

VA Budget: The largest VA budget request ever – \$369 billion for FY 2025, 10% higher than the FY 2024 estimate – came March 11, five weeks after the often-neglected deadline for the White House to submit its annual budget proposal. It dwarfs the \$48 billion appropriated in FY 2001, before two decades of war in Iraq and Afghanistan. And it reflects the growing responsibilities of the department – \$134 billion in discretionary funding (mostly for medical care) and \$235 billion in mandatory spending, including the Cost of War Toxic Exposures Fund mandated by the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act.

The proposed budget would allow the VA to deliver “the very best health care and benefits that this country has to offer,” VA Secretary Denis McDonough said in a press release announcing the request. But the proposal itself is far from enough: MOAA and fellow veterans service organizations (VSOs) will work with Congress and the administration to get this budget passed in a timely fashion and avoid the months of wasteful continuing resolutions that plagued this year’s budget cycle.

TFL Threats: Credible threats to TRICARE For Life loom on the horizon. And while the recently released FY 2025 DoD budget request makes no mention of new TFL fees, MOAA is concerned that it’s only a matter of time before DoD once again looks to TFL as the answer to addressing increased military health care spending.

Aside from military retired pay, TFL is the most valued part of the military retirement package. It not only ensures access to affordable preventive and routine medical care, but it protects uniformed services retirees and their dependents and survivors from financial risk associated with unexpected costs for serious and unexpected illness or injury.

Nearly a decade has passed since DoD proposed – and MOAA defeated – TFL enrollment fees in five consecutive administration budget requests (FY 2013-2017). But those victories aren’t permanent. The Congressional Budget Office (CBO) has included TFL fees consistently in its *Options for Reducing the Deficit* report released at the beginning of each new Congress.

The most recent version included a concept for a new annual TFL enrollment fee – \$575 per individual or \$1,150 per family. Another concept outlined cost sharing, including an unprecedented annual deductible – TFL would pay no Medicare cost shares until the beneficiary paid \$850 out-of-pocket for medical encounters.

Rising health care costs, together with ongoing pressure to minimize Defense Health Program spending, also pose threats to the benefit.

Before 2001, the only military health care benefit for Medicare-eligible military retirees was space-available care at military treatment facilities (MTFs). Base

realignment and closure (BRAC) decisions, together with military medical downsizing, resulted in shuttered MTFs, leaving many Medicare-eligible retirees with no military health care benefit in their senior years.

Congress fixed this injustice with TFL's creation in the FY 2001 National Defense Authorization Act (NDAA). Congressional intent was clearly spelled out in the conference report accompanying the legislation: "While extending TRICARE/CHAMPUS eligibility to Medicare eligible beneficiaries, the conferees direct the Secretary of Defense to refrain from using deductibles and copayments, in recognition of their participation in Medicare Part B as a condition of participation."

DOD Budget: On March 8, the Senate cleared, by a 75-22 vote, full-year appropriations for fiscal year 2024 under a first "minibus" for six appropriations bills: Agriculture, Commerce-Justice-Science, Energy-Water, Interior-Environment, Military Construction-VA, and Transportation-HUD. The Department of Defense however is still operating under a continuing resolution. This is a problem which prevents initiating new programs.