



Federal Update for April 14 - 18, 2014



DECA Budget Cuts Update ► SAC Chairman Opposes Cuts

The chair of the powerful Senate Appropriations Committee (SAC) strongly opposes a Pentagon plan to cut funding for commissaries, another signal that the drastic \$1 billion proposed reduction will not survive the congressional budget process. Members of the House and Senate subcommittees that set Defense Department policy already have appeared lukewarm to the plan, with lawmakers on both sides of the aisle saying the fiscal 2015 personnel budget proposals — including the commissary cuts — undermine the work of the Military Compensation and Retirement Modernization Commission, expected to publish pay and benefits recommendations in 2015. But on 9 APR, during a military health hearing, Chairman Barbara Mikulski (D-MD) had the harshest words yet for the plan, which would slash the Defense Commissary Agency’s budget from \$1.4 billion to \$400 million. “I don’t think we ought to cut the commissary budget. ... I think if we want to look at the stress military families are facing, we need to look at their activities of daily living and look at this holistically. ... [The commissary] is one of the most important tools you have for the health and well-being of the military and the garrisons in this country,” Mikulski said to the service surgeons general.

The proposal calls for funding stores in remote areas and overseas out of the \$400 million, while other commissaries would operate more like base exchanges, which receive no taxpayer subsidies. The plan is expected to drive up prices for anyone who uses the commissary, from junior enlisted to retirees on fixed incomes. Defense Secretary Chuck Hagel has said the reductions in personnel costs, including the commissary proposals, are needed to slow the growth of military compensation costs to free up funds for training, readiness and modernization. Mikulski said at a time when thousands of junior troops and families use food stamps, it’s inappropriate to increase their grocery budget. “There’s the stress of being on the battlefield and there’s the stress of being a

soldier. We wonder why they smoke, why they overeat the wrong foods, why aren't they eating kale and quinoa? Why aren't they at Whole Foods and watching Dr. Oz and being healthy? They are just trying to get food," Mikulski said.

Testifying before Congress in February, the top enlisted advisers of the Marine Corps and Air Force spoke out against the reductions, saying there may be other ways to reduce costs without diminishing the benefit. "I personally think it's ridiculous that we're going after something that saves a young lance corporal \$4,500 a year," Sergeant Major of the Marine Corps Michael Barrett told the House Appropriations Committee military construction and veterans affairs panel. Chief Master Sergeant of the Air Force James Cody added that for "those young men and women who are right on the edge [financially], that 30 percent savings is significant and they are shopping in that commissary."

Several lawmakers have stepped up to block the Pentagon from making any changes to the commissary budget before the commission issues its final report. Sens. Saxby Chambliss (R-GA) and Mark Warner (D-VA) introduced legislation 5 MAR that would block the funding cut. On the House side, Rep. Randy Forbes (R-VA) proposed a similar bill, the "Military Commissary Sustainment Act," three weeks later. The House Armed Services Committee will unveil an initial version of its defense authorization bill at the end of April, with finalization expected in May. The Senate will hold closed hearings on its own National Defense Authorization bill May 21-23. [Source: MilitaryTimes | Patricia Kime | 10 Apr 2014 ++]

DoD/VA Seamless Transition Update ►

Lawmakers Scold DoD

House lawmakers who hold the Pentagon's purse strings berated the Defense Department on Thursday for failing to develop a joint electronic medical records system with the Veterans Affairs Department — an effort that has cost more than \$1 billion since 2008 while producing scant results. The 2008 Defense Authorization Act ordered DoD and VA to create a joint system for health records that would seamlessly follow troops throughout their lives, starting with boot camp and proceeding through separation from service and potential treatment by VA and civilian providers. But last year, the two departments abandoned that initiative, originally estimated to cost \$28 billion, in favor of a less expensive

system based on existing technology that would coordinate communication between each other's records as well as those in civilian hospitals. But while DoD and VA can now view digital medical files at major VA polytrauma facilities and some DoD medical centers, as well as exchange real-time data on a limited basis, efforts toward a completely interoperable system have proceeded slowly. "It's enormously frustrating. It makes us angry. ... This is way beyond the claims backup VA has. It's pretty damn important," said Rep. Rodney Frelinghuysen (R-NJ), chairman of the House Appropriations Committee's defense panel. "We fought a world war in four years. We're talking interoperability of electronic medical records from 2008 to 2017, and I'm appalled," said Rep. Pete Visclosky (D-IN), the panel's senior Democrat. Dr. Jonathan Woodson, assistant secretary of defense for health affairs, said the current coordination effort is akin to technology for cellphones, which comes from different manufacturers and operates on separate systems but "all talk to each other." The key, Woodson said, is figuring out the standardized way of handling the data — a problem being worked by DoD, VA and the Health and Human Services Department. "This is a national problem," Woodson said. "It's exactly why we have taken the task of working it with the commercial market."

The Pentagon has issued two contract solicitations for its future health records system, which is scheduled to have initial operating capability by 2017 and full capability by 2023. The estimated cost just for DoD's portion of the system is \$11 billion. VA uses the Veterans Health Information Systems and Technology Architecture, or VistA, and has made its code available to commercial developers for public use. It has pressed DoD to use that system, but defense officials have balked. VA Secretary Eric Shinseki said in March that he wants VistA to be among the systems competing for the DoD records system contract. Since VistA's code is available for commercial use, an outside company could pitch a proposal to DoD based on VA's software. DoD's \$496 billion fiscal 2015 budget includes \$47.4 billion for health care, including \$9.2 million for data interoperability with VA and other health care providers.

In addition to concerns over electronic medical records, House appropriators quizzed the service surgeons general and Woodson about the Pentagon's proposed overhaul of the Tricare system. The Pentagon proposal would combine the three major existing Tricare plans — Prime, Standard and Extra — into a single system with a fee structure based on where beneficiaries get their medical care.

Panel members expressed concerns about whether the proposal goes far enough to save money — Rep. Jim Moran (D-VA), for example, asked why the plan would not require working-age retirees to pay more for their health care — while others, including Visclosky, expressed concern about an increased cost burden on junior enlisted families. But ultimately, the panel did not present a united opinion on the Tricare fee issue. After the hearing, Frelinghuysen said the Tricare proposals first must be reviewed by the House Armed Services Committee, which drafts the annual defense authorization bill. “We’ll look to them to see what markers they put down on the issue,” he said. [Source: MilitaryTimes | Patricia Kime | 3 Apr 2014 ++]

VA eBenefits Portal Update ► New Self-Service Feature

VA is working to enhance the VA/DoD online portal, eBenefits with a new self-service feature that automates the processing of disabled Veterans' requests to add family members or change their statuses. Called the Rules Based Processing System (RBPS), it will reduce processing time for changes to compensation benefits associated with a Veteran's family member status from months to days. Veterans who have at least a 30-percent VA disability rating can use eBenefits to request a change in family member status to:

- Add a spouse.
- Add a dependent biological child or stepchild.
- Add a child (age 18 to 23) who is enrolled in an educational institution approved by VA.

VA will still manually process paper requests for dependency changes, as well as online requests that do not meet all of the automation criteria. Veterans should still file requests online that do not meet the automation criteria for faster processing. Requests that are not yet fully automated include:

- Requests where the veteran uploads a document (such as a marriage or birth certificate).
- Adding an adopted child.
- Requests that conflict with information already in VA's database, such as conflicting marriage dates.

- The dependent is already in VA's corporate database as a beneficiary or employee (e.g., the dependent is also a Veteran and in receipt of Compensation or the dependent is a VA employee).

If you are not registered for ebenefits we recommend you do so today. To register click the upper right hand box on <https://www.ebenefits.va.gov/ebenefits-portal/ebenefits.portal>. You can take a video site tour at https://www.youtube.com/watch?v=_lFq_r3Nu4g&feature=plcp. [Source: NAUS Weekly Update 11 Apr 2014 ++]

VA Biological Implants ► FDA Tissue Warnings Not Tracked

A U.S. Department of Veterans Affairs safety office isn't tracking a health agency's warnings on the potential for contaminated body tissue, a federal auditor's review found. The VA office doesn't keep tabs on the Food and Drug Administration's warning letters to suppliers of human and animal tissue, according to a U.S. Government Accountability Office report released for a congressional hearing 2 APR. Lawmakers are asking questions about the VA's ability to identify recalled products and notify affected patients, and possible conflicts of interest from agency doctors serving on a board of a vendor that received an FDA warning. "I am alarmed at the great risk of harm our veterans face when they receive biological implants," Representative Mike Coffman, a Colorado Republican and chairman of a House Veterans' Affairs subcommittee, said during the hearing.

The veterans agency ordered \$241 million in cadaver tissue and other material derived from human and animal bodies in the past three years, some of which came from vendors warned by federal regulators about contamination in their supply chain, according to data compiled by Bloomberg. The tissue is used to replace burned skin, restore broken bones and treat other conditions. The GAO, Congress's investigative arm, reported in January that employees of one VA hospital system weren't always recording serial numbers for implants, a lapse that might make it difficult to notify veterans of recalls. The veterans agency can "significantly improve" tracking and inventory of tissue and other biological implants, Philip Matkovsky, a VA assistant deputy undersecretary for health, said

in remarks prepared for the hearing. It plans to automate tracking for implants, much like it does for blood products, he said.

VA officials told GAO auditors in today's report that they found no evidence of patients being harmed by contaminated tissue products. They also told the auditor that they don't track FDA warning letters because the notices are intended to give suppliers an opportunity to take voluntary corrective action, according to the report. The letters typically precede enforcement actions and recalls. The VA's patient-safety office does monitor tissue recalls, according to the GAO report. The safety office has notified the agency's hospitals of 13 tissue recalls from November 2008 through September 2013, according to the auditor's review. Most of those recalls were due to the possibility of contamination, "for reasons such as compromise of product sterility, tissue recovered from donors with risk factors for communicable diseases, incomplete donor records, or manufacturers suspected to have deviated" from FDA manufacturing regulations, it said. In two cases, VA officials continued ordering tissue from suppliers after federal regulators admonished the vendors for safety deficiencies in FDA warning letters, Bloomberg News reported in January. One vendor, RTI Surgical Inc. (RTIX), was cited for contaminated products and processing facilities. Musculoskeletal Transplant Foundation, a nonprofit organization, was faulted for distributing tissue from tainted donor bodies.

Both Alachua, Florida-based RTI Surgical and the Edison, New Jersey-based foundation have said they addressed the FDA's concerns. The deficiencies haven't been tied to any patient injuries. The FDA letter at least temporarily hurt RTI's relationship with some customers, Brian Hutchison, the company's chief executive officer, said in an August 2013 call with analysts. Several VA doctors have served on a board of the Musculoskeletal Transplant Foundation, Coffman said during the hearing. He questioned whether that violated federal conflict-of-interest statutes. VA employees are required to disclose conflicts of interest, the agency's Matkovsky said during the hearing. Of the doctors who have served on a foundation board, none were found to have been involved in procurement decisions, he said. Cindy Gordon, of Issues Management/Insight Communication in Princeton, New Jersey, didn't immediately provide comment. She is designated to speak for the foundation. The American Association of Tissue Banks, a McLean, Virginia-based nonprofit group that accredits tissue banks, would support new legislation directing the VA to develop a standard identification system for tissue

and other biological implants. It would ensure products can be “appropriately tracked from a human tissue donor all the way to recipient,” Frank Wilton, the group’s chief executive officer, said in written remarks prepared for the hearing.

[Source: Bloomberg News | Kathleen Miller | 2 Apr 2014 ++]

VA Caregiver Program Update ► Rand Study Findings

An estimated 1.1 million Americans provide care for ailing or disabled veterans of the Iraq and Afghanistan Wars, including parents and spouses whose cumulative efforts save taxpayers \$3 billion each year, according to a RAND study released 31 MAR. Most of these people labor in obscurity without a support network, unaware of government assistance available to help them, untrained in best practices for providing care and at increased risk for emotional problems of their own, researchers found. "For every hour you spend caregiving, your risk of depression increases," says Terri Tanielian, co-author of the largest study of military caregivers. Sixty-three percent of those caring for a post-9/11 veteran have jobs. On average, they miss about a day of work each week caring for their loved one, an annual productivity loss of \$5.9 billion, researchers found. Twenty-eight percent quit work to care for their veteran; 11% took early retirement. The result is that more than 60% say they are constantly under financial strain, twice the ratio of caregivers for veterans who served before 9/11.

Challenges ahead include middle-aged parents who face decades of looking after sons or daughters, only to require their own support system as they grow old; or young spouses who are caregivers in a strained marriage, the study found. "We know that a lot of these spouses ... are young, and they're in young marriages with lower relationship quality and potentially vulnerable to divorce," Tanielian says. She says aging parents or troubled spouses pose challenges for the future care of veterans. "What does that suggest to society?" Tanielian says. "Do we have a need where in 10 years, 15 years, 20 years we have a cohort of veterans who have significant caregiving requirements that don't have caregivers? Are they going to need to be institutionalized? Is society going to have to pay to hire home health workers?" Former senator Elizabeth Dole — whose group, Caring for Military Families: The Elizabeth Dole Foundation, paid for the 288-page study — says the results show the nation has not yet come to grips with the magnitude of the challenges facing military caregivers. "This is a special issue that requires a

national response," Dole says. "That response needs to be collaborative across the public, private and non-profit sector, the labor community and faith-based organizations."

RAND researchers surveyed more than 28,000 military caregivers from July 1 to Oct. 15 for the study. They estimated that 5.5 million Americans care for veterans of all eras — helping them bathe, dress, eat, use the toilet, make medical appointments and manage finances. They also care for their children. They help those who are emotionally troubled avoid social triggers that can exacerbate post-traumatic stress disorder. Caregivers for those who served in Iraq or Afghanistan have far higher rates of emotional problems, more than likely because they deal with veterans diagnosed with mental health problems, researchers suggest. Nearly half of caregivers suffer from depression, a far higher rate than was found among either pre-9/11 military caregivers or among those who care for disabled civilians. Only about a third of post-9/11 military caregivers who probably suffer from depression see a counselor, the report says. [Source: USA TODAY | Gregg Zoroya | 31 Mar 2014 ++]

VA Stonewalling Update ► A Bureaucracy That's Out of Control

A House of Representatives committee blasted the Department of Veterans Affairs on 9 APR over a lack of progress and accountability in the aftermath of at least 23 preventable veteran deaths that were the result of delays in treatment at VA medical centers across the country. One of the centers to come under heat was the William Jennings Bryan Dorn VA Medical Center in Columbia, S.C., where six patients died as a result of not receiving care they needed, according to a VA report. In the third full House Committee on Veterans Affairs hearing about patient safety, Rep. Jeff Miller (R-FL), chairman of the panel, along with other lawmakers, expressed frustration with the VA's unresponsiveness to requests for information. These included the steps the department has taken to discipline those responsible, as well as how funding meant to reduce backlogs and improve care has been spent.

In a report released 7 APR, the VA said it has identified 76 patients in its health care system whose care warranted an "institutional disclosure," or a formal notification that a problem with the patient's VA care is expected to result in

death or serious injury. Of those 76 patients, 23 died, and the deaths were primarily the result of delays in gastrointestinal care, the report said. The report did not state when the patients died. Barry Coates, an Army veteran who sought care at the Dorn VA Medical Center, testified about his experience with delays in the VA system that ultimately led to an ongoing battle with colorectal, liver and lung cancers. Coates, who has seen four different VA doctors over the course of his treatment, said he never received an “institutional disclosure” or other formal notification or apology from the VA. He said he hopes his testimony will lead to measurable progress in VA operations and prevent other veterans from suffering as he has.

Miller called the testimony that VA officials submitted to the committee ridiculous. “It concerns me that my staff has been asking for further details on the deaths that occurred as a result of delays in care at VA medical facilities for months, and only two days before this hearing did the VA provide the information we have been asking for,” he said. More than \$1 million in funds were designated for reducing the 4,000-patient Dorn backlog, but only \$200,000 was actually used for this purpose, according to a Veterans Administration inspector general’s report released in September. The committee still has not received a straightforward answer about where the rest of the funds went, Miller told Thomas Lynch, assistant deputy undersecretary for health for clinical operations for the Veterans Health Administration. “I have tried to work with your committee,” Lynch said. “I have tried to share information we’ve obtained as we’re obtaining it. . . . We strive to be transparent.” Of Coates’ testimony and the stories of veterans’ deaths, Lynch said, “I think it’s good that we hear these stories, that we not ignore the harm that has occurred.”

The VA also has been reticent about disciplinary actions it has taken on employees responsible for the delays, committee members said. When asked if anyone lost his or her job at several of the sites where patient deaths occurred, including VA medical centers in Columbia, Memphis, Tenn., and Augusta, Ga., Lynch said he did not have that information. “I’m troubled by whether or not firing someone is really the answer,” he said. “I think we need to be careful about punishing everybody for what happened at a few medical centers.” However, committee members said the lack of accountability demonstrated by the VA was unacceptable in the face of preventable deaths. “We are looking for specifics _ data, metrics _ but we never get them,” Rep. Julia Brownley (D-CA) told Lynch.

“It’s just my feeling and my only conclusion that if you’re not willing to reveal the facts, that there’s something you don’t want the public to hear.”

Although Lynch called the VA’s relationship with the committee “constructive,” lawmakers said they were tired of hearing the same vague promises of reform. “This is a bureaucracy that’s out of control,” said Rep. Jackie Walorski (R-IN). “If this happened in the civilian world . . . we would be in the streets with signs saying, ‘Shut them down.’” [Source: McClatchy Washington Bureau | Lauren Kirkwood | 10 Apr 2014 ++]

GI Bill Update ► Irregularities Cited in Student Vet Study

A study released by Student Veterans of America promised to bring much-needed clarity to veterans’ college graduation rates, but irregularities in how the research was done may cast doubt on its findings. While there are multiple issues with SVA’s newly released Million Records Project, perhaps the most significant is its under-representation of students attending the most-scrutinized — and often lowest-performing — types of schools: for-profit colleges and universities. Looking at fewer of these students may have inflated the study’s main finding that 51.7 percent of student vets using the GI Bill earned a degree or certificate. In a budget-conscious Washington and amid anecdotes of some schools taking advantage of former troops, vets’ advocates are eager to emphasize the value of the Post-9/11 GI Bill and other education benefits as a way to protect them. But despite a 2012 executive order to executive agencies to “develop a comprehensive strategy” for tracking student veteran outcomes, there is still little to no federal data on how vets do in college.

SVA’s study, financed by donations from private companies, could fill in some of these information gaps, but there remains work to be done. Graduation rates at for profit colleges remain unclear and the data cited in this study likely renders unreliable the overall graduation rates. Just 10 percent of students covered by the study were identified as attending for-profit schools, with 11 percent at private schools and 79 percent at public schools. How drastically that underestimates for-profit school attendance by vets using the GI Bill is unclear, and each of the three groups that collaborated on the project — SVA, the Veterans Affairs Department and the National Student Clearinghouse — pointed Military Times to the other for

an answer. “I think it highlights that more research needs to be done,” said Michael Dakduk, who led SVA when work on the Million Records Project began and is now with the Association of Private Sector Colleges and Universities, a for-profit schools trade group. Still, “It’s the best evidence of veteran progression in higher education that we have today,” he said.

But Anthony Dotson, coordinator of the University of Kentucky Veterans Resource Center, called the study at best, misleading and, at worst, dishonest. “I was just wondering if anyone was going to throw the BS flag,” Dotson said, adding that he thinks students at for-profits may have been weeded out to bolster the graduation rate. “While I understand the motivation of SVA to positively promote veterans on campus, ignoring the truth means that we ignore the problem and therefore are actually working against student veterans.” SVA acknowledged the undersampling of students at for-profit schools, but stood by the findings. “At least one in five veterans who used the [Montgomery] or Post-9/11 GI Bill from the [study’s] time period were selected,” said Chris Cate, SVA vice president of research. “The size of the sample resulted in an extremely high statistical power and low margin of error.”

The project examined the records of 788,915 student veterans, including those who first used the Montgomery GI Bill from 2002 to 2010 and who first used the Post-9/11 GI Bill in 2009 and 2010. SVA relied on VA to identify veteran GI Bill users and the National Student Clearinghouse to provide data on their academic progress. But not every school provides data to NSC — and for-profit institutions are much less likely to do so. During the enrollment years that the study considered for Post-9/11 GI Bill vets, the group received data from an average of 97 percent of public schools and 93 percent of private schools, but just 55 percent of for-profit schools according to NSC data. Those data go back only to 2003, one year after the study period for Montgomery GI Bill vets began, but the averages were 94 percent for public schools, 88 percent for privates and 53 percent for for-profits. Any student attending a school when it did not submit data was excluded from the study sample.

Just how the sample was chosen is also in dispute. In its report, SVA said VA created multiple filters before choosing records to include, one of which excluded students who had received benefits while attending schools “that were known not to report data to the NSC.” Not so, said VA spokeswoman Genevieve Billia.

“VA eliminated no records of students on account of National Student Clearinghouse status in responding to SVA’s [information] request,” she said. Meanwhile, Jason DeWitt, NSC’s research manager, said he thought VA excluded “a small number of large for-profits that VA knew were not covered by the Clearinghouse.” He declined to name those schools. SVA and NSC both maintain that after VA eliminated some records, other records totaling just under 5 percent of the remaining sample were removed for lack of NSC data. DeWitt said that he thought the number of such exclusions “would have been quite small.” But he couldn’t provide more detail on how many records were excluded, and how the study sample differed from the total population of GI Bill users. SVA referred that question to VA; VA referred it back to SVA.

VA previously provided information to Military Times on the total number of Post-9/11 GI Bill users by school between August 2009 and June 2011. Of the top 25 schools by enrollment, totaling 234,906 students, 10 were for-profits, with 97,920 students, or 42 percent of that total enrollment. According to NSC data, of those 10 for-profits, three, with a combined 46 percent of the for-profit enrollment, submitted data for the entire study period. Four schools, with a combined 17 percent of the for-profit enrollment, submitted no data, and three, with 37 percent of the for-profit enrollment, submitted data covering part of the study period. The 51.7 percent completion rate figure compiled in the study was calculated by counting the number of students who started attending classes under the GI Bill from 2002 to 2010 and graduated by June 2013 with any academic credential, from technical certificates to graduate degrees and everything in between. That way of calculating graduation rates varies widely from the standard method used by the Education Department and makes comparison of vet and nonvet data difficult to impossible.

The Education Department evaluates how many students in each year’s starting class have graduated by 150 percent of the expected completion time: six years after enrollment for four-year schools and three years after enrollment for two-year schools. In contrast, the Million Records Project counted the number of students who started attending classes under the GI Bill from 2002 to 2010 and graduated by June 2013 with any academic credential, from a quick technical certificate to a graduate degree in astrophysics, and everything in between. So a student who began pursuing a four-year degree in 2010 and remained on track to finish by 2014 would count negatively against the graduation rate. Yet the

opposite would be true for a student who started pursuing a two-year associate degree in 2002 and didn't finish until mid-2013. The Education Department's most recent available data show that 56 percent of students who began attending four-year schools in 2006 graduated by 2012, as did 33 percent of students who began attending two-year schools in 2009.

The report found that 45 percent of students who began their studies at for-profit schools earned a degree or certificate. The figures for students starting at private and public schools were 64 percent and 51 percent, respectively. However, those results could be skewed by students who start at one type of institution, such as a public university, and transfer to another, such as a for-profit. Ryan Gallucci, deputy legislative director for Veterans of Foreign Wars, said that while the project has some shortcomings, it represents a step in the right direction. "This is the first time we've had anything even remotely statistically valid to start the conversation on how student veterans are doing" in school, he said. "We don't know what we don't know about the student veteran population." Source:

[MilitaryTimes | George Altman | 28 Mar 2014++]

Vet Unemployment Update ► Post-9/11 Vets 6.9% in MAR

Following a big jump in February, the March unemployment rate for the latest generation of veterans saw an even bigger decrease, the Labor Department's latest employment report shows. In contrast, the nation's unemployment rate held steady at 6.7 percent in March, as the economy added 192,000 jobs, according to the Bureau of Labor Statistics' monthly employment report, released 4 APR. The unemployment rate for post-9/11 veterans dropped to 6.9 percent last month, a big difference from the February rate of 9.2 percent. And that was itself a big spike compared to January, when 7.9 percent of post-9/11 vets were unemployed. Veteran-specific data within the monthly employment reports are particularly vulnerable to such large fluctuations because of the small sample size involved. As a result, statisticians caution against using these monthly reports to draw broad conclusions about veterans' employment. A separate, annual veteran employment report by the same federal agency is typically viewed as more reliable. That report, released just a few weeks ago, put unemployment for post-9/11 veterans in 2013 at 9 percent, down from 9.9 percent in 2012. The March unemployment rate for post-9/11 vets one year ago was 9.2 percent. March

2014's 6.9 percent rate is the lowest monthly rate since November 2008. For veterans of all generations, the latest unemployment rate was 6 percent, down from February's 6.3 percent as well as from the March 2013 mark of 7.1 percent. [MilitaryTimes | George Altman | 4 Apr 2014 ++]

SBP Reform Update ► DoD Proposed Changes

Another DoD proposal, reported by the Military Times newspaper, would be to revamp the Survivor Benefit Program (SBP) to save money by increasing the premium that retirees pay for coverage. The SBP is provided at no cost to active-duty troops. Retirees also can purchase it to ensure monthly military pension checks continue coming to their spouse in the event of their death. The new Pentagon proposal, part of a broader plan to overhaul the military retirement system, calls for raising the premium cap for retirees from 6.5 percent of each monthly retirement check to 10 percent. At the same time, the maximum payout for beneficiaries would be reduced to 50 percent of retired pay, down from the current payout of 55 percent. The proposal also would limit retirees to two basic options:

- A “full benefit” that would cost 10 percent of gross monthly retirement pay and would continue to pay beneficiaries 50 percent of the military pension.
- A “half benefit” that would cost 5 percent of gross monthly retirement pay and continue paying beneficiaries 25 percent of the military pension.

The proposal was included in a report the Pentagon sent to Congress 6 MAR outlining potential changes to the entire military retirement system. The new proposal also calls for eliminating the offset policy that reduces SBP payments if the survivor is also receiving benefits from the Veterans Affairs Department. That means the net value of a total survivor benefit may increase in some cases. The report notes that survivors also would benefit from the related proposal to shift some of the military retirement benefit away from fixed-income pensions and into a civilian-style investment account that is owned by the service member or retiree. Any funds remaining after death can be passed along to family members. The National Association of Uniformed Services (NAUS) commented on the Military Times article noting that it SBP was originally set up for retirees wanting to ensure that their surviving spouse continued to receive a portion of their retirement pay to purchase. Extending the benefit to spouses of troops who die

on active duty was added several years later. NAUS's goal is to repeal the SBP/DIC offset. SBP is an insurance policy, paid by DoD and purchased by the service member, to provide for a surviving loved one. DIC is compensation paid by VA for a service-connected death. They have been working for years to have this happen. NAUS does not support the DoD proposal to reduce the survivor payment to 50 percent and increase the insurance premium to 10 percent in order to change this hurtful policy of reducing SBP by the amount of DIC received. They are firmly committed to assure, as stated by Congress and the President, that "keeping our promises about grandfathering any changes to military compensation and retirement programs will remain a central principle in the process." [Source: NAUS Weekly Update 4 Apr 2014 ++]

Homeless Vets Update ► Less Than Honorable Discharged Vet Aid

The VA has reversed course in the face of complaints from community groups and a USA TODAY query and restored aid to potentially several thousand homeless veterans who otherwise could have been left on the streets. The assistance, for a category of homeless veterans who have less than honorable discharges, had quietly been pulled in recent months after a legal review of eligibility laws. The support programs — called highly effective by community support groups nationwide — funnel money from the Department of Veterans Affairs through local organizations to provide immediate financial support or transitional housing for homeless veterans. But after the legal review, the VA cut access to the financial support program in December and to the transitional housing program in February for all veterans with less than honorable discharges and for those who served less than 24 months in the military, the VA said.

These veterans are generally ineligible for VA health care, and the agency's lawyers determined that ineligibility for VA health care rendered a veteran ineligible for homeless programs. Community groups were shocked, particularly given President Obama's stated goal of ending veteran homelessness by 2015. "There is something morally wrong here," said Phil Landis, president and CEO of Veterans Village of San Diego, a transitional housing program that turned away 14 homeless veterans in February after the policy change. Ten had served in or during the Iraq and Afghanistan wars, Landis said. "This is federal bureaucracy at its most heartless," said Sen. Patty Murray (D-WA) the Senate Budget Committee

chairman and a senior member on the Senate Veterans' Affairs Committee, whose office received complaints. "(It) defies all common sense."

VA officials said a law was necessary to change the eligibility rules. "We would hope for some type of relief where somebody would look at this and understand that it runs counter to what the president, what the secretary (Eric Shinseki), what the Congress, what the veteran and what everybody needs to end homelessness," said Vince Kane, head of the VA's National Center on Homelessness Among Veterans. Murray introduced legislation 28 MAR to correct the problem. Late Friday, responding to a USA TODAY query, the VA said its lawyers were working toward a permanent decision on eligibility. In the meantime, Robert Petzel, the VA's undersecretary for health, restored support for all homeless veterans who had previously been receiving it, the VA said. "This decision will remain in effect until a final legal opinion has been rendered," the VA said in a statement, adding that on 31 MAR it will notify community groups that administer the programs.

About 10% of veterans living on the street have other-than-honorable discharges, according to a national database on homeless veterans maintained by Community Solutions, a national non-profit group that fights homelessness and poverty. Nearly 58,000 veterans were homeless in 2013 based on a one-night count by the U.S. Department of Housing and Urban Development. Other-than-honorable discharges often occur in cases directly related to combat stress, said Pete Dougherty, a VA homeless program official until his retirement last year. Troops diagnosed with post-traumatic stress disorder sometimes self-medicate with drugs or alcohol, and substance-related infractions such as drunken driving result, leading to an other-than-honorable discharge, Dougherty said. Some of these veterans later become homeless. Dougherty said the VA, in its earlier determinations about eligibility, had cut off aid to "some who need us the most."
[Source: USA TODAY | Gregg Zoroya | 28 Mar 2014 ++]

POW/MIA Update ► Cambodia Remains Repatriated

A ceremony was held in Cambodia on 2 APR to repatriate what are believed to be the remains of three American servicemen who went missing in action more than 40 years ago during the Vietnam War. The remains, in three white coffins draped with U.S. flags, were hoisted Wednesday into a C-17 military cargo plane for

transport to Hawaii, where they will undergo DNA testing to try to confirm their identities. An honor guard of four currently serving U.S. servicemen carried the coffins. "As the son of a combat helicopter pilot who served in Vietnam twice, I am truly privileged to be a part of this important ceremony," U.S. Ambassador William Todd said in a speech at Phnom Penh International Airport in which he also thanked the Cambodian government for its assistance in searching for the missing. "To my fellow Americans assembled here today, I am humbled and honored to join with you to pay respect to our fellow countrymen who put our nation's needs above their very lives," Todd said. "Today, we honor colleagues who died far from home and whom we never knew."

Some 90 Americans were listed as missing in action in Cambodia from the Vietnam War, which ended in 1975, but the remains of only 37 have been recovered and identified. The latest sets of remains were found in eastern Kampong Cham province. U.S. forces staged a brief ground incursion into eastern Cambodia in 1970 and bombed the country heavily from 1969 to 1973. A year ago, the Pentagon announced the burial at Arlington National Cemetery of the fragmentary remains of a Marine who perished in a failed helicopter rescue from Cambodia of the crew of the merchant ship Mayaguez in May 1975, an incident that is considered the last U.S. military engagement in the long Vietnam War. Their helicopter crashed after coming under heavy fire; 13 aboard were rescued at sea and 13 others were declared missing. Remains of 12 other U.S. servicemen who also were aboard the helicopter had been accounted for previously, following a series of searches off the coast of Cambodia. [Source: The Associated Press | Sopheng Cheang | 2 Apr 2014 ++]