

## Defense Bill Squeaks Through

September, 29, 2006

Earlier this week, House Speaker Dennis Hastert (R-Ill.) declared he'd delay action on the FY2007 Defense Authorization Act until after the November election unless Armed Services Committee leaders agreed to include unrelated measures on immigration and court security.

Senate Committee Chairman John Warner (R-Va.) and senior Committee Democrat Carl Levin (D-Mich.) held fast against adding potentially controversial non-defense provisions to this key bill at the eleventh hour - and Hastert blinked just in time to let the House and Senate pass it in the final hours before Congress adjourned to go home and campaign.

The bill provides the Pentagon \$463 billion for FY2007, plus another \$70 billion in supplemental war funding.

There's good news in the bill, including provisions on:

**TRICARE Fees:** Bars the Defense Department from increasing any TRICARE Prime or TRICARE Standard fees, pharmacy copays, or TRICARE Reserve Select premiums for FY2007.

**Military Manpower Levels:** Increases Army strength by 30,000, the Army National Guard by 17,000 and the Marine Corps by 1,000 over the President's original budget request (though we're concerned that it approves Pentagon-requested cuts of 12,000 for the Navy and 23,200 for the Air Force).

**TRICARE Pharmacy:** Dropped a proposal to mandate use of the mail-order pharmacy for all refills of maintenance medications. But it also dropped MOAA-supported initiatives to eliminate copays for most drugs dispensed through the mail-order system and require drug companies to give TRICARE equal price discounts on drugs dispensed through retail pharmacies.

**Reserve Health Coverage:** Makes all drilling reserve members eligible for TRICARE coverage at the lowest current premium (28% of cost). Requires a Pentagon study of partially subsidizing continuation of a private employer's coverage of family members during periods of mobilization.

**Military ID Cards:** Authorizes permanent ID cards for permanently disabled dependents of retirees, and requires a Pentagon report on giving members an option to have their Social Security numbers removed from ID cards.

**Servicemember's Group Life Insurance (SGLI):** Provides \$400,000 free life insurance coverage for members assigned to Iraq and Afghanistan.

**Dependent Education:** Authorizes \$50 million in aid to civilian schools with significant numbers of military dependents.

**Payday Lender Restrictions:** Restricts unscrupulous lending practices by imposing 36-percent annual interest rate cap on loans to servicemembers, along with other protections.

**Household Goods Coverage:** Requires paying full replacement value for goods damaged during military relocations, starting in 2008.

**The Congress also chose to drop or "low-ball" several other much-needed improvements previously passed by either the House or Senate, including:**

**Military Pay Raise:** the bill adopted the minimum 2.2% military pay raise proposed by the Senate rather than the 2.7% House plan. **The bill does include needed "targeted" increases for warrant officers and senior enlisted grades.**

**Survivor Benefit Plan (SBP):** Dropped Senate-recommended provisions to implement 30-year paid-up SBP coverage immediately and end the deduction of VA survivor benefits from SBP when military service caused the member's death.

**Concurrent Receipt:** Dropped Senate-recommended provision to provide full, immediate concurrent receipt for disabled retirees designated "unemployable" by the VA.

**Reserve Retirement Age:** Dropped Senate-recommended provision to reduce retirement age by 3 months for every 90 days mobilized since 9/11.

**Health Care Access:** Dropped Senate-recommended provision requiring additional incentive payments to doctors to take TRICARE patients in areas with physician shortages.

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