



DEPARTMENT OF THE NAVY
 OFFICE OF THE SECRETARY
 1000 NAVY PENTAGON
 WASHINGTON, D.C. 20350-1000

INFO MEMO

FOR: UNDER SECRETARY OF THE NAVY

FROM: Assistant Secretary of the Navy (Manpower and Reserve Affairs)

MB 29 APR 11

SUBJECT: The Secretary of the Navy Retiree Council Report for 2010

Ref: SECNAVINST 5420.169J

- The Secretary of the Navy's Retiree Council met at the Washington Navy Yard 26-30 April 2010, pursuant to reference.
- This Council received updates regarding recommendations made in previous reports and is pleased to see progress made on many recommendations. It understands items remaining open continue to be pursued through appropriate processes and/or potential legislation. Two items remain of great concern to the council: paid Navy Retiree Activities Officers (RAO) at regional locations and resumption of the printed and mailed 'Shift Colors,' the Navy retiree newsletter. The Marine Corps has stepped forward to authorize 16 RAO positions and continues to publish 'Semper Fidelis'. TAB A contains the 2010 SECNAV Retiree Council Report. TAB B contains the Navy's response to the report. TAB C contains the Marine Corps' response to the report.
- Accept the attached report with the Services' responses for publication on the Retiree Web page.

COORDINATION: Tab D

*Accepted
 @ [Signature]
 5/3/2011*

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**Item 2010-01 SECNAV Retiree Council
Paid Retirement Activity Service Coordinators**

Issue: Paid Retirement Activity Service Coordinator (RASC) for the Navy and funding of Retired Activity Officers (RAO) for the Marine Corps (Item 01-09 in 2009 Report).

Position and Desired Outcomes for Navy RASCs: Establish eight CONUS and two OCONUS paid RASC in each of the major Navy geographical areas:

Southeast	2	Hawaii	1	Southwest	2
Midwest	1	Europe	1	Northwest	1
Mid Atlantic	1	Washington DC	1		

Currently, there is only 1 part-time paid RASC in Navy Region Southwest, San Diego, CA. All Navy Retired Activity Offices are staffed by volunteers, most of whom are elderly retirees. Currently they provide basic information and referral to retirees. However, a subject matter expert is needed to assist the retired community in understanding and accessing complex changes to benefits and entitlements. They would work under operational control of OPNAV N135C and ensure all transitional needs and post-retirement needs of service members, surviving spouses, and families are addressed.

Position and Desired Outcomes for USMC RAOs: In 2009, the Marine Corps approved 11 paid RAOs and inserted the requirement into the POM process, although only one requirement was funded. Currently the only paid position is at Camp Lejeune, NC, and it has proven to be a tremendous benefit in the community and has assisted with providing information on such topics as benefits, entitlements, reenlistment, retention, and mentoring young Marines. However, the other approved positions have not been funded due to the current budgetary restraints. They would work under the management of the HQ RAO Separation / Retirement Branch.

Issue 2010-02 SECNAV Retiree Council Outreach Communication

Issue: Lack of adequate communication within retired community

Position and Desired Outcomes: Ensure that all retirees, annuitants, and/or dependents know about and have access to information and communication channels within Navy or Marine Corps. Communication to retirees, widows/widowers, and annuitants is difficult for all Services, but is an essential element of the Services commitment of taking care of their people.

The Department of Navy currently has over 600K retirees and annuitants. "Shift Colors" is only available online at the Retiree page of the Navy Personnel Command website. They try to get a new copy on the website every three months, but they have not met that goal in the last several years. The following is the history of publication of "Shift Colors".

2009 & 2010= one issue published per year

2006 to 2008= two issues published year

2003 to 2005 = three issues published per year

2000 to 2002= four issues published per year

All are currently located on the NPC retiree page.

The Marine Corps provides hard copies of "*Semper Fidelis*" retiree newsletter to all their retirees, widows/widowers, and annuitants. The newsletter is published four time a year and mailed to all retirees. The following is the cost of printing and mailing for the four 2010 Marine Corps retiree newsletter.

2010 costs	Printing	mailing	Total Cost
Vol. 54 No. 1	\$16,471.98	+ \$3,485.57	= \$19,957.55
Vol. 54 No. 2	\$16,500.99	+ \$3,523.10	= \$20,024.09
Vol. 54 No. 3	\$16,557.22	+ \$3,562.45	= \$20,119.67
Vol. 54 No. 4	\$16,560.87	+ \$3,588.86	= \$20,149.73

These numbers are for approximately 135,000 copies of "Semper Fidelis".

The Air Force provides hard copies of the "Afterburner" to their retiree community at least once per year at a cost of approximately \$300K. In addition it is emailed and online.

Currently, the US Army distributes over 800K color copies of their retiree magazine, "*ECHOES*," three times per year at a cost to the Army of only \$2 per retiree. A notification is emailed to retirees and it is posted online. Additionally, they "market" big Army by providing each retiree with a flag, lapel pin, and auto tag "holder."

In recent years, the Navy has not funded hard copies of "*Shift Colors*," the primary means by which the Navy communicates with its retired community. Currently it is only available electronically. All other Services find that their printed, mailed newsletters are a valuable asset to communicate with their retired community. These publications also serve as a legal notification to retirees of changes to laws and regulations, helping insulate them from potential lawsuits. Printing "*Shift Colors*" could also be a force multiplier by providing a means for retirees to know about volunteer services needed in support of Navy programs, i.e., the Navy Safe Harbor / Anchor Program. RAOs report that volunteerism within the retiree community is down.

**Item 2010-03 SECNAV Retiree Council
TRICARE**

Issue: Decrease in TRICARE reimbursement rates and increase in fees to retiree community

Position and Desired Outcome: 1) Continue to delay enacting the current legislative requirement to decrease the reimbursement rate for TRICARE providers. 2) Protect retiree families and survivors against increases in TRICARE fees and co-payments. TRICARE for Life should remain unchanged.

Passed annually, the National Defense Authorization Act (NDAA) formally establishes and funds TRICARE in public law. TRICARE is viewed as one of the lowest-paying insurance plans in America; other national plans typically pay approximately 25 – 33% more to providers.

In a recent document, The Military Coalition¹ noted that although physicians may not be able to afford turning away Medicare patients they may be willing to turn away a small number of patients who have low-paying, high-administrative-hassle TRICARE coverage. Research conducted by multiple organizations, including the Fleet Reserve Association (FRA) and Military Officers Association of America (MOAA) indicate this may deter providers from accepting beneficiaries as well as decrease the number of participating providers.

Options to resolve this challenge include: 1) severing the linkage between Medicare and TRICARE reimbursement rates; 2) encouraging the TRICARE Management Activity (TMA) to exercise their authority to increase the reimbursement rates due to provider shortage and the low reimbursement rate already associated with Medicare payments; and 3) echo the Military Coalition recommendation that House Armed Services Subcommittee require a Comptroller General report on the propensity of physicians to participate in Medicare versus TRICARE.

Additionally, in 2008 a task force on the future of military health care recommended precipitous raises in the health care cost-sharing for retired families. Recently, some defense leaders have indicated that substantial fee increases are needed to bring military beneficiary health care costs more in line with civilian practices. The Council thinks an increase in fees for those who earned retiree status is inappropriate. Military retirees and their families have earned their coverage through decades of service and sacrifice. DoD and the Nation, as good faith employers, have an obligation to retired service members and their families. Reducing military benefits may hinder recruiting and retention, and decrease morale for active duty and retirees.

2010-04 SECNAV Retiree Council
Traumatic Brain Injury (TBI) and Temporary Disabled Retired List (TDRL)

Issue: Enhanced understanding of the process involving physical examinations, consultations and follow through actions required for very severely injured (VSI) and severely injured (SI) Marines and Sailors with moderate to severe traumatic brain injuries (TBI) assigned to the temporary disabled retired list (TDRL).

Position and Desired Outcomes: The Medical Committee reports that there has been an increasing number of incidents involving Marine and Navy Chapter 61 retirees with moderate to severe TBI who presented to non-polytrauma VA medical centers (VAMC) with TRICARE referrals for general medical and specialty examinations to be used to determine their status in the TDRL program. Often the VA provider performing the exam is not knowledgeable about the process and procedure for TDRL reexamination requirements. There was a perceived lack of communication between the VAMC and the military treatment facility (MTF). Without this information exchange, the onus has been transferred to the brain injured veteran to understand and communicate the process. One of reasons identified is lack of specialty physicians at MTFs to perform exams.

The desired outcome is for the Navy and Marine Corps to review current processes and make changes that will minimize the responsibility of the brain injured veteran to communicate TDRL processes to VA medical examiners. The responsibility to understand and execute this complicated process should be shifted to key individuals within the Service retirement branch, wounded warrior program, MTF, and VAMC.

**2010-05 SECNAV Retiree Council
Needs Survey of the Retiree Community**

Issue: Ascertain and then respond to needs of the Department of Navy retired community concerning privileges, benefits, entitlements, changes in laws and regulations that affect retirees. Currently there is no way to solicit feedback or input from the retiree community.

Position and Desired Outcomes: SECNAV Retiree Council is charged with responsibility to explore issues that have universal impact on the retired community and make recommendations for resolutions to the Secretary of the Navy. To achieve that outcome, an on-line survey should be conducted of the retired community (via the Service websites and/or a free survey service). The Defense Finance and Accounting Service (DFAS) might support by adding a survey link to their yearly LES to retirees.

**2010-06 SECNAV Retiree Council
TRICARE Retiree Dental Plan Review**

Issue: Renegotiate the TRICARE Retiree Dental Plan (TRDP) contract to allow an increase in the annual maximum benefits per person per benefit year.

Position and Desired Outcomes: This recommendation echoes similar recommendations by Army and Air Force Retiree Councils. Fees and availability of services vary with populations. Premium costs are excessive and coverage is inadequate, especially for retirees. TRDP annual benefit limit per person has been only \$1200 for many years. Orthodontics lifetime limit is only \$1500 per person. For example, the average cost for one crown on one tooth is \$2000 and TRDP covers 50%. An additional crown or additional care (caps, inlays, bridge, etc.) will greatly exceed the retiree's benefit limit requiring significant out-of-pocket cost

**2010-07 SECNAV Retiree Council
Indefinite Military ID Cards**

Issue: Indefinite military ID cards for eligible surviving spouses at age 65, vice age 75

Position and Desired Outcome: 10 USC Section 1060b (Defense Authorization Act of 2009) authorizes Service Secretaries to issue permanent military identification cards to survivors of military retirees that have attained the age of 75 years.

1. Many surviving spouses find it difficult to travel to a military administrative personnel office at the age of 75 to obtain a permanent military identification card.

2. Many surviving spouses live alone at some distance from a military installation or issuing office for military ID cards.

3. Obtaining an indefinite ID card at age 65 coincides with TRICARE for Life, Medicare Part A/B, and other administrative milestones that occur at that age.

4. This revenue neutral initiative lessens the burden of surviving spouses over age 65 to return periodically to a military personnel facility for re-issuance of a temporary military ID card. This initiative has the potential to save government resources by amending the requirement to continually return for ID card renewal after age 65.

**2010-08 SECNAV Retiree Council
Joint Service Retiree Council**

Issue: Conduct joint retiree council meetings. Many retiree issues discussed by the SECNAV Retiree Council are identical to those discussed by the other Service retiree councils.

Position and Desired Outcomes: Retiree issues (e.g., SBP, TRICARE, Pharmacy, DFAS, Dental Plan, VA) are virtually identical among the Services. Each council should schedule its annual meeting at the same time and place. That would permit the retiree councils to meet jointly, receive briefings on issues of service-wide concern, and have a unified voice on issues impacting the retiree community.

2010-09 SECNAV Retiree Council
DoD Education Activity (DoDEA) Tuition Free Access by OCONUS Retirees

Issue: Attendance at DoDEA schools by dependents of U.S. military retirees living overseas.

Position and Desired Outcome: Interpret the DoDEA attendance/tuition category to enable children of military retirees overseas to attend DoDEA elementary and secondary schools on a Space-Available, **Tuition-Free** basis. This revenue-neutral initiative would correct an inequity that serves no purpose.

1. Per DoDEA Reg. 1342.13, dependents of retired U.S. military personnel residing overseas are categorized as "Space-Available, **Tuition-Paying**" (Category IV) for the purpose of attendance of DoDEA elementary and secondary schools.

a. Category III – "Space-Available, **Tuition-Free**": Dependents of foreign military and diplomatic personnel of (1) Partnership for Peace (PfP) Nations and (2) "Newly Independent States of the former Soviet Union" are higher in priority than dependents of U.S. military retirees.

b. Category IV - "Space-Available, **Tuition-Paying**": U.S. military retirees and "foreign nationals" pay between \$23,500 and \$24,800 per year for their dependent children to attend a DoDEA elementary or secondary school. This places a huge financial burden on military retirees, preventing their children from attending an American school. This classification places dependents of U.S. military retirees in the same category as "dependents of foreign nationals," the only two classes of persons within Category IV "Space-Available, Tuition-Paying."

2. U.S. military retirees are part of the "Total Force" that comprise DoD resources for implementing the National Security Strategy and thus may be ordered to active duty as needed. See DoD Directive 5124.02, DoD Directive 1352.1, and 10 USC Section 688.

3. The United States currently provides tuition-free education to non-US citizens and should afford its overseas military retirees the opportunity for their dependent children to attend DoDEA schools on a Space-Available, **Tuition-Free** basis. Leaving military retiree dependents in Category IV is inequitable and fails to take advantage of the benefits of the presence of U.S. military retirees near overseas U.S. Commands. It also ignores recruiting and retention benefits by forcing children of military retirees to attend foreign schools and alienating retirees from their active duty colleagues serving in the Host Nation.

2010-10 SECNAV Retiree Council
SECNAV Rep on VA Advisory Committee on the Readjustment of Veterans

Issue: Secretary of the Navy Retiree Council representation on selected VA standing advisory committee – pilot program

Position: The Secretary of Veterans Affairs has 23 standing advisory committees; 15 have been established by statute and 8 are non-statutory panels designed to provide advice on selected VA programs and policies. Many of these committees address issues being experienced by military retirees and their families whose service spans from WWII through current overseas conflicts. Representation on selected VA advisory committees by a member of the SECNAV Retiree Council (or other Service retiree council) appointed in an “ex-officio” capacity would enrich the deliberations of selected VA advisory committees with a more substantive understanding of the current concerns and perceived under-served needs of the military retiree community as a subset of the larger veteran community. Additionally, the “ex officio” member would be able to contribute to a greater understanding by the advisory committee of the volunteer resource the retiree community can provide.

The VA Advisory Committee on the Readjustment of Veterans, a statutory advisory committee, was established to provide advice on the policies, organizational structure, and the provision and coordination of services to address veterans’ post-war readjustment to civilian life, with particular emphasis on post traumatic stress disorder (PTSD), substance abuse, post-war employment and family adjustment. The charter of this committee appears to address many of the needs of military retirees of all the Services, with a particular focus on the issues being confronted by returning OIF/OEF military retirees and veterans.