

Rear Admiral, MC, USNR (Ret)

National President