

TRICARE Fee Increases

VFW's Concerns:

The Fiscal Year (FY) 2017 National Defense Authorization Act (NDAA) contains a provision that will increase TRICARE costs for future military retirees and their families. This provision only applies to those who enter the military after January 1, 2018. Current military retirees and their family members are exempt from these cost increases. However, a proposal in S.1519, the Senate version of the FY 2018 NDAA, would remove this exemption as a way to “plow savings back into readiness.”

If the Senate's TRICARE language is adopted by the House, it will result in higher fees throughout the TRICARE program. Enrollment costs for PRIME beneficiaries would rise by nearly \$150 a year, while the fee for the new Select plan, similar to the current Standard plan, would almost triple. This change would also raise the annual catastrophic cap for retirees from \$3,000 to \$3,500.

An additional proposal in S.1519 also attempts to force more retirees to get their prescriptions filled in person at a military treatment facility by significantly increasing pharmacy copayments for retirees who choose to utilize the home delivery program. Instead of pharmacy fee increases being tied to the annual cost-of-living adjustment, they would instead be tied to the national health expenditure index, resulting in a 300 percent fee increase over the next ten years.

It is imperative that any provision in the FY 2018 NDAA that seeks to cut the benefits of our military retirees is defeated. The VFW believes that in order to recruit and retain a professional, all-volunteer force, the United States must keep its promises to previous generations of warriors — promises that include a modest stipend immediately upon retirement and affordable, accessible health care. Every year the NDAA contains at least one proposal that uses our earned benefits as a pay-for. Enough is enough. As veterans, we have paid for our benefits through our blood, sweat, and tears many times over.

VFW's Solutions:

- Congress must find a different way to fund readiness, and reject any proposal that would result in TRICARE fee increases for current beneficiaries.
- Congress must reject section 707 of S.1519, which would increase TRICARE enrollment fees for current military retirees.
- Congress must reject section 706 of S.1519, which would not only increase TRICARE pharmacy copayments for retirees in order to generate Department of Defense savings to pay for readiness improvements, but would also tie any future fee increases to the national health expenditure index, instead of the traditional cost-of-living adjustment.