

Patrick Corbett, GySgt, USMC (Ret), National President, THE RETIRED ENLISTED ASSOCIATION

TESTIMONY OF

Patrick Corbett, GySgt, USMC (Ret)

National President

Of

THE RETIRED ENLISTED ASSOCIATION

Before a

JOINT HEARING

Of the

HOUSE and SENATE VETERANS AFFAIRS COMMITTEES

On

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DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Retired Enlisted Association does not currently receive, nor has it received during the current fiscal year or either of the two previous years any federal money for grants or contracts. All the Association's activities and services are accomplished completely free of any federal funding.

Chairmen Akaka and Filner, Ranking members Burr and Buyer and distinguished members of both Committees: It is an honor for me to speak before this Joint Committee hearing about the concerns and needs of the America's veterans, their families and survivors.

The Retired Enlisted Association is a Veterans Service Organization founded over 40 years ago to represent the needs and points of view of enlisted men and women who have dedicated their careers to serving in all the branches of the United States Armed Services: active duty, National Guard and Reserves, as well as the members who are doing so today.

At this time hundreds of thousands of enlisted members of the military are serving in War Zones or in areas that could turn into War Zones at the strike of a match. They are risking both life and limb to preserve our Nation's liberties, independence and security. When they return home they must be treated with both the honor and practical help that they have earned and deserve. And their families and survivors deserve the help, support and protection that their spouses and the United States' population expect.

Of course the members of your two Committees have always been concerned and knowledgeable about the preparations and help veterans and retirees receive to help them re-enter civilian life whether they have been injured or not. While there have been many steps forward there are still many areas where critical improvements are waiting to be made. TREA hopes that these critical needs can be dealt with during this session of Congress.

VA CLAIMS BACKLOG AND ADJUDICATION IMPROVEMENT

Yet again we come to you with this severe problem. Last year we testified before your Committees that the VA's claims backlog was unacceptably large and growing every day. (Last year the VA received 838,141 new claim filings. The VA projects over 850,000 this year.) Since our last appearance before you the number has grown to over 800,000 pending claims for compensation, pension and education benefits. Over 75% of these claims are for disability compensation. This translates to a 6 month wait before an initial disability determination. While a veteran is waiting for a decision he or she must continue to keep body and soul together; as well as support a family and hopefully start a new life or continue a productive one. It is crucial for all returning veterans as well as those who served in the past to have their claims quickly and correctly adjudicated. It is also critical for the faith of all Americans in our system that this problem finally be solved.

Due to great improvements in battlefield medicine our troops are suffering the lowest death rate in the history of warfare. This is a great thing and an amazing accomplishment. However, it means that more and more service members are returning home with serious, multiple injuries that will be difficult to adjudicate. The number of rating related claims filed with the VA has continued to increase. In FY2000 579,000 claims were filed and, as has been previously noted, by the end of FY06 806,000 claims were filed. The claims must be decided quickly and correctly so that these veterans and their families can start to put together their future lives. Many cases are becoming more and more complicated. Desperate people are anxiously waiting so they can know how they can move on with their lives. The decisions are slow in coming and often wrong. There has not been the consistency of outcomes throughout the Country that is essential for a system of adjudication to be fair and to be seen to be fair. The VA must improve the quality and consistency of internal training of its decision makers throughout the nation. The VA has stated that it is developing a plan to monitor consistency of decisions across regional offices. We appreciate their efforts. However more work needs to be done to correct these problems.

TREA is very happy that more positions (full time equivalents) were added last year to handle VA's caseload. Now they need to be hired, trained and supervised. The decisions need to be consistent throughout the country. It is crucial "that justice must not merely be done it must be seen to be done." Adjudicators must be continually trained and updated in the ever changing laws and rules. Presently, the VA's own numbers show over 100,000 seriously incorrect decisions a year. That is far too many mistakes. Mistakes cause a loss of faith in the system as well as a huge increase in appeals. The appeals further clog the system, which results in more mistakes. It is a downward spiral.

TREA knows that all members of your Committees are extremely concerned about this continuing back log and inconsistency of decision making. Hopefully, correcting this problem will remain a top priority of the VA.

TREA urges Congress and most particularly your Committees to focus on the need for more permanent adjudicator positions at the VA as well as the necessity of requiring systemic improvements to the adjudication system. Changes must be made to improve the speed, accuracy and consistency of the fact finding.

VA HEALTH CARE

VA health care is in many ways one of the glories of the federal government. Last year the VA provided health care to over 5.5 million veterans of the 7.7 million veterans enrolled at the VA. It does that by running 153 medical centers and 730+ outpatient clinics. This system structure is providing both amazing growth and increasing convenience. The quality of care has become better and better and the VA's specialty health care services- spinal cord injuries, prosthetics and treatment for the blind- are among the best in the world. Additionally the VA provides superb medical training for most of the Medical Doctors in this country. TREA is very grateful for the improvements that the last several years have seen.

But we are very concerned about the recent reports that have come out about substandard maintenance at some facilities, as well as overworked staff and system strain throughout the country. TREA believes that many of these problems have been caused in part by the years of insufficient and unpredictable funding that has compelled the VA's administrations to rob Peter to pay Paul and keep the health care system running. In the last 14 years the VA has started its fiscal year with a Continuing Resolution 13 times. It is extremely hard to properly plan health care delivery under such conditions. Since the VA statistics show that by the beginning of this year more than 300,000 OEF/OIF veterans (out of a possible 800,000) used the VA's health care system last year the need for planning ahead becomes more obvious.

We are happy and grateful to note that there will surely be continuing growth in this number due, in part, to Congress' extension to 5 years of open access to VA health care for all veterans who have served in a "combat theater" since November 11, 1998. This is a wonderful and wise benefit. It is both an important benefit for the member; and, hopefully, it will make it possible for the VA to spot unknown disabilities without delay. This may protect the veteran and the Country from experiences like Agent Orange and Gulf War Syndrome. Additionally, anyone who enrolls under this program and uses the VA will continue to qualify for VA healthcare after the 5 year period. So this, too, means more patients need to be budgeted for far into the future. Again, TREA wishes to thank both Committees for such far reaching planning.

TREA is well aware that the VA was one of the few Departments in the President's FY 09 proposed budget that received a proposed increase in funding. \$41.2 billion is real money but even that is far from enough. We are very grateful to your Committees' recommendation of funding of \$2.5 billion more than the Administration's figure.

TREA knows that you will continue to make sure that the services necessary for all our warriors, whether recent or past, are available.

The Administration has a stated goal for this year of scheduling 96% of primary care and 95% of

specialty care appointments within 30 days of the desired date. If this goal is met it would surely be a great improvement over what is happening now. But the delays are still too long. The delays all our Veterans are facing must be corrected. TREA hopes and expects that your Committees will make sure that this critical problem is dealt with and corrected.

TREA is very grateful that your views and estimate letters made clear that once again, you, like we are opposed to the Administration's requested increases in pharmacy co-pays (from \$8 to \$15 for a 30 day prescription) and an enrollment fee (from 0 to \$750 a year) for presently enrolled Veterans in Priority Groups 7 and 8. We trust that Congress will once again reject these proposals. These draconian measures would put a great financial strain on Veterans who are on fixed, limited incomes at a time when they are least able to pay for it. The veterans in VA Priority Groups 7 and 8 are made up primarily of Veterans, including many Military Retirees, who are elderly and living on fixed incomes. Numerous elderly heroes have come to depend on the VA for affordable and first class health care. And we all know that most elderly patients have many critical monthly prescriptions. The proposed increases could be financially crippling to them. Once again this year the savings the Administration is expecting from this proposal is not from the money collected but rather from forcing enrollees in Priority Groups 7 and 8 to drop their enrollments. This is not a proper way to save money Furthermore TREA is very doubtful that an enrollment fee would have the result the Administration wants and expects. Rather we expect that it would put greater strain and demands on the system At this time there are no access standards applying to Priority Groups 7 and 8 (like there are for Service Connected treatments and on the DOD side in TRICARE Prime). It is really functioning as a space available system. If a substantial fee was imposed we believe it would be likely to cause a huge push for the VA to comply with access standards. After all they would be paying for coverage and should be guaranteed some treatment. Rather than easing the pressures on the VA an enrollment fee would make the pressure of Priority Groups 7 and 8 much worse.

TREA believes firmly that the VA must continue to focus on the health care that is being provided for all those veterans coming home from Iraq and Afghanistan, and that sufficient planning, coordination and money must be provided to guarantee the best care in the world for our veterans from both the VA and DOD. Once again we must focus this year on the need to have a seamless transition from DOD to the VA (please see below). This coordination is clearly crucial in order to provide for our heroes' needs as well as for VA's future fiscal planning. TREA hopes and expects that Congress will carefully oversee the future funding levels (and necessary increases) and coordination of care among these many crucial programs.

In the coming year the VA and DOD should increase the number and size of their "Centers of Excellence" dealing with the large numbers of severely and multiple injured veterans who are returning home and looking to the VA for hope in their future lives. There are presently 4 of these centers (and one in San Antonio will soon be up and running) but we may very well need more as the War on Terror continues. As TREA has said before it is clear that we will continue to see substantial increase in the necessity of mental health services (both outpatient and in patient) for Veterans returning from the War. We also think it is wise to provide counseling services for

families of returning veterans and therefore strongly support Chairman Akaka's wise bill (S2162) which give the VA to provide such services. There will also be a growing need to increase the programs that the VA has wisely created to provide counseling for the Veterans families. Additionally the VA will need to become more and more expert treating both Traumatic Brain Injuries (TBI) and Post Traumatic Stress Disorder (PTSD). The planned TBI center should be a great help in the future.

And for older Veterans there will be growing need for nursing home care. We know that the VA may indeed think we will think about the nursing home problem later but they cannot delay. The demographics of many of our elderly veterans will not let them. The VA's partnership and support with state veteran nursing homes is one step forward. But more must be done. And while providing care for elderly veterans the VA should be allowed to do what all other qualified American providers are allowed to do: collect from Medicare. These Veterans have paid for the Medicare coverage throughout their careers. The VA should be allowed to become a Medicare provider and collect appropriate fees. We hope that next year will be the time when this may finally happen.

TREA urges Congress to exercise your oversight to make sure that VA's crucial healthcare programs are adequately funded throughout the next budgetary year and we thank you for your recommended \$2.5 billion addition for funding VA health care.

TREA urges Congress to reject the Administration's proposal to increase VA pharmacy co-pays and create a yearly enrollment fee for Veterans presently enrolled in Priority Groups 7 and 8.

TREA urges Congress to sponsor improvements in VA health care including more funding for the Centers of Excellence Centers and other essential program.

TREA urges Congress to support legislation to allow the VA to become a Medicare provider.

COMMISSIONS' AND TASK FORCE'S RECOMMENDATIONS

In the last year both Congress and the Administration have been deluged with reports dealing with returning veterans, injured veterans, returning National Guard and Reserve veterans as well as all Veterans' and survivor benefits. Of course many of these Commissions and Task Force's areas of study have overlapped. Many of the panels were created because of the government's and public's concern for our veterans after reading last year's stories concerning conditions at Walter Reed. Understandably everyone wanted to do something and do it right away. But we all know how hard it is to stand up any program and make it work. And VA benefits programs are nationwide programs with over 50 years of experience behind them. Therefore any major changes should only be made after careful deliberation and study.

One of the Commissions, the Veterans Disability Benefits Commission (VDBC) was chartered by Congress in 2004 and after 3 years of study and analysis produced a 562 page report. The 113 recommendations are thoughtful and practical and many could greatly improve the system. TREA believes that 2 of their most important recommendations are to finally and totally end the offset of retired pay and VA disability pay for all military retirees (from 10%-100%) and to end the dollar for dollar offset of SBP and DIC (please see Survivors section below). While we are well aware that both offsets are not within your Committees' jurisdictions you are the specialists on these matters and your opinions and expertise have great influence throughout Congress.

A second influential Commission, "The President's Commission on Care for America's Wounded Warriors"(known as the Dole/Shalala Commission), created an amazingly learned report in 4 months and many of their recommendations have already been folded into last year's NDAA. But their recommendation to completely change the entire disability rating system is one that TREA thinks needs much more study. And if Congress was to consider such a dramatic change it should only be contemplated if all disabled veterans were to be treated the same way. It is crucial that all disabled veterans should be treated fairly and equally. Benefits must be equal for the good of the service and the morale of all service members, their families, veterans, and survivors.

TREA urges Congress to finally end the VA service related disability pay and military retired pay dollar for dollar offset (10%-100%).

TREA urges Congress to study carefully and cautiously all structural changes that are contemplated in changing the VA disability evaluation system.

DOD-VA COLLABORATION/SEAMLESS TRANSITION

The public now knows and is justifiably worried about the difficulties that service members experience when going from the status of a member of the military to that of veteran. They don't know what is under DOD's jurisdiction and what is under VA's but they clearly understand that there must be a clean, swift and invisible handoff between DOD and the VA. TREA, along with the rest of America's citizenry, is concerned that we obviously have not created the seamless transition our troops need going from DOD to the VA. This is another area where your Committees' oversight functions are critical. The much praised VA electronic health record program must be able to speak to DOD's new ALHTA electronic health record program. Both Departments must create an electronic health care record that all TRICARE and VA health care patients can carry with them wherever they are throughout the world for their entire lives.(and not place paper medical files on the stretchers with injured service members being evacuated out of war zones as is still going on today.). And while doing so the VA must continue to focus on IT improvements and security. While making these necessary changes we must forever make sure that sufficient safeguards exists to protect everyone from security and privacy breaches. Additionally, DOD and the VA need to stand up throughout the country a single separation exam. This would be a blessing to the Veteran, the VA and DOD. And it should help the VA in improving the speed and accuracy of determining VA claims. Year after year, we (and many other

groups) call for this change and still only partial implementation has occurred. Now is the time Congress should insist that DOD and the VA continue to improve the hand off from one jurisdiction to the other. The time to complete this change is now.

TREA hopes your Committees will continue to monitor the necessary improvements in the programs supporting the transition service member's from DOD to the VA jurisdiction.

IMPROVEMENTS IN EDUCATION BENEFITS

TREA is truly excited by the real possibility this year of additional significant improvements in education benefits for those serving in the military today. Last year you made significant steps forward in bringing MGIB in line with education in the 21st Century. This year passage of S22 (amended), recently renamed "Post-9/11 Veterans Educational Assistance Act " would be a huge step forward for all the men and women who have been protecting this Nation during the War on Terror. Senator James Webb's of Virginia bill would change life for numerous veterans. While the bill has been significantly changed from last year's version it would still enormously improve the present education benefit for those who have served on active duty since this War began. (We expect that a companion bill will be filed in the House in the near future.

Its benefits would pay the costs of approved programs up to the tuition of the most expensive in-state public College or University plus a monthly stipend to cover housing costs in the area. This would be a huge improvement from today's grants and would once again allow the benefit to cover the cost of a 4 year degree. This is a longtime goal of The Partnership for Veterans Education, a consortium of Veterans groups and higher education associations of which TREA has been a longtime member. But it would do even more, in that, it would match dollar for dollar any voluntary additional contributions to veterans from Institutions of Higher Learning whose tuition is more expensive than the benefit. This would a marvelous opportunity for young men and women who have willingly contributed so much to the United States. World War II's GI Bill changed the face of this Nation. This bill would be a great boon not just for the Service members, but for their families, communities and the entire Nation.

There are also other pending bills that TREA strongly supports in this area. We hope that the members of the Veterans Affairs Committees will support "The Total Force Montgomery GI Bill" HR1102 and S644. Again, it would transfer jurisdiction of the Montgomery GI Bill for Reserve and National Guard from Article 10 (DOD and the Armed Services Committees) to Article 38 (the jurisdiction of the VA and your Committees.) This would be a great structural and practical improvement in the program.

Presently, the Montgomery GI Bill is one of the most important benefits that this Nation provides to all our Veterans. It serves as a crucial recruiting tool and as a way for patriotic, disciplined and intelligent men and women to move up in the civilian world. Unfortunately, your many improvements to the Montgomery GI Bill have not been reflected in the Selected Reserve Program. In the last several years the Active Duty and the National Guard and Reserve components have been operationally integrated to implement the "Total Force Policy". The Total Force Policy functioning in our Wars in Iraq and Afghanistan has resulted in huge additional

burdens being placed on our Guard and Reserve members. It is time to properly coordinate the two programs. Needed modifications and improvements could then be made in tandem in both programs. These improvements should include increasing the monetary benefit (as you have for the Active Duty plan). Since 9/11 the role the Guard and Reserve play in our National Defense has changed dramatically and we should recognize that fact.

Additionally, with the increased pace of call ups and our increasing reliance on the Guard and Reserve (a reliance that TREA doubts will change in the foreseeable future) the benefit itself should be readjusted and increased. Your Committees have both the focus and the expertise necessary to properly coordinate the two programs.

It is important for Congress to correct the growing benefit gap between the Active Duty Montgomery GI Bill and the National Guard and Reserve Montgomery GI Bill as soon as possible. For the first 15 years of the "Reserve MGIB Program- Chapter 1606 of Article 10 of the USC- members who joined for at least six years received 47 cents in education benefits for every dollar the active duty member received. However the ratio between the two programs started to drop as changes in the active duty program were not reflected in the reserve program. The present ratio has now dropped to 29 cents per dollar. Now the current monthly stipend is \$317 a month rather than the \$1101 monthly stipend for the active duty program. This drop has occurred while the demands on the Reserve components have grown. As soon as the National Guard and Reserves program is under your jurisdiction we hope that your Committees will quickly move to correct this inequity.

TREA also hopes that at long last Congress will end the \$1,200 MGIB enrollment fee. When a new recruit enters the military he or she is required to pay \$1,200 from their pay to establish future eligibility for the GI Bill's education benefits. This is being required when they are in basic training and have a great many concerns and worries. If they make the wrong decision they can never correct it. They cannot enroll later. Many low ranking recruits feel tricked that they are required to remit a large portion of their pay to reserve this future benefit. Hopefully, you will also allow an open season for those now serving who did not initially choose to sign up for the MGIB may do so at a later date. We want all those who serve honorably to have this benefit. It is time that we abolish this burdensome requirement.

TREA urges Congress to support the new "Post-9/11 Veterans Educational Assistance Act"
TREA urges the Committees to support HR 1102 and S644 and move the SR Montgomery GI Bill under its jurisdiction in Title 38.

TREA urges that the SR MGIB benefit be readjusted to both reflect the improvements in the Active Duty MGIB program and to reflect the added duties and burdens that are being placed on the Reserve Components.

TREA urges the Committees to repeal the \$1200 Montgomery GI Bill Enrollment Fee.

SURVIVORS BENEFITS

Everyday during this war on terror, wives, husbands, children, and more parents are becoming

survivors of our service members. We are losing members of the military every day. (Indeed even in peace time we lose an average of 1,500 Service members a year on active duty. The military is always a very dangerous avocation.) As Lincoln memorably told us in his Second Inaugural Address we, as a Nation, have a duty to take care of his "widow and orphan." In the last few years we have made real improvements in the benefits and help we provide for the families who are suffering terrible losses in the present wars. We wish to thank Congress once again for these improvements. However, there is one serious failing that has again and again fallen through the cracks.

We hope that in the 110th Congress we can finally end the SBP/DIC offset. In the Senate Senator Bill Nelson of Florida is again leading the fight with his S935. In the House Representative Solomon Ortiz of Texas and Representative Henry Brown of South Carolina have both taken up the fight. Both Rep. Ortiz's HR1937 and Representative Brown's HR1589 would end this unfair offset. TREA is well aware that that the Armed Services Committees have jurisdiction over this policy question. (After all, the VA is making its DIC payments.) However, with your acknowledged expertise and knowledge in this area we hope that you can persuade your colleagues to finally correct this injustice.

Last year Congress provided a first tentative step in ending this unfair and unwise offset. You provided a \$50 a month payment for those widows/widowers who are affected by the offset and who have paid into the SBP program. We realize that you were looking at the survivors who had received no help from the recently passed Survivor benefit improvements. However, respectfully, this is not an appropriate distinction to make. All survivors have suffered the same tremendous loss on behalf of our country. None should be penalized by this offset.

There are two groups of widows (and widowers) who are harmed by this offset. The first group are those whose spouses who died on active duty and the second group are those whose spouses died of service-connected disabilities or injuries. Both groups should be relieved of this burden. This offset takes a dollar from the SBP payment for every dollar the widow receives from DIC. Each payment covers a different purpose and should be treated separately. The DIC is a special indemnity (compensation or insurance) payment that is paid by the Department of Veterans Affairs (VA) to the survivor when the servicemember's service causes his or her death. It is a flat rate payment of \$1091 for the surviving spouse and \$250 for each surviving child. The SPB annuity, paid by the Department of Defense reflects the longevity of the service of the military member. It is ordinarily calculated at 55% of retired pay. Military retirees who elect SPB pay a portion of their retired pay to ensure that their family has a guaranteed income should the retiree die. If that retiree dies due to a service connected disability, their survivor becomes eligible for DIC. This unfair treatment has existed long before Operation Enduring Freedom and should be corrected for all those affected.

The recent improvements in survivor benefits focused on those families who lost service members since the beginning of Operation Enduring Freedom The survivor benefits included in the Veterans Improvement Act of 2004 (P.L. 108-454), is an increase to Dependency and Indemnity Compensation (DIC), an extension of education benefits from 10 to 20 years for the

survivors of those killed on active duty, and a provision of an additional \$250 monthly to surviving spouses with children under the DIC program for a two year transition period. Public Law 109-163 (the FY 2006 National Defense Authorization Act) increased the amount of the death gratuity presented to survivors of those killed on active duty to \$100,000, increased the maximum amount of the Servicemembers Group Life Insurance payment to \$400,000 and enhanced medical benefits for surviving dependent children. Most of these benefit enhancements only apply to the survivors of those whose deaths occurred on or after October 7, 2001. The survivors of those who died on active duty before October 7, 2001, are not eligible for these enhanced benefits.

TREA has heard some Congressional members and staff believe that this problem has been solved by the increases in the death gratuity and the increases in SGLI. This is not true for either group of widows. 94% of the more than 61,000 survivors affected by the SBP/DIC have received no benefit from those recent changes. The vast majority of the affected survivors received far smaller payments - as little as \$50,000 in SGLI or \$3,000 as a death gratuity. Many of them (indeed any survivor of a Service member who died or retired as a E-6 or lower) are eligible for a payment of only \$1091 per month. There are only approximately 4,000 SBP/DIC -eligibles whose sponsors died on active duty since 10/7/01.

But the recent widows who have received these improvements clearly also deserve an end of the offset. This is what Congress intended when it included all active duty deaths in the SBP program 4 years ago. You wanted them to have the SBP benefit they needed to start their economic life again. You did not intend this to be a hollow benefit. For your goal to be accomplished this offset must end.

The 57,000 survivors who have not been helped by the recent substantial improvements in the SGLI payments and the amount of the death gratuity are the survivors of a service disabled retired member of the uniformed services. At this time the SBP annuity he or she has paid for is offset dollar for dollar by the DIC survivor benefits paid through the VA. This puts a disabled retiree in a very unfortunate position. If he or she is leaving the service with a disability it is only wise for him or her to enroll in the Survivor Benefit Plan (indeed he may very well not be insurable in the private sector). After all he or she may die from a cause that has nothing to do with his or her military service. But if he or she does die of his service connected diagnosis, then again his survivor loses dollar for dollar for what the DIC pays. This is neither fair nor good public policy.

SBP is a purchased annuity, an earned employee benefit. This is a retirement plan. As stated above it takes into account longevity of service. The vast percentage of the affected families served a full career in the military (because we all know that the whole family is part of a service member's career.) This is part of the retirement package. Even the name of the Dependency Indemnity Compensation's (DIC) name makes clear that it was created for a very different reason. It is an indemnity program to compensate a family for the loss of a loved one due to his or her military service. Again, they are different programs created to fill different purposes and needs. The survivor does receive a taxable pro-rated share of the paid SBP premiums back without interest in a lump sum. But that cannot make up for the cost and difficulty paying those premiums all those years of retirement caused. If a disabled veteran earns a civilian pension as a

federal civil servant the family will never lose either their survivor payment or their DIC to any offset. The service member did what he could to provide for his spouse. This is behavior the Federal Government wishes to encourage. This offset makes his attempts a failure. The offset should be abolished. Again, S935, HR1589 and HR1927 would completely end this unfair offset. We hope that this is the year when we correct this problem. TREA hopes that the members of both VA Committees will support the bills.

Directly under your jurisdiction is another improvement that we hope Congress can move on this year. The Dependency and Indemnity Compensation (DIC) payment is simply too low. Even with the yearly COLA adjustment it provides approximately \$13,000 a year for a widow without minor children to live on. This is not even subsistence for those who sacrificed so much for the safety and survival of our country.

Finally, we hope that you will all support Representative Gus Bilirakis' HR 704 and allow survivors to retain DIC if they remarry at the age of 55 or older. TREA is very grateful that he has taken on one of his father's causes. At this time the age for retention of DIC is 57. However the age to retain CHAMPVA upon remarriage is the normal federal program age of 55. The difference is because the two benefits were reinstated in different years and during different Congressional negotiations. There are no policy reasons for this awkward and unequal distinction and we hope that this year it can finally be corrected.

TREA urges Congress to finally completely end the SBP/DIC dollar for dollar offset.

TREA urges Congress to make last year's \$50 a month payment to partially correct the offset apply to all affected survivors.

TREA urges Congress to increase the basic DIC payment to reflect the normal ratio among indemnity programs throughout the federal government.

TREA urges Congress to support the passage of HR704 and allow surviving spouses to retain their DIC if they remarry after reaching the age of 55.

THE NON-VETERAN MILITARY RETIREE

TREA often needs to explain that all Military Retirees are Veterans but all Veterans are not retirees. However, that is not totally correct. While it is true for the vast sum of Military retirees one group is left out. Guard and Reserve retirees who have served honorably for 20 or more years but have not been called up for at least 180 consecutive days of federal active duty do not qualify as veterans under the current law. (Active Duty for training does not qualify a member for Veterans status) This is true although they were always required to be prepared to be activated during their 20 years or more of service. Indeed, they may have served a great deal of time under state orders- but they are not designated veterans. With the dramatic changes in how we are using the Guard and Reserve the percentage of retirees in this situation is dropping and will continue to drop. Still, this is an anomaly that needs to be corrected. These Military Retirees should be allowed the honor of the designation of "veterans of the Armed Forces of the United States. " They are indeed Military retirees and are eligible to receive active duty retiree benefits when they reach 60 years of age.

These Military retirees are qualified to receive military retirement pay after reaching 60 years of age. They qualify for TRICARE after reaching 60. They have unlimited use of the Commissaries and Exchanges during and after their service. (They have full use of the Commissaries/ Exchanges when they are what we all call Grey Area Retirees before they turn 60 years old. They are total Military Retirees. Additionally, these dedicated members of the National Guard and Reserve already qualify for some Veterans benefits. These include: (1) VA disability compensation and health care if he or she is injured and or disabled while performing inactive duty for training, regardless of the length of time for service; (2) eligibility to participate in the VA home loan program if one serves for at least six years of honorable service; (3) VA burial and memorial benefits if the retiree is entitled to retired pay at the time of his or her death; and (4) eligibility to SGLI and VGLI.

The members who fit into this situation by definition would not qualify for a VA disability rating and thus would not qualify for a disability payment or health care. They have had a full civilian career so the great majority would have assets and incomes above the VA Priority Group 8 means test, which has been closed to new applicants for more than five years. A few individuals in the non-disabled, non-veteran retiree cohort might qualify for VA health care as Priority Group 7 means-tested individuals. Extremely few might qualify for enrollment in Priority Group 5 as indigent veterans. Most would have civilian health care insurance and once they turned 60 they would qualify for TRICARE. So the change should not result in increased costs or increased benefits.

These non-retiree veterans are calling for this change for the recognition and honor-- not any increase in benefits. They wish to be termed "veterans of the Armed Forces of the United States". They volunteered to serve, served honorably, and were prepared to serve on active duty if called. TREA firmly believes that a career of military service in the reserve forces of our nation should constitute qualification for veteran status under the law.

TREA urges Congress to modify Title 38 to define members of the Guard and Reserve who have served 20 or more years but who have not been activated for over 180 days as Veterans.

CONCLUSION

TREA wishes to thank the Senate and House Committees on Veteran Affairs for the honor of testifying before you once again. We are grateful for the opportunity to speak of our concerns and legislative goals. We are also grateful for the opportunity of working with you and your terrific staffs throughout the year. During this time of War we are

calling on the VA to take up more and more crucial tasks. During all times the VA is a crucial institution for helping to preserve our Nation's freedoms and helping those who protect us all from danger. TREA knows that it is a heavy burden for the members of both Committees to take on the oversight duties for such a huge, far flung, and critical Department . We know that you will do all in your power to assure that adequate funding is provided for health care, that improvements are made in case adjudication and that the Veterans and their families and

survivors who have given so much to preserve this Union are provided the help they need and deserve. Again thank you and I would be happy to try and answer any of your questions.