

Action in Congress

By Tom Philpott, Contributing Editor

VA Backs Off Review; The “Duke” No One Knew; VSOs Up in Arms; Last Minute Budget Wrangling

VA Cancels PTSD Review

Under pressure from lawmakers and disabled veterans, the Department of Veterans Affairs canceled plans to review the paperwork of 72,000 disability cases involving awards for post-traumatic stress disorder.

“The problems with these files appear to be administrative in nature, such as missing documents, and not fraud,” said R. James Nicholson, secretary of veterans affairs. “In the absence of evidence of fraud, we’re not going to put our veterans through the anxiety of a widespread review of their disability claims.”

Nicholson vowed instead to improve VA personnel training and to toughen administrative oversight of the PTSD claims process.

The VA had announced plans to review PTSD cases after its inspector general examined 2,100 randomly selected case files and found that a quarter of them lacked records to justify the claim. (See “Action in Congress: More Oppose PTSD Review,” December 2005, p. 25.)

Lawmakers and veterans groups hailed the decision to cancel the review.

Cunningham Resigns in Disgrace

Rep. Randy “Duke” Cunningham (R-Calif.) on Nov. 28 resigned from Congress after pleading guilty to accepting more than \$2 million in bribes from defense contractors in return for steering contracts their way.

Cunningham had been a member of the House Appropriations defense subcommittee.

Cunningham, a retired naval aviator and Vietnam War ace, said he had violated the trust of friends, family, and colleagues and he knew that he had lost all respect.

As he announced his resignation from the House, in the middle of his eighth term, Cunningham said it was time to “face the consequences” of his actions. Those consequences could include up to 10 years in prison on charges of bribery, fraud, and tax evasion.

AP photo by Lenny Ignelzi



Duke in disgrace.

Empowered ... or Muzzled?

Rep. Steve Buyer (R-Ind.), chairman of the House Veterans’ Affairs Committee, announced a new hearing schedule for veterans service organizations (VSOs) to comment on VA’s proposed budgets and priorities.

Hearings should occur soon after the budget arrives on Capitol Hill in February, Buyer argues, but the American Legion and Veterans of Foreign Wars say the opposite is true.

These organizations contend Buyer wants to dampen their influence by eliminating the traditional presentation of veteran groups before a joint hearing of the House and Senate VA committees.

“I am extremely disappointed in Chairman Buyer’s latest effort to ignore the veterans service organizations,” said Thomas L. Bock, American Legion national commander. The VFW called Buyer’s plan “an absolute abhorrent idea” that will “drastically” limit the amount of time Congress and the Administration have to review recommendations.

Drug Prices

Veterans service organizations in November blasted a decision by the

VA to charge veterans \$8, rather than \$7, for each prescription filled by the VA for health conditions not linked to their time in service.

The \$1 hike in co-payments for a 30-day supply of medicines prescribed through VA medical facilities begins Jan. 1. The 14 percent increase is the first change in VA drug prices in four years.

The VFW said the \$1 increase in drug co-payments “came as a complete shock to America’s largest organization of combat veterans” and was “totally unacceptable.”

“A one dollar increase doesn’t sound like a lot of money, but it could be devastating if you’re elderly and living on a fixed income and have 20 or more prescription refills every month,” said the VFW in a statement.

VA said the increase is required by law, based on changes in the Medical Consumer Price Index for prescription drugs. Annual out-of-pocket expenses for VA medicine will remain capped. The new cap will rise to \$960 per year, up \$120 from the previous level.

Where’s the Money?

Rep. John McHugh (R-N.Y.), chairman of the House Armed Services military personnel subcommittee, said the Senate ignored budget rules as it voted for a host of unfunded military personnel initiatives.

McHugh said more than a dozen benefit improvements approved as floor amendments during the Senate’s final work on its defense authorization bill lacked funding. The Senate amendments would add “tens of billions of dollars” in spending to the budget’s 10-year horizon, he said, yet Senators don’t have “one cent” applied to the cost.

Where Congress Agrees ...

As House-Senate conferees negotiated a final defense authorization bill this winter, they agreed on a handful of major personnel provisions that were included in both versions of the bill and were expected to pass into law. These included:

- A 3.1 percent military pay raise in calendar 2006.

- An increase in the Basic Allowance for Housing (BAH).

- A provision to equalize BAH so that Guard and Reserve members mobilized for 30 to 140 days receive housing allowances on par with their active duty counterparts.

- A change to the Uniform Code of Military Justice clarifying that no statute of limitations applies to crimes of murder or rape.

- Other UCMJ changes widening the time window for prosecution of child abuse and establishing stalking as a UCMJ offense.

... And Where It Disagrees

The negotiators labored in December to reconcile House-Senate differences over long-sought benefit gains for disabled retirees, survivors, and Guard and Reserve members.

Here is a rundown of the Senate initiatives that the House chose not to match in its own version of the bill:

- **Paid-Up SBP.** The effective date of the premium "paid-up" rule for the military's Survivor Benefit Plan would be moved up three years, from 2008 to Oct. 1, 2005. Premiums thus would end immediately for retirees who have paid them for 30 years or until age 70, whichever is later.

- **SBP-DIC Offset.** This provision would end a dollar-for-dollar reduction in military survivor benefits that occurs when surviving spouses begin to draw VA Dependency and Indemnity Compensation. DIC, set at \$993 a month in 2005, is paid if a member died on active duty or as a result of service-connected conditions. The estimated cost of the two SBP changes above, both offered by Sen. Bill Nelson (D-Fla.), is \$9.2 billion over the first 10 years.

- **Accelerated Concurrent Receipt.** This would accelerate the planned



AP photo by Linda Spillers, Scientific American

Durbin (right) proposes protection worth \$295 million.

restoration of full retired pay for 28,000 retirees with 20 or more years' service and drawing VA compensation at the 100 percent level. A 10-year phased plan to restore retired pay would be replaced with full retired pay dating to January 2005. (The House voted to ease the 10-year plan by restoring full retired pay in 2009 rather than 2014.) The Senate plan, pushed by Sen. Harry Reid (D-Nev.), would cost an extra \$900 million over 10 years.

- **Reserve Tricare.** The new Tricare Reserve Select program would be open to any drilling Reservist or National Guard member willing to pay monthly premiums of \$75 for member-only coverage or \$233 for family coverage. TRS is open to reserve component members who were mobilized, on the condition that they remain in drill status and available for recall. The cost would be \$3.8 billion over five years.

- **Reserve Retirement.** This provision would allow earlier reserve retirement as a reward for service in contingency operations since 9/11. The start of reserve annuities, now set for age 60, would be moved up by three months for every 90 days of active duty served. No reservist could retire before age 50.

- **Retroactive SGLI Hike.** The Senate would give \$150,000 in retroactive payments to survivors of 1,200 service members who died on active duty between Oct. 7, 2001, and May 11, 2005, in noncombat incidents. These families were excluded from a previous retroactive increase in coverage under Servicemembers' Group Life Insurance.

Income Protection Issue

Authorization lawmakers also have to resolve the income protection issue for reserve component troops. Under a

Senate plan, Reservists and National Guard members who are involuntarily mobilized and see a drop in pay from their civilian salaries would receive an income differential. Payments would occur if mobilized for more than 180 days of continuous active duty, or for 24 months out of the last 60, or if involuntarily mobilized less than six months after a previous mobilization.

The House passed a provision to allow income replacement if a reservist spent 18 months on continuous active duty. The House provision would be paid to very few reservists, said Sen. Richard Durbin (D-Ill.), sponsor of the Senate substitute.

Durbin's proposal would cost an additional \$295 million over five years.

Eleventh-Hour Amendments

House-Senate authorization conferees also have to iron out a series of 11th-hour amendments that Senators adopted in their version of the 2006 defense authorization bill. These amendments would authorize:

- An increase in the ceiling on assignment incentive pay, offered by the services to persons with highly critical skills.

- New recruiting and retention incentives.

- A fund to reimburse service and family members for purchase of protective gear used by troops in combat zones.

- New protections from predatory lenders for service members.

- Consumer education for service members and their families on insurance and other financial services.

- Better transition assistance for Guard and Reserve members and families.

AP photo by Steve Mitchell



Nelson wants more for survivors.