



Hawaii Regional CG Retiree Council Newsletter



Feb 13, 2013

QUARTERLY COUNCIL MEETING, WEDNESDAY 14 NOVEMBER 2012

Our next quarterly meeting is at 1900 on Wednesday 13 February at Club 14. Normally the meetings are held the second Wednesday of the second month of each quarter. We usually complete any business within an hour preceded and followed by a social adjustment period. Let us know if you are not a regular attendee but have an idea or two that might make you more inclined to join.

OUR WEBSITE

It is straight forward and has a link to forward any questions to Rod and Tom. Our newsletter is attached to the site so that it can be opened and viewed. Website: <http://www.uscg.mil/d14/cmd/assoc/rc/> Pass it on to your friends and fellow retirees!

EMAIL

If you know of any retiree with an e-mail and would like to receive this please have them get a hold of Rod or Tom and we will set you up. If you want to get a message out to everybody on our email list, please send it to Tom or Rod who will, if its "politically correct", relay it to all hands as blind copies. You can call Tom @ 672-9065 (home) or 221-3274 (cell). Please leave a message if I don't pick up.

BINNACLE LIST

[Senior Chief Terrell Horne III, USCG](#)

by Coast Guard Foundation on December 03, 2012

The worst news came in late Sunday — a Coast Guard member, Senior Chief Petty Officer Terrell Horne III, had died in the line of duty. BMC Horne was assigned to the Coast Guard Cutter HALIBUT, based out of Marina Del Ray, attached to Coast Guard Sector Los Angeles/Long Beach, California.

When a Coast Guard member dies in the line of duty, we all feel the loss. Our hearts go out to BMC Horne's family at this time. As an organization we are here to support his family, and the Coast Guard community at large, any way we are needed. Please join us in sending Chief Horne's family prayers and positive thoughts at this difficult time.

If you would like to support the Coast Guard community, BMC Horne's family, and his shipmates, [you can donate now](#).



In a statement on Sunday, Coast Guard Commandant Admiral Robert J. Papp said, "We are deeply saddened by the loss of our shipmate. Our thoughts and prayers go out to his family and friends, and his shipmates aboard Coast Guard Cutter Halibut. We are focused on supporting them during this very difficult time. Our fallen shipmate stood the watch on the front lines protecting our nation and we are all indebted to him for his service and sacrifice. Finally, I commend the responding Coast Guard and Customs and Border Protection units whose quick actions led to the successful interdiction and apprehension of those believed to be involved."

BMC Horne served in the Coast Guard for almost 14 years, previously serving at Coast Guard Stations Emerald Isle, Humboldt Bay and Charleston, and also sailed aboard the CGC DALLAS.

According to the Coast Guard, the HALIBUT was investigating a vessel suspected of illicit activities. The vessel was initially detected by a Coast Guard maritime patrol aircraft.

The cutter deployed its small boat which made an approach on the suspect vessel, which was running without any navigational running lights or other illumination. When the Coast Guard small boat approached with its blue law enforcement lights on, the suspect vessel manoeuvred at a high rate of speed directly towards the Coast Guard small boat and rammed it before fleeing the scene.

Two Coast Guard members were thrown from the boat into the water, and both members were immediately recovered by the Coast Guard small boat. Upon recovery it appeared BMC Horne sustained a traumatic head injury, while the other had minor injuries.

The cutter crew quickly recovered the small boat and boarding team, and immediately administered first aid to the injured crewmembers. Halibut made its way to Port Hueneme, Calif., where emergency medical service units met the cutter at the pier and pronounced one injured crew member deceased.

Additional Coast Guard assets were able to stop the fleeing panga, and detained two suspects. The incident remains under investigation.

If you know of any local retirees or retiree spouses who are sick or have passed away, please contact: Tommy Dutton Council Co-Chair's DuttonM003@Hawaii.RR.Com or Rod Schultz, schultz369@gmail.com

QUESTION ON RETIREE DEATH NOTICES on PSC Website

Our website has been updated to provide a monthly listing of retirees who have crossed the bar. The first list was posted this month. You will find this information on the RAS website, left hand side of the page under TAPS.

<http://www.uscg.mil/ppc/ras/>

TRICARE Rx Fee Hike Planned for February

NOTE: If you would like to view/post comments about this article, please go to

<http://www.military.com/features/0,15240,253689,00.html>

House-Senate conferees have agreed to the more modest House-passed plan for raising drug co-payments on military family members and retirees who fill prescriptions at TRICARE retail outlets or through mail order.

The fee increases are scheduled to take effect Feb. 1, TRICARE officials said as the fiscal 2013 defense authorization bill, with many other provisions impacting the military community next year, moved toward final passage.

The new pharmacy fee plan includes a requirement that beneficiaries 65 and older have all maintenance drugs for chronic conditions refilled, for at least one year, through TRICARE mail order or at base pharmacies, rather than through retail outlets where the cost to TRICARE is a third higher.

TRICARE likely will need to publish a draft regulation, solicit public comment and launch an education effort for elderly beneficiaries before it begins to enforce home delivery for seniors. That could delay starting that portion of the pharmacy plan until April or later.

It is a matter "under review and as yet we do not have an implementation time frame established," said Kevin J. Dwyer, deputy chief of benefit information and outreach for the TRICARE Management Activity.

Conferees were persuaded to embrace the House plan, supported by advocates for military beneficiaries, over more aggressive fee hikes sought by the Obama administration. The Senate version of the defense bill was silent on the issue, which was a nod for the administration to proceed.

But over the past two weeks, a House-Senate conference ironed out differences between separate versions of the defense bill and the House plan prevailed. So after January, at TRICARE retail outlets, the current \$12 co-pay for brand name drugs on the military formulary will rise to \$17. The \$25 co-pay for non-formulary drugs will jump to \$44. The co-pay for generic drugs at retail will stay at \$5. Drugs will stay free at military pharmacies.

For mail order, the current \$9 co-pay for brand names on formulary will increase to \$13. The \$25 co-pay for brand names off formulary will jump to \$43. Generic drugs will continue to be dispensed by mail at no cost.

For fiscal 2014 and beyond, the plan directs that drug fees be raised annually by the same percentage as retiree cost-of-living adjustments. In years when a COLA increase applied to pharmacy fees would total less than a dollar, it will be delayed a year and combined with the next adjustment. So that drug fee increases, when executed, are always a dollar or more.

The administration wanted drug fees reset substantially higher in 2013 and to grow by \$2-a-year through 2016. It then wanted annual adjustments to match medical inflation, not retiree COLAs.

Mail order users of brand name drugs save two-thirds on co-pays automatically because refills are for 90 days versus 30 days at retail. Given those savings and the convenience of home delivery, backers of the House plan expect most elderly beneficiaries, once forced to use mail order, to stay with it, saving TRICARE hundreds of millions of dollars year after year.

The projected savings allowed the House to roll back the drug fee increases sought by the administration without raising the budget's top line. In fact, so many TRICARE dollars will be saved that conferees used some of that money to fix a "glitch" in Combat-Related Special Compensation (CRSC).

CRSC 'GLITCH' -- Effective Jan. 1, several thousand retirees forced from service short of 20 years due to combat-related disabilities will see their compensation pop by an average of a few hundred dollars a month. These folks became eligible for CRSC in 2008 when Congress expanded the program to cover these so-called "Chapter 61" retirees. But the formula for calculating payments had a flaw, which some disabled retirees noticed when the VA raised their disability rating but their take home pay didn't change.

Whether and how individuals are impacted depends on a mix of factors including original service disability rating, length of service, rank and the VA rating for combat-related conditions.

ENHANCED SERB -- Other personnel-related provisions in the defense bill (HR

4310) will give the services new authority to hold Enhanced Selective Early Retirement Boards for paring ranks of retirement-eligible officers during the force drawdown. The enhanced SERB allows the services to be more selective in retiring senior officers. It was used effectively after the Vietnam War. Current SERB authority is more limited. For example, an officer now can be screened for early retirement only every five years. It also is difficult to target specific year groups or job specialties when services need to pare a sizable number of officers in grades O-5 and O-6.

TIME-IN-GRADE WAIVERS - The defense bill also will double the number of time-in-grade waivers the services can use to reduce excess senior officers.

These waivers lower from three years to two the time O-5s and above must serve in current grade to retire at that rank. It's another force shaping tool sought by the services as force strength falls.

COMPENSATION COMMISSION - The bill establishes a special nine-member commission to review military pay and retirement changes that will preserve "viability of the all-volunteer force," starting with a package of reforms being drafted by the Department of Defense. The commission is to deliver a report to Congress within 15 months, recommending any changes to the DoD or "president's" plan that at least five commissioners support.

The commission, by law, will not propose changes to retirement for the current force. But it can propose enticements to current serving members to switch retirement plans voluntarily. Presumably the offer would include some lower-value package with earlier vested and portable benefits, which also would deliver long-term retirement savings to the government.

Conferees rejected the president's request that recommendations from the pay commission have the sanctity of recommendation from base closing commissions, which Congress could accept or reject but not modify them.

Write Military Update, P.O. Box 231111, Centreville, VA, or email milupdate@aol.com or twitter: Tom Philpott @Military_Update.

TRICARE Prime Fee Changes Effective October 1

TRICARE Prime enrollment fees for retirees and their families will increase to \$269.28 for individual retirees and \$538.56 for retirees and their family members, effective October 1, 2012. Survivors of active duty deceased sponsors, medically retired service members and their dependents are exempt from these increases. Active duty service members and their families also continue to have access to TRICARE Prime with no enrollment fee.

Prime beneficiaries who enrolled before October 1, 2011, did not incur the 13-percent fee increases imposed on new enrollees last year. The increases that take effect next week reflect the 13-percent increase that were levied on new enrollees last year, plus a 3.1-percent increase that is equal to the annual cost-of-living adjustment (COLA) for 2013.

- Those who enrolled before October 1, 2011, currently pay \$230/year for individuals and \$460/year for families.
- Those who enrolled on or after October 1, 2011, pay \$260/year for individuals and \$520/year for families.
- After October 1, 2012, all Prime beneficiaries (except those exempted) will pay \$269.28/year for individuals and \$538.56/year for families.

Beneficiaries can opt to pay their enrollment fee monthly, quarterly or annually. To make changes

visit <http://www.tricare.mil/mybenefit/home/Costs/HealthPlanCosts/TRICAREPrimeOptions/EnrollmentFees> or call the representative for your TRICARE region:

- North Region/HealthNet Federal Services - 1-877-874-2273
- South Region/Humana Military Healthcare Services - 1-800-444-5445
- West Region/TriWest Healthcare Alliance - 1-888-874-9378

DoD to cut Tricare Prime in 5 West areas

By Patricia Kime - Staff writer

Posted : Thursday Oct 18, 2012 22:05:45 EDT

The Pentagon is moving ahead with plans to slash its network of Tricare Prime providers, starting by eliminating the Prime option in three states and two cities in the Tricare West region.

As of April 1, as many as 30,000 Prime beneficiaries — retirees, Active Guard and Reserve troops, and family members — in Iowa; Minnesota; Oregon; Reno, Nev.; and Springfield, Mo., will have to switch to Tricare Standard, a traditional

fee-for-service health plan, according to a source with knowledge of the reorganization.

Pentagon officials would not confirm that the five areas will lose Prime in April.

The areas lie outside Prime service areas covered under new Tricare regional contracts awarded by the Pentagon.

Under those contracts, Tricare will offer Prime networks only within “catchment areas,” defined as a 40-mile radius around military treatment facilities and in areas affected by the 2005 base closure and realignment process.

However, there are provisions to allow Prime beneficiaries who see a physician outside the 40-mile service area to stay in Prime if they live within 100 miles of an available primary care manager and sign an access waiver.

New enrollments also would be allowed for those outside Prime service areas if there is network capacity and the primary care manager is less than 100 miles from the beneficiary’s residence.

Spokeswoman Cynthia Smith said the intent is to bolster health care support for the core active-duty populations near military treatment facilities that have been left short-handed “due to the deployment requirements of military medical providers.”

But the move would save big money for the Pentagon because it cuts contract administration overhead in these Prime areas and shifts more of the costs of care to beneficiaries.

What it means for beneficiaries

Active-duty family members in Prime pay no enrollment fees or co-pays. Military retirees pay annual enrollment fees of \$269.26 for an individual and \$538.56 for families, and their co-pays for outpatient care are just \$12. Prime requires no deductibles.

Under the changes that will start April 1, as many as 170,000 Prime enrollees across all three regions eventually may have to drive longer distances to see a Prime provider or switch to Tricare Standard, which has no enrollment fees but carries greater out-of-pocket costs:

- Cost shares are 20 percent for active-duty family members and 25 percent for retirees and other eligible beneficiaries.
- Annual deductibles for outpatient care are \$50 for an individual and \$100 for a family for active-duty members in paygrades E-4 and below, and \$150 for an individual and \$300 for a family for all others.
- The annual catastrophic cap — the maximum health care costs a beneficiary must pay in any one fiscal year — is \$1,000 for active-duty families and \$3,000 for retirees.

The move to eliminate Prime service areas away from military installations has been in the works since 2007, when the Defense Department released a draft of its new Tricare contract proposal. But a series of contract disputes delayed the launch of the new initiative.

“The can got kicked down the road” because of the contract protests, said retired Air Force Col. Steve Strobridge, director of government relations for the Military Officers Association of America. “Beneficiaries are going to have to change what they are used to. With something as basic as health care, this always raises a certain level of angst.”

With the contract disputes now resolved, the changes in the initial five areas could be just the beginning.

Under the old contracts, the entire Tricare South region was designated a Prime service area. In the West and North regions, the companies that managed the contracts also expanded Prime into areas not located near military bases, populated mainly by retirees, Active Guard and Reserve troops and their families.

“We’re worried mostly about the South” because Humana Military Health Services, the contractor for that region, “now provides Prime everywhere,” said Barbara Cohoon, deputy government relations director for the National Military Family Association.

Beneficiaries in the South “already are hearing from their providers” that they will not remain in Prime, Cohoon said.

Health Net Federal Services manages the North region contract. Beginning April 1, UnitedHealth Federal Services takes over the West region from TriWest Healthcare Alliance.

Officials with all three regional contractors declined to comment and referred all questions to the Defense Department.

Dismantling Prime networks outside the immediate vicinity of military treatment facilities also will eliminate Tricare Extra in these places; that option allowed non-Prime users to lower their costs by seeing Prime network providers.

“All beneficiaries can choose to use Tricare Standard, which gives the beneficiary the most flexibility and greatest choice of any of the Tricare products,” Smith said.

According to the Pentagon, those in Tricare Prime Remote — a program for active-duty troops and their families living in rural areas — as well as those on or near an installation with a hospital or clinic will see no change to their health benefits.

“This will not affect active-duty military and their families,” Smith said. “This change also will not impact areas where there is a military treatment facility.”

Retirees Far From Bases To Lose Tricare Prime, the military's managed-care option, will end Oct. 1, 2013

For retirees, their family members and for military survivors who reside more than

40 miles from a military treatment facility or from a base closure site, Tricare Management Activity announced Wednesday.

Most of these 171,400 beneficiaries will need to shift health coverage from Prime to Tricare Standard, the military's fee-for-service health insurance option. For beneficiaries who use more than preventive health care during the year, the shift will mean higher out-of-pocket costs.

Defense officials expect the move to save the health care system up to \$55 million a year.

The rollback in number of Prime service areas will not impact active duty members or their families living far from a military base for tours as recruiters or in other remote assignments. Their health insurance through the separate Tricare Prime Remote program will not change.

But grown children of members or of retirees who elected coverage under Tricare Young Adult insurance will, like retirees, lose access to managed care providers under Prime if they reside more than 40 miles from a base.

Tricare had considered ending Prime in remote service areas of the West Region on April 1, to coincide with changeover for that region's Tricare support contractor. On that date, the TriWest Healthcare Alliance will give way to United Healthcare Services of Minnetonka, Minn.

"The primary concern was the beneficiaries. We didn't feel like we had enough time to notify them and help them through the transition," explained S. Dian Lawhon, director of beneficiary education and support at Tricare Management Activity headquarters in Falls Church, Va.

Congressional committee staffs also had complained about a staggered start across regions to a major benefit change. So the Prime service area rollback will occur in the North, South and West regions simultaneously next fall. This will cause another set of challenges in remote areas of the West Region that an April 1 start there would have avoided.

TriWest needed years to build its current network of providers far from military bases across the region. United Health will now be paid additional monies under a contract change order to build its own remote networks of providers. Those networks will only operate until October.

How successful United Health can be in luring providers, or even beneficiaries, to new networks that will be dissolved quickly is anyone's guess but the scheme has skeptics.

"They are just kicking the can for six months at significant expense to the government," said one Tricare contracting official with knowledge of the move.

"When they have a [defense budget] sequester looming, proceeding down that path really doesn't make a lot of sense." Tricare's far more critical challenge, however, is to educate impacted beneficiaries that their Prime coverage will end and most of them will need to shift to Tricare Standard. An aggressive information campaign is planned with the first of three letters of explanation and warning to be sent to affected beneficiaries and families within 30 days, Lawhon said.

Under Prime, beneficiaries get their care from a designated network of providers for a fixed annual enrollment fee, which for fiscal 2013 is set at \$269.28 for individual coverage or \$538.56 for family. Retirees and family members also are charged a co-pay of \$12 per doctor visit.

Under Tricare Standard, beneficiaries choose their own physicians and pay no annual enrollment fee. When in need of care, retirees must pay 25 percent of allowable charges themselves. They also pay an annual deductible of \$150 for individual or \$300 per family. Total out-of-pocket costs, however, cannot exceed a \$3000 per family catastrophic cap. Some beneficiaries who see local Prime coverage end will be able to enroll in a remaining Prime network near base. To do so they would have to reside less than

100 miles from that exiting network and would have to waive the driving-distance standard that Tricare imposes for patient safety. That standard when enforced required that an assigned network provider be within a 30-minute drive of the beneficiary's home.

If displaced Prime beneficiaries meet the two requirements, then an existing network will make room for them regardless of number of beneficiaries enrolled, Lawhon said. But joining a new network also will mean new doctors. So most displaced Prime beneficiaries are expected to choose to use Tricare Standard instead to get care locally and, in many cases from the same physicians who treated them under Tricare Prime.

"People who use Standard are very, very pleased with it," Lawhon said. As a group they report higher scores on customer satisfaction surveys than do Prime users, she said.

The push to end Prime in areas away from bases began in 2007 with design of a third generation of Tricare support contracts. But it took years to settle on winning contractors for the three regions due to various bid protests and award reversals. Health Net Federal Services has run North Region under the new contract since April 2011. Humana Military Healthcare Services has had the South Region under the new contract since April 2012. Along with TriWest, these contractors have continued to run remote Prime networks under temporary order while waiting final word from Tricare on imposing Prime area restrictions written into original contracts.

The driver behind new restrictions on Prime is cost. Managed care is more cost efficient for the private sector but more expensive for the military to offer than traditional fee-for-service insurance. This is true in part because Congress won't allow Prime fees to keep pace with health inflation. So more beneficiaries using Standard means less cost to TRICARE.

Of beneficiaries impacted by the Prime area rollback, more than half, almost 98,000, reside in South Region. Roughly 36,000 are West Region beneficiaries and more than 37,000 are in the North Region.

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Douglas Munro Gravesite Gun Restoration Project

Efforts are underway to restore two WWII era MK22 mod 4 3"/50cals that are located at the final resting site of the US Coast Guard's only Medal of Honor recipient SM1/c Douglas A. Munro in Cle Elum, WA. On November 6, 2012 with the help of Navy NMCB 18 from Joint Base Lewis-McCord WA the two guns were transported to BASE SEATTLE for restoration under sponsorship of the CPOA Seattle Chapter. Restoration of the guns is being lead by NESU Seattle's Ordnance Shop. Work will be completed in the spare time of many volunteers regional wide.

The history of these particular guns is somewhat vague. Gun #1 was manufactured in 1943 in Chicago, IL and Gun #2 was manufactured in 1942 in Canton, OH. Service of the guns are unknown as of yet. Then on July 12, 1954 the City of Cle Elum agreed to the transfer of the guns with the Navy to be maintained by the City. The guns were originally located at City Hall but at an unknown date moved the guns to the gravesite of SM1 Douglas A. Munro. That brings us to the present day.

The guns for the last 59 years have not fared to bad for layers and layers of paint that have been applied by volunteers and the local VFW Post 1373. There are a few spots that have rusted through the metal that will need to be repaired. Current plan is to disassemble both guns and have a local company media blast and powder coat back to the historical colors during WWII. Although powder coat isn't the original finish it will last longer than the paint that has been applied over the years. Once powder coating is complete the guns will be reassembled and returned back to the gravesite of SM1/c Douglas A. Munro before the memorial service on September 27, 2013.

The current fund raising goal is \$10,000 for the restoration efforts. Tax deductible donations are currently accepted. Please make payable to CPOA Seattle Chapter. Please note "Douglas Munro Guns" on the donation check

Mail to:

CPOA Seattle Chapter
ATTN: MKC Shannon Riley
1519 Alaskan Way South
Seattle, WA 98134

The CPOA Seattle Chapter is a 501c3 organization. All donations are tax-deductible.

