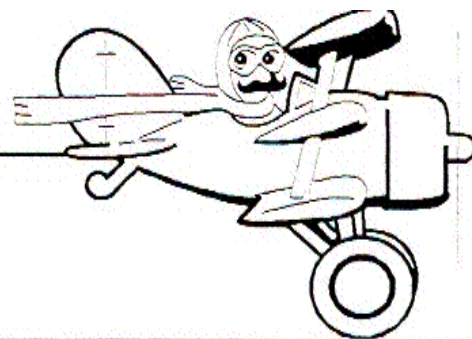


HANGAR FLYING

October / November 2011



A Publication of the McChord Field Retiree Activities Office for Air Force Retirees, their spouses and survivors. **Department of the Air Force, 100 Joe Jackson Blvd, Customer Service Mall Rm 1001, McChord Field WA 98438-1114; Phone (253) 982-3214 (Voice Mail 24 hours a day) Fax 253-982-5234. Email – retaffairs@us.af.mil Web Site www.mcchordrao.com Retiree Activities Office: Open 0900-1200 Monday - Friday**

2012 Social Security Payments to Rise 3.6%: Social Security benefit payments will rise by 3.6 percent in 2012. The increase in the program's annual cost of living adjustment (COLA) will be its first in three years. The increase translates into \$42.57 more a month for the average retiree, who is now paid \$1,182.40 a month.

Social Security payments also are linked to Medicare premiums. Next year's COLA will permit the first increase in three years in the Medicare premium paid by existing beneficiaries for Part B services for physicians and other outpatient expenses. The 2012 Part B premium will be announced by the end of the month, according to a spokesperson for the Centers on Medicare & Medicaid Services. For people still working, the COLA increase will also translate into a higher earnings ceiling for Social Security payroll taxes. The ceiling has remained at \$106,800 for three years, but the agency says it will rise in 2012 to \$110,100.

The Social Security COLA is based on a version of the U.S. Consumer Price Index tailored for people who work. It's called the CPI for Urban Wage Earners and Clerical Workers, or the CPI-W. Every year, Social Security looks at the CPI-W average during the third quarter of the year, compares it with the average during the previous year's third quarter, and designates any percentage increase as the following year's COLA.

(Source: US News, Philip Moeller)

New TRICARE Prime enrollees pay adjusted annual fees: Military retirees enrolling in the TRICARE Prime health plan after Oct. 1 will begin paying slightly higher annual fees, Pentagon officials announced Sept. 29. The fee change for fiscal 2012 means the plan will cost \$260 per year for members and \$520 per year for members and family.

The increase amounts to an additional \$2.50 per month for individual members and \$5 per month for members and family, officials said. Active-duty service members receive health care with no out-of-pocket costs.

Annual fees for retirees enrolled in TRICARE Prime before the Oct. 1 change will remain at \$230 and \$460 until Oct. 1, 2012, officials said. Retirees in TRICARE Prime have a catastrophic cap of \$3,000, and TRICARE Prime co-pays are not changing, they added.

"We are committed to offering the best possible health care system for our entire military family," said Dr. Jonathan Woodson, Assistant Secretary of Defense for Health Affairs. "This modest annual fee increase allows us to responsibly manage our costs in line with other secretary of defense initiatives announced earlier this year."

Survivors of active-duty deceased sponsors and medically retired services members and their dependents will be exempt from an annual increase, effective from the time they renew their enrollment or first enroll in TRICARE Prime, officials said, noting that the TRICARE benefit is among the nation's most affordable health care plans. All service members, military retirees and their eligible family members have TRICARE benefits regardless of prior health conditions. "The department is committed to maintaining the same unique health care protection we have always offered our warriors, both current and retired," Woodson said. "To sustain our military health system we are working hard to streamline, become more efficient, and achieve cost savings. Together, we can manage our costs responsibly and continue to provide care for our service members, retirees and their families." *(From a Defense Department News Release)*

Medicare Premiums 2012: On 27 OCT Medicare officials announced the new Part B premium rates for 2012 – and they were significantly lower across the board than most people had expected. And for the first time in memory, large numbers of seniors will actually see their premiums drop significantly. Most beneficiaries with incomes under \$85,000 (or \$170,000 for couples) will see a small increase in monthly premiums from \$96.40 to \$99.90 – an increase of 3.6%. But for some in that category (specifically, those who first became eligible for Medicare in 2010 and 2011) the \$99.90 rate will be less than what they paid in 2011. Similarly, beneficiaries with incomes above \$85,000 (\$170,000 for married couples) will see their premiums drop by \$20-\$50 per month. Why the declines? Because these two groups (new eligibles and upper-income beneficiaries) were hit with extra premium hikes for the past two years. That happened because the law generally bars any drop in Social Security benefits when there's no COLA. That means most people had their Part B premiums frozen for the last two years. But new eligibles and upper-income people were exempt from the freeze, so they absorbed not only their share of the 2010 and 2011 hikes, but also had to cover the share of all of the "frozen" beneficiaries. Now that the premiums for those 75% of beneficiaries who were held harmless are able to rise, Medicare was able to lift the extra premium burden previously imposed on the unprotected 25%. The bottom line: almost every Medicare-eligible will be paying lower premiums in 2012 than had been predicted, and a significant number will be paying much less. The following chart shows the 2012 premium rates. (Source MOAA

2012 Medicare Part B Monthly Premiums:	2011 Premiums	2012 Premiums	Change	Gov't Subsidy
Individual Income				
Under \$85K	\$96.40	\$99.90	+\$3.50	75%
\$85+K - \$107K	\$161.50	\$139.90	-\$21.60	65%
\$107+K - \$160K	\$230.70	\$199.80	-\$30.90	50%
\$160+K - \$214K	\$299.90	\$259.70	-\$40.20	35%
Above \$214K	\$369.10	\$319.70	-\$49.40	20%

VA Extends Traumatic Injury Benefits: The Department of Veterans Affairs (VA) is extending retroactive traumatic injury benefits to servicemembers who suffered qualifying injuries during the period Oct. 7, 2001 to Nov. 30, 2005, regardless of the geographic location where the injuries occurred. Effective Oct. 1, the Servicemembers' Group Life Insurance (SGLI) Traumatic Injury Protection benefit (TSGLI) will be payable for all qualifying injuries incurred during this period. This retroactive benefit is payable whether or not the servicemember had SGLI coverage at the time of the injury. Applications are currently being accepted by branch of service TSGLI offices. To find out if you are eligible, visit the VA website at www.insurance.va.gov/sgliSite/TSGLI/Retro.htm. (Source Military.com)

TriCare Retiree Dental Program: Incorrect TRDP account information can cause you to miss out on important enrollment updates and the latest program news as well as cause delays in processing and paying your claims, so it is very important that you notify Delta Dental directly and promptly if you move or have other changes in your information. (Continued on the next page)

The easiest way to update your TRDP account information is by using the new "Manage Enrollment" feature now available on the Consumer Toolkit®. After logging in to the toolkit and accessing the "Manage Enrollment" screen, simply click on the "edit" button on the right of the screen that allows you to make the necessary updates to your TRDP account information. You may also call our Customer Service department at 888-838-8737 to make any address changes or other updates to your TRDP account information. (Source: Delta Dental of California [trdp.news@delta.org])

President Obama proposes TRICARE changes: Military retirees would pay an annual fee for TRICARE-for-Life health insurance and TRICARE pharmacy co-payments would be restructured under the deficit reduction plan President Barack Obama released Sept. 19.

"If we're going to meet our responsibilities, we have to do it together," Obama said during a Rose Garden speech to announce the President's Plan for Economic Growth and Deficit Reduction. The plan reduces \$4.4 trillion from the \$14.7 trillion federal deficit over 10 years through a combination of spending cuts and increased tax revenue. For the military portion, Obama said the government will save \$1.1 trillion from the drawdown of forces in Iraq and Afghanistan, which are to be complete at the end of this year and in 2014, respectively.

The plan includes savings of \$6.7 billion over 10 years by establishing "modest annual fees" for members of TRICARE-for-Life, which becomes second-payer insurance to military retirees who transition to the federal Medicare program upon turning age 65. The change would begin with a \$200 annual fee in fiscal 2013.

The plan also includes savings of \$15.1 billion in mandatory funds and \$5.5 billion in discretionary funds over 10 years by restructuring co-payments for TRICARE pharmacy benefits.

To bring the TRICARE plan more in line with private and other federal plans, the president's proposed plan would eliminate co-pays for generic mail-order drugs, while shifting retail co-pays from a dollar amount to a percentage co-pay. The change would apply to military families and retirees, but not active-duty service members.

These changes will ensure fiscal responsibility without compromising quality care for service members and their families, Pentagon Press Secretary George Little said in a statement released Sept. 19.

Defense Secretary Leon E. Panetta "has consistently emphasized the need to keep faith with our troops and their families," Little said.

"That includes maintaining the highest quality health care for them," he continued. "We will continue to maintain the highest possible health care, but during this period of fiscal belt tightening, we may see modest cost increases in TRICARE enrollment fees and co-pays to sustain the health system."

The changes are necessary to help reduce the deficit and ensure the long-term strengths of the programs, a White House news release issued after Obama's speech said. The changes also would help to level "a measurable disparity" between military retirees and private sector workers, it says.

The statement notes that the administration has expanded GI Bill benefits, job training and veterans' homeless prevention programs, and proposed tax credits for employers to hire veterans.

"Still, as the cost of health care rises and benefit programs across the public and private sectors are being restructured to remain solvent," the release says, "it's important that programs that serve military retirees and veterans are modernized to be able to meet the needs of the future."

The plan also would create a commission to "modernize" military benefits through a process based on that of the 2005 Base Realignment and Closure Commission, the White House release said. Under the proposal, the Defense Department would make a proposal to the commission, which can alter the proposal before sending it to the president. The president may not alter the proposals, but would decide whether or not to send it to Congress. The Congress would have to approve or disapprove without modifications.

"The administration believes that any major military retirement reforms should include grandfathering provisions that ensure that the country does not break faith with military personnel now serving," the statement said.

Obama said the proposal to save \$4 trillion "finishes what we started last summer" when he and the Congress agreed to \$1 trillion in cost savings. Under the plan, the deficit -- the difference between revenue and spending -- would level out in 2017 where spending is no longer adding to the nation's debt. (Continued on the next page)

While "we are scouring budget for every dime of waste and inefficiency," Obama said, the proposed plan also closes corporate tax loopholes, raises taxes on millionaires and makes changes to Medicaid and Medicare in an effort to help small businesses and middle class Americans, and protects spending on education, science and infrastructure such as roads and bridges.

"We're asking everybody to do their part so no one has to shoulder too much burden," Obama said.

(Source: By Lisa Daniel, American Forces Press Service)

VOW Act Passes House, Now On To Senate:

October 14, 2011 • [Terry Howell](#)

The House of Representatives has overwhelmingly passed the [Veterans Opportunity to Work Act](#) with more than 400 votes. The bill known as the VOW Act aims to help veterans of all eras by creating opportunities for job training and employment.

But what's in it?

Like many bills, the VOW Act has a cool name and supporters claim that it will do great things. The truth is, we veterans have become a bit jaded when it comes to catchy titles and headlines claiming government solutions.

So I asked the House VA Committee staff to break it down into simple terms.

Here are some of the highlights of what the bill would mean to veterans and servicemembers in real terms:

- Transitioning servicemembers will have better support through the Transition Assistance Program (TAP), including updated job seeking tools.
- Transitioning servicemembers will find it easier to earn certification and licensures by creating nationally standardized credentialing and licensing programs. These programs currently vary from state to state.
- Returning Guard and Reserve members will be protected from hostile work environment issues by stronger employment and re-employment policies and enforcement, under the Uniformed Services Employment and Re-employment Rights Act (USERRA).
- Veterans of past eras/conflicts (Vietnam, Desert Storm, etc) could be eligible for up to 1-year of additional Montgomery GI Bill assistance for training in high-demand job sectors.

Don't let that last bullet slip by unnoticed. It is rare these days for any new programs or laws to provide assistance to our pre-9/11 veterans. This is a very big deal for those who often feel abandoned and forgotten.

The next step is for the Senate to pass this bill. According to reports, the leadership of the Senate's Veterans Affairs Committee has indicated it would have their support. (Source: *Military Advantage. Military.com*)

It's Time for Flu Shots: Here are tips to two simple steps to prevent the spread of influenza: (1) get a flu shot. TRICARE beneficiaries may receive the influenza vaccine at a TRICARE retail network pharmacy at no cost; and (2) take everyday preventive actions to stop the spread of germs. Cover your nose and mouth with a tissue when you cough or sneeze, and immediately throw the tissue in the trash. Wash your hands with soap and water often. Only use the alcohol-based hand rub when soap and water is not available. Avoid touching your eyes, nose and mouth. For more information, visit the Centers for Disease Control Seasonal Influenza webpage at www.cdc.gov/flu/. (Source *Military.com Military Report*)

Fight the Flu!

Did you know that nine out of 10 healthy people who get a flu shot, don't get the flu? Flu vaccinations are a TRICARE-covered benefit.

Get your shots between September and November, although as late as January may still help. And protect your family!

Where do I get my flu shot?

Find out where <http://www.triwest.com/en/beneficiary/healthy-living/fight-the-flu/where-do-i-get-my-flu-shot/> you can go to get your flu shot, depending on your TRICARE plan. (Continued on the next page)

Flu Tips

Cold vs. Flu Symptoms <http://www.triwest.com/en/beneficiary/healthy-living/Flu/Cold%20or%20Flu%20Chart.pdf>

Lead Your Kids by Example <http://www.triwest.com/en/beneficiary/healthy-living/fight-the-flu/kids-fussing-over-flu-shots-lead-by-example/>

What's Your Flu I.Q.? <http://www.triwest.com/en/beneficiary/healthy-living/fight-the-flu/whats-your-flu-iq/>

Other Flu Sites

FDA: Reducing Fever in Children Safely

<http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm263989.htm>

Flu.gov <http://www.flu.gov/>

CDC Flu Recommendations <http://www.cdc.gov/flu/protect/preventing.htm>

TRICARE - Covered Flu Vaccinations

<http://www.tricare.mil/mybenefit/jsp/Medical/IsItCovered.do?kw=Flu+Vaccine>

(Source TriCare 2 You October 2011)

Effective 1 January 2012 Walgreens will no longer participate as a member of the Express Scripts retail pharmacy network. Any TriCare patient who fills a prescription at Walgreens on or after 1 January 2012 will have to pay 100% of the cost. You would then need to file a hard-copy/paper claim for non-network benefit reimbursement.

You have three options available for filling new prescriptions, or refilling of existing Walgreens prescriptions.

1. Military Treatment Facility (MTF) pharmacies for formulary medications.
2. TriCare Pharmacy Home Delivery (Mail-Order).
3. Other TriCare Network Pharmacies.

Military Treatment Facility Pharmacies and the TriCare Mail Order Pharmacies will need a new prescription. Other TriCare Network Pharmacies may obtain a copy of the prescription from Walgreens. If you have a new prescription, the normal dispensing process will occur.

For more information, and a list of participating Tricare Network Pharmacies, contact either, 1-887-885-6313 or on-line at www.Express-Scripts.com/TRICARE/pharmacy .

Military Retirement Faces Overhaul: Some in the DoD are pushing to dump the current retirement system and replace it with a version of the "Thrift Savings Plan" similar to the one currently offered Federal Employees. This plan would allow DoD to save money by making contributions to a civilian style 401(k) retirement plan.

According to some reports, the DoD would also use the new retirement plan as leverage or incentive by offering increased contribution rates for those who opt for multiple deployments, hardship assignments, and high demand or unpopular military occupations. In addition, service branches could use it to entice servicemembers to retire early or stay in longer.

Unlike past changes to the military retirement plan, which shielded current servicemembers from the changes, the plan presented by the [Defense Business Board](#) would not grandfather current servicemembers. The plan would go into effect immediately and includes current and future servicemembers.

Under that plan, new recruits would start immediately earning TSP contributions, but, would have no incentive to stay in the military for 20 or more years since they would not get a fixed-benefit pension. Current servicemembers would begin receiving TSP contributions immediately and would earn a graduated percentage of their pay if they stay in the military for 20 years or more years. Their fixed pension rate would be based on their years of service when the new plan kicks in. For example, a servicemember who has 15 years of service would get 37.5 percent of their base pay at 20 years in addition to the new TSP contributions.

Some see this as a way to make the system more flexible or fair to those who serve less than 20 years and a great way to reduce the overall cost of military retirement. (Source *Military.com* • [Terry Howell](#))

Proposed Retirement Changes Draw Fire: Several Congressmen have joined veterans' organization leaders in their opposition to the Defense Business Board's recommendation to radically overhaul the current military retirement system. Even DoD officials have made statements to distance themselves from the proposal to replace the system with a 401k style plan.

Read [Business Board's 'Radical' Retirement Plan Blasted](#), to learn more. (*Source Military.com*)

Veterans committees willing to reduce VA funds

The top leaders of the House and Senate veterans' affairs committees are willing to cap growth in the Veterans Affairs Department budget in hopes of averting across-the-board cuts in federal spending.

“We believe no constituency better understands the challenge America faces, and no constituency is better suited to, again, lead by example by putting country first,” says a rare joint letter signed by the four top Democratic and Republican members of the veterans' committees.

The letter to the Joint Select Committee on Deficit Reduction is dated Oct. 14 but was not made available until Monday. It is signed by Sen. Patty Murray, D-Wash., the Senate Veterans' Affairs Committee chairwoman; Sen. Richard Burr, R-N.C., the Senate's committee's ranking Republican; Rep. Jeff Miller, R-Fla., the House Veterans' Affairs Committee chairman; and Rep. Bob Filner, D-Calif., the House committee's ranking Democrat.

Murray is also the Senate chairwoman of the 12-member joint committee, known as the “supercommittee,” that is empowered to make recommendations by Thanksgiving on how to cut \$1.2 trillion or more in federal spending. The letter avoids the irony of Murray writing a letter to herself by having the veterans' committee message sent to the entire joint committee rather than to the House and Senate co-chairs. Miller said in a statement Monday that he remains committed to veterans' programs. “We all have a responsibility to America's veterans to ensure that the benefits they have earned remain intact and that their needs remain a priority,” Miller said. “We also have a responsibility, however, to ensure that during these tough economic times, we provide to the Joint Select Committee information that is pertinent to its decision-making process in a transparent and bipartisan manner.”

No specific cuts were recommended by the four lawmakers, but they attached a list of all of the reductions made in veterans' benefits since 1980 as part of other deficit reduction packages and a separate one-page list of ongoing initiatives to reduce expenses.

Past budget-cutting efforts have included modest increases in copayments for veterans receiving treatment and prescription drugs for health problems not directly related to military service; making veterans wait until the first day of the following month after approval of benefits claims for payments to begin; raising fees for using the veterans' home loan guarantee program; and verifying income through the Internal Revenue Service for veterans or survivors receiving pensions for low-income people.

“In past times of fiscal restraint, thoughtful and measured areas of budgetary savings found within veterans' programs have advanced on a bipartisan basis,” the joint letter says. “We recommend that the select committee refer to these lists when making the difficult decisions ahead.” (*Source Marine Times*)