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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Molly Brostrom to WAVES re Meeting on 05/06 (partial) (1 page)	05/06/1996	P6/b(6)
002. list	Interagency Veterans Policy Group meeting attendees (partial) (2 pages)	04/19/1996	P6/b(6)
003a. fax	cover sheet, Alma Esparza to Bob Jones (partial) (1 page)	04/15/1996	P6/b(6)
003b. fax	cover sheet, Frederico Juarbe to Robert Jones (partial) (1 page)	04/15/1995	P6/b(6)
003c. fax	cover sheet, Frederico Juarbe to Robert Jones (partial) (1 page)	04/15/1995	P6/b(6)
004. letter	James Bapple to Robert Jones re thankyou (partial) (1 page)	04/17/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Molly Brostrom
OA/Box Number: 8398

FOLDER TITLE:
VSOs [Veterans Service Organizations]/Military Coalition Meetings 1996/Interagency Veterans Policy Group Meetings 5/6 [1995]

2012-0326-S
kc790

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Fri:

Dan Ermann, HCFA

Ray Wilburn, VA

Mon

Joel Slackman, HCFA

Larry Gobin, VA

Dole → May 1st

Preston: Vets Empl Forum for October → plan from Bob's

INTERAGENCY VETERANS POLICY GROUP
WORKING AGENDA
April 29, 1996
5/6

Short term Issues

1. Department of Labor Veterans Employment and Training Programs

The veterans community is quite concerned about the Administration's 1997 budget proposals to not fund two DOL veterans programs, the Homeless Veterans Reintegration Project and the National Veterans Training Institute. These concerns have been exacerbated by a leaked budget document that gives the appearance of a lack of concern for veterans programs at DOL. DOL has scheduled a meeting with representatives of veterans groups to discuss these concerns, and is considering an agreement to extend the HVRP program.

DOL will report on the meeting with VSOs and the status of HVRP.

Follow-up w/ Mann

2. Expand Commissary privileges for members of the Reserve Components - Hardy perennial

subsidy to commissaries > $800M (from $1B)

Arguing that Reservists are increasingly being relied on as key contingents of our nation's defense, the Military Coalition groups are advocating for expanded commissary privileges for Guard and Reserve personnel. Specifically, in letters to Congress, the Military Coalition has requested support for inclusion in the FY 97 Defense Authorization bill of a DoD initiative to implement a test of unlimited commissary use at a minimum of two locations for Reservists. In addition, they are requesting support for increasing commissary privileges for Guard and Reserve members to five visits per month instead of the current single visit per month (12 visits per year).

never picked up

DoD will discuss the status and our position on these proposals.

- generates backlash from commities - DoD looking @ / study of privatizing
- also, closing down a # of commissaries

3. National Oceanic and Atmospheric Administration (NOAA)

The suggestion was made that a National Performance Review (NPR) recommendation to convert the NOAA Commissioned Corps to civil service positions would not achieve the proposed savings, but would add additional cost. The recommendation was made that the White House reconsider the proposal and support a Senate proposal to downsize the NOAA Corps.

NPR will report on status of proposal.

4. GAO Report on Hispanic Veterans

The American GI Forum referenced the GAO report on issues affecting Hispanic Veterans, asking in particular how VA is going to respond to the issue of increased data on Hispanic Veterans.

VA will provide a brief update on the report and their response, including the issue of data on Hispanic veterans.

VA + Office of Minority Veterans mtg w/ GI Forum
→ VA doesn't collect race / ethn on benefits forms

Jamie Lach

5. Academy of Science Agent Orange Report

Questions were raised about our response to a recent Academy of Science report that discusses the question of association between exposure to Agent Orange and spina bifida.

VA will provide a brief update on the report and our response.

6. Blinded Veterans.

The Blinded Veterans Association raised the concern that blinded veterans will fall through the cracks in VA's reorganization of the Veterans Health Administration (VHA).

VA will report on how these concerns are being addressed in VHA reorganization.

7. Transition Assistance Program

Groups expressed support for the continued existence of the Transition Assistance Program, particularly in light of reports of Congressional efforts to dismantle the program.

DoD, DOL and VA will report on status of TAP.

Longer Term Issues

1. Health Care and Military Retirees

The issue of health care options for military retirees and the perception of disparate payment schemes and broken promises continues to be at the top of agendas of Military Coalition groups. Solutions they continue to advocate include Medicare Subvention at DoD and consideration of opening FEHBP to military retirees.

DoD and OMB will report on status of these issues.

2. Eligibility Reform

At the meeting with VSOs, VA provided an update on the status of eligibility reform, explaining that the Senate is planning hearings on the Administration's proposal and the House is expected to bring it to the floor.

VA will provide any new or additional update on the status of eligibility reform.

3. Persian Gulf War Advisory Committee

Administration response to Gulf War veterans with undiagnosed illnesses continues to be of concern to the veterans groups.

NSC will provide any update on progress of the Advisory Committee.

5/6 IVPC Mtg

Preston: talking pts for 5/16 Mtg w/ VSOs (Dep Asst Secy) - Cynthia Metzler
"DOL will revisit budget on yrly basis" - planning doc?
NVTI ⇒ put $ into jobs; will dev/p strategies for training
HVRP ⇒ Pres stated support - DOL will find funding
? of supporting
JBA: need to establish line of communication/
demonstration of commitment
* DOL estbld/called together Veterans Empl Committee

Clif Gabriel - OSTP
Interim Rept Feb.
4 more mtgs of Adv Comm before expiry @ end of fy
next ⇒ July in Chicago ; then dev/p recom

Pres'l Adv Com.
Dennis: VA hears concern that low # of applicants for benefits accepted
- delay review of claims

NPR NOAA Proposal to eliminate Commissioned Corps
Navy has a proposal (Corps) ⇒ contracts out to civilians
Why have 285 person uniformed service?
early 70's - precedent in moving PHS to EPA?
Mil.

Withdrawal/Redaction Marker
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[001]

Interagency Veteran's Policy Group
(WAVES List)

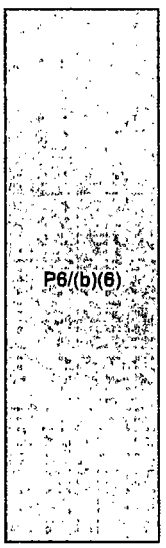
TO: WAVES

FROM: Molly Brostrom

SUBJECT: Meeting on 05/06

DATE: May 6, 1996

✓Leon Bechet
Peter Beech
✓Susan Benbow
David (Andre) Brown
✓Gary Christopherson
✓Dennis Duffy
✓John Dwyer
✓Jeanne Fites
Robert Hussey
✓Diana H. Josephson
✓Janice LaChance
✓Pat Morgan
✓Irwin Pernick
Neil Richmond
✓Norma St. Claire
✓Fred Schroeder
✓Preston Taylor



Clear for 04/26 at 4:00 p.m. for Room 472 for J~~eremy Ben-Ami~~ from the DPC. If you have any questions, please call me 6-5561 or my intern, Dwight Vick, 456-5603/2216.

May 1-2, 1996 Public Meeting of the Presidential Advisory Committee on Gulf War Veterans' Illnesses

This meeting focused on chemical and biological warfare issues and their possible relationship to Gulf War veterans' illnesses. The following is a summary of some of the issues discussed by Committee.

First Panel: Status of DOD Request for Proposals (BAA)

Twelve proposals have been selected for funding based on responsiveness to request, scientific quality, and need as determined by Coordinating Board's Research Working Group. The Committee wanted more information on how the Research Working Group identifies gaps in research the program and how that translates to what proposals get funded.

Second Panel: Medical Evaluation of Possible CBW Exposures in the Gulf War

Chemical warfare agents were detected; the Czechs confirmed detections at very low levels; the US did not confirm any CBW detections; therefore, the presumption (not proof) of presence must be made. Questions remains as to the origin of agents and whether they contributed to any reported illnesses. So far, all data indicates that the role of CBW exposures in illnesses is unlikely.

Third Panel: Detection of CBW agents during the Gulf War

Again, Czech detections were credible. At least 50 unconfirmed detections made by US forces are being investigated. It is still too early to make statement on low level exposure to U.S. troops. There was persistent questioning by the Committee on what it would take for the DOD to admit that US troops were exposed to low levels of chemical agents.

Forth Panel: Effectiveness of US CBW Defence Measures

GAO indicated that there is a general lack of readiness to deal with CBW issues. Even though CBW training intensifies just before deployment, we could do much better. Witnesses indicated that there tends to be more focus on nuclear threats rather than threats from chemical or biological weapons.

Fifth Panel: Health Effects of Low-Level Chemical Warfare Agent Exposure

Considerable discussion took place on the potential interactions between chemicals such as nerve gas agents, pesticides, and PB. More work needs to be done. More is known on acute exposures compared to low-level exposures. The effects of PB were also discussed. No conclusions were drawn.

Sixth Panel: Health Effects of Multiple Vaccines

Doubt was cast on the theory that mycoplasma contamination of the Anthrax vaccine was a factor causing reported illnesses. This vaccine is treated with formaldehyde and, therefore, would not support viable mycoplasma contamination. The Committee suggested that vaccine lots be checked for mycoplasma contamination. Other issues of vaccine quality and effectiveness were discussed.

Seventh Panel: Antidotes to CBW Agents

Vaccine issues and Pyridostigmine Bromide were addressed. This panel was more forward looking. It addressed on-going research efforts and vaccine development activities within the DOD.

Eighth Panel: FDA

This panel addressed the problems associated with trying to utilize the standard FDA biologic/drug approval process for antidotes to CBW agents. Questions such as how do you ethically conduct clinical trials were addressed.

Agenda is attached. I would be happy to provide copies of testimony.

Presidential Advisory Committee on Gulf War Veterans' Illnesses

PUBLIC MEETING

Omni Shoreham -- Diplomat Room
2500 Calvert Street, NW
Washington, DC

May 1-2, 1996

AGENDA

Wednesday, May 1, 1996

9:00 a.m.	**Call to order and opening remarks** Designated Federal Official Dr. Joyce C. Lashof, Committee chair	
9:05 a.m.	**Public comment**	**TAB A**
10:15 a.m.	**Break**	
10:30 a.m.	**Report on research funded through 1995 Broad Agency Announcement** Mr. Gregory Doyle U.S. Army Medical Research Acquisition Activity Department of Defense Dr. Susan Mather Office of Public Health and Environmental Hazards Department of Veterans Affairs	**TAB B**
11:00 a.m.	**Followup on chemical and biological warfare (CBW) agents panel meeting**	**TAB C**
11:30 a.m.	**Medical evaluation of possible CBW exposures in the Gulf War** Major General Ronald R. Blanck Office of the Commanding Officer Walter Reed Army Medical Center	**TAB D**
12:15 p.m.	**Lunch**	
1:30 p.m.	**Detection of CBW agents during the Gulf War** Gunnery Sergeant George J. Grass, USMC Camp Lejeune, North Carolina Colonel Edward J. Koenigsberg, USAF Lt. Col. Jimmy E. Martin, USA Lt. Col. Arthur L. Nalls, Jr., USMC Persian Gulf Investigation Team Department of Defense Ms. Sylvia L. Copeland Nuclear, Biological, and Chemical Division Central Intelligence Agency	**TAB E**
3:00 p.m.	**Break**	
3:30 p.m.	**Effectiveness of U.S. CBW defense measures** Mr. Mark E. Gebicke U.S. General Accounting Office U.S. Congress Mr. Michael L. Moodie Chemical and Biological Arms Control Institute Alexandria, VA	**TAB F**
4:45 p.m.	**Meeting recessed**	

Thursday, May 2, 1996

9:00 a.m. **Call to order**
Dr Joyce C. Lashof, Committee chair

9:05 a.m. **Health effects of low-level chemical warfare agent exposure** TAB G
Colonel David Moore
Medical Research Institute of Chemical Defense
U.S. Army
Dr. Richard Jackson
National Center for Environmental Health
Centers for Disease Control and Prevention

10:45 a.m. **Break**

11:00 a.m. **Health effects of multiple vaccines** TAB H
Dr. Philip K. Russell
School of Hygiene and Public Health
The Johns Hopkins University
Dr. Anna Johnson-Winegar
Medical, Chemical, and Biological Defense Program
U.S. Army
Colonel John Brundage
Center for Health Promotion and Preventive Medicine
U.S. Army

12:00 p.m. **Lunch**

1:00 p.m. **Antidotes to CBW agents: DOD** TAB I
Lt. Col. David Danley
Medical Systems Program
Joint Program Office for Biological Defense
Dr. Anna Johnson-Winegar
Medical, Chemical, and Biological Defense Program
U.S. Army

2:00 p.m. **Antidotes to CBW agents: FDA** TAB I
Dr. Stuart Nightingale
Associate Commissioner for Health Affairs

3:00 p.m. **Committee and staff discussion: Next steps**

3:30 p.m. **Meeting adjourned**

Department of
Veterans Affairs

FACTS ABOUT HISPANIC VETERANS

Analysis and Statistics Service
National Center for Veteran Analysis and Statistics
Assistant Secretary for Policy and Planning

May 1996

FACTS ABOUT HISPANIC VETERANS

Demographic and Socioeconomic Characteristics of Veterans

Number:

- In 1995, there were an estimated 1,073,000 Hispanic veterans living in the U.S. and Puerto Rico.

- Hispanic veterans accounted for 4 percent of the total U.S. and Puerto Rico veteran population of 26,198,000 in 1995.

- While Hispanic veterans accounted for 4 percent of the U.S. and Puerto Rico veteran population, Hispanics comprised 6 percent of the active duty military in 1995.

Period of Service and Age:

- In 1995, 63 percent of Hispanic veterans served during the Vietnam era or later compared to 47 percent of all veterans, reflecting the younger age distribution of Hispanic veterans. For example, in 1995, the median age of Hispanic veterans was 48 years compared to 57 years for all veterans.

Sex:

- In 1995, 6 percent of Hispanic veterans were women compared to 5 percent of all veterans.

Marital Status:

- According to the 1990 census, two-thirds (66 percent) of Hispanic veterans but about three-quarters (76 percent) of white non-Hispanic veterans were married and living with their spouses. Males were more likely than females to be in a marriage with their spouse present among both Hispanic veterans (66 percent versus 52 percent) and non-Hispanic veterans (75 percent versus 54 percent).

Educational Attainment:

- The 1990 census showed that 44 percent of Hispanic veterans and 49 percent of white non-Hispanic veterans had at least some college education. Among female veterans, 56 percent of Hispanics and 60 percent of white non-Hispanics had attained this level of education.

- According to the 1990 census, 27 percent of Hispanic veterans and 44 percent of white non-Hispanic veterans with a college background had received at least a bachelor's degree.

Unemployment:

- The Current Population Survey showed that in 1995 the average monthly unemployment rate for Hispanic veterans was generally lower than that for black veterans but higher than the rate for white veterans. Among male veterans 20 and older, Hispanics had an average unemployment rate of 5.1 percent compared to 3.6 percent and 6.6 percent for their white and black counterparts, respectively.

Income and Other Assets:

- According to the National Survey of Veterans, among those veterans reporting family income, about one in ten Hispanic veterans (10 percent) had family incomes in 1992 of less than $10,000, compared to only 8 percent of white veterans but 24 percent of black veterans.

- Among veterans reporting family income in the National Survey of Veterans, 30 percent of Hispanic veterans had 1992 family incomes of $40,000 or more, compared to 38 percent of white veterans and 25 percent of black veterans.

- According to the National Survey of Veterans, about 21 percent of Hispanic veterans have family assets (excluding primary residence) over $40,000. Only black veterans are less likely to have as much in family assets: about 11 percent of black veterans have family assets over $40,000, while 36 percent of white veterans report family assets in this range.

- Hispanic veterans were midway between their white and black counterparts in their home ownership characteristics as reported in the National Survey of Veterans. White veterans were the group most likely to own a home (81 percent), followed by Hispanic (72 percent) and black veterans (53 percent).

Where Veterans Are Located:

- In 1990, the five States with the largest number of Hispanic veterans were California (273,700), Texas (196,400), New York (75,200), Florida (55,800), and New Mexico (46,500). The states with the smallest number of Hispanic veterans were North Dakota (280), Vermont (340), South Dakota (390), West Virginia (670), and Maine (700).

- According to the 1990 census, more than one quarter (26 percent) of the veterans in New Mexico were of Hispanic origin. This was more than twice the proportion of Hispanic veterans found in any other state. New Mexico was followed in percentage of Hispanic veterans by the states of Texas (12 percent), California (9 percent), and Arizona and Colorado (8 percent each). West Virginia veterans were the least likely to be of Hispanic origin (0.3 percent).

Veterans' Benefits

Health Care and Other Health-Related Characteristics:

VA Hospital Discharge Rates--

- VA Hospital utilization rates are computed based on patient discharge data from the VA Patient Treatment File and veteran population data from the 1995 Current Population Survey. The breakdown of VA hospital discharges for FY 95 by race is: White 73%; Black 21%; and Hispanic 4%.

- Race-specific VA hospital discharge rates are highest for black veterans, at 83.7 discharges per thousand veterans. The discharge rate for Hispanics was 42.9 VA hospital discharges per thousand veterans, while the rate for white veterans was 29.5. Minority veterans are clearly relatively heavy users of VA.

- VA hospital discharge rates for Hispanic veterans increase dramatically with age: 27.8 discharges per thousand veterans "under 55", 54.1 discharges per thousand veterans age "55 - 64", and 79.9 discharges per thousand veterans age "65 or over". However, the corresponding rates for black veterans are consistently higher than those for Hispanics: 72.0 discharges per thousand veterans "under 55", 79.7 discharges per thousand veterans age "55 - 64" and 119.1 per thousand veterans age "65 or over". Rates for white veterans also increase with age, but not as dramatically: 22.3 discharges per thousand veterans "under age 55", 27.9 per thousand veterans age "55 - 64", and 40.0 discharges per thousand for veterans age "65 or over".

Health Status--

- According to the National Survey of Veterans, about one in four (25 percent of) Hispanic veterans rate their health as excellent compared to one in four (25 percent of) white veterans, and one in five (19 percent of) black veterans. About 26 percent of Hispanic veterans report their health as fair or poor, compared to 20 percent of white veterans, and 30 percent of black veterans.

Activity Limitations--

- According to the National Survey of Veterans, about 8 percent of Hispanic veterans reported health conditions or disabilities that limited their activity. The corresponding figures for whites and blacks were 6 percent and 7 percent, respectively. Among veterans with activity limitations, about 9 percent of the Hispanic veterans were receiving service-connected compensation or military disability pay as compared to 12 percent of white and 7 percent of black veterans with such limitations.

Health Insurance Coverage--

- According to the National Survey of Veterans, about 83 percent of Hispanic veterans have some form of health insurance coverage compared to 90 percent of white veterans and 85 percent of black veterans. Among those insured, Hispanic veterans were more likely than black and white veterans to be insured through their employer (54 percent of Hispanics, 51 percent of blacks, and 43 percent of whites).

Ever Used VA Hospitals--

- About 12 percent of Hispanic veterans report that they have used VA hospital care at some time since discharge from the military. Compared to Hispanic veterans, black veterans were more likely to have ever used a VA hospital (19 percent), while white veterans were less likely (9 percent).

Reasons for Using Non-VA Medical Care--

- According to the National Survey of Veterans, the major reasons (in rank order) that Hispanic veterans who used non-VA medical care in 1992 did so were: "have adequate insurance", "doctor sent me", and "used own physician". Black veterans who used non-VA medical care in 1992 cited "doctor sent me", "accident or emergency admission", and "used own physician" as the major reasons. White veterans who used non-VA medical care in 1992 cited "have adequate insurance", "used own physician", and "doctor sent me" as the major reasons, in rank order.

<u>Educational Benefits:</u>

- The National Survey of Veterans showed that among Vietnam era veterans, the proportion of Hispanics who used VA education benefits (58 percent) was higher than the proportion of whites who used these benefits (54 percent) but lower than this proportion for blacks (64 percent). Among post-Vietnam era veterans, however, the pattern is different. Hispanics had a

higher proportion of users than blacks (39 and 34 percent, respectively), but both lower than the proportion of whites (44 percent).

Home Loans:

- The National Survey of Veterans shows that 32 percent of Hispanic veterans have ever used a VA loan to buy a home compared to 46 percent of white and 71 percent of black veterans.

THE OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-4000

Personnel and
Readiness

Facsimile Cover Sheet

To: Molly Brostrom
Office:
Phone:
Fax: 202-456-7028

From: Norma J. St. Claire, Director
Office: OUSD (P&R) R&R-IM
Phone: 703-696-8710
Fax: 703-696-8703

Date: 5/15/96
No. Pages with Cover: 2

Comments:

As discussed —
Norma

Interagency Veterans Policy Group

Follow-up Information from Meeting of May 6, 1996

Defense Commissaries

What is the current utilization of commissaries by reserve components?

Exact utilization is not known. Defense Commissary Agency (DeCA) staff estimate that about 3 to 5 percent of customers are reserve components. Survey data indicate that 60% of eligible reservists do not use the commissary regularly or at all. Distance (roughly one-half live more than 50 miles from the nearest commissary) is the reason given by nearly 80% of those reservists and spouses for limiting their use of the commissary.

Implementation of 12 visits, which occurred in 1986, did not result in substantial increases in commissary costs. It is expected that expanding the number of visits would probably not induce more reservists to use the commissaries, but would make it more convenient (i.e., less need to load up each visit) for those who already do use them.

What is the nature of the Commissary Subsidy?

Commissary privileges are viewed as part of the non-pay compensation package for military families. It is estimated that comparable additional compensation would be more expensive than maintaining the commissaries.

All commissary goods are sold at cost. A 5% surcharge is added at the register which covers such things as construction, equipment, supplies, and utilities. The annual net cost (subsidy) is about $950M. Of this, approximately 55% goes to pay salaries of all commissary and headquarters personnel (civil service). Approximately 15% covers transportation of goods. Current law requires that DeCA use the DoD transportation system. Use of foreign flag carriers could reduce costs. The remainder (about 30%) covers General and Administrative (G and A) expenses and other miscellaneous costs. Overseas sales represent about 20% of total commissary sales. Approximately 40% of the appropriation supports the overseas commissaries.

When is a report due on the privatization of Commissaries?

There are six studies looking at various aspects of commissary management and access.

-Defense Science Board review of all activities with an eye on privatization. DeCA is a small part of this review - report due May, 1996

-National Performance Review recommendation to become performance based will be implemented October, 1996.

-GAO is reviewing potential changes to access - study just initiated

-CBO is analyzing costs and efficiencies- draft report due in August 1996

-P&R is planning to initiate a study to determine policy for delivery and commissary and exchange benefits when installations are closed

THE RETIRED OFFICERS ASSOCIATION

201 North Washington Street
Alexandria, Virginia 22314-2539
(703) 549-2311

Rethinking the White House Proposal to Eliminate the NOAA Commissioned Corps

The National Atmospheric and Atmospheric Administration (NOAA) Commissioned Corps is one of the seven uniformed services. Its mission is to conduct and manage environmental science operations at sea, under sea, in the air, and on land.

NOAA Corps contributes to national environmental security. NOAA Corps duty assignments include: piloting hurricane penetration flights; Chief of Antarctic research station; studying oil spill damage from Prince William Sound to the Persian Gulf. All officers are in positions necessary to the agency.

NOAA Corps officers have the same periodic rotation, relocation, family separation, sea duty, and flight duty as the other services. Like other members of the uniformed services they can be required to serve on duty 24 hours per day, seven days per week without additional compensation.

A 1995 cost study of the NOAA Corps performed independently by the accounting firm, Arthur Andersen, found no cost savings at all in replacing these officers with civilians. The Service was actually shown to be less expensive.

The National Performance Review (NPR) recommendation (DOC2-05) proposes to reduce and ultimately eliminate the NOAA Corps. It proposes a $35 million savings over five years. No source or accounting for that savings is available. In fact, more recent information suggests that an opposite result is more likely. In addition to $10.8 million in one-time transition costs, converting the NOAA Commissioned Corps to civil service positions will cause a $2.7 million increase in NOAA's annual operating expenses.

The speech writer, who prepared the President's Rose Garden remarks announcing this NPR plan, incorrectly characterized the NOAA Corps as a defense force, with 400 officers operating 10 obsolete ships, and suggested that the other services could adequately protect the Nation. The NOAA Corps is an environmental service, has far more than 10 specialized

oceanographic research ships, and assigns its 400 officers throughout NOAA, not just on their ships.

The NPR recommendation is flawed in its facts, suggests undocumented savings, and conflicts with the independently proven economy of the service. The only result will be the elimination of a uniformed service, which would have to be replaced by a more expensive alternative.

The Vice President's letter of July, 1994, to the officers of the NOAA Corps indicated a high level of support for the NOAA Corps, and that their environmental mission was valued.

There is already pragmatic evidence that civilianization of the NOAA missions is not a cost-effective solution. When the NOAA ship SURVEYOR was decommissioned in 1995, charter ships were invited to continue the SURVEYOR's work. The winner was a Russian ship which cost jobs for Americans.

Although legislation in the House of Representatives suggests its sponsors' preference to eliminate the NOAA Corps, the Senate companion bills do not share this view. Instead, recognizing the significant value of a uniformed component in NOAA, the Senate bills contemplate gradually reducing the force from 412 officers to 285 officers by 1999. This plan is consistent with the Government-wide trend to downsize all of the uniformed and many of the non-uniformed agencies and is strongly supported by The Retired Officers Association.

Should the Administration unwisely eliminate the NOAA Corps, all rights and benefits should be guaranteed and where necessary, made equal to the other services. Appropriate compensation should be afforded to the members for the broken promise of a fulfilling service career and the denial any opportunity to serve until eligible for the promised retirement. The many hardships and foregone opportunities of a service career are not recoverable.

Recommendation: The Retired Officers Association strongly recommends that the White House rethink its proposal to eliminate the NOAA Commissioned Corps and instead support the Senate proposal to downsize the Corps to 285 officers by 1999, commensurate with reductions in other government agencies.

April 21, 1996

Reserve Officers Association of the United States
The Professional Association Representing All Officers

ISSUES FOR WHITE HOUSE MEETING
22 APRIL 1996

ISSUE: Expanded Commissary Privileges for Members of the Reserve Components.

DISCUSSION: Until 1990, Reservists had commissary privileges which were limited to those days in which they were performing some form of active duty. This active duty could take the form of the routine annual training or special tours of active duty of limited duration.

After 1990, commissary privileges were expanded to 12 per year in addition to the active duty tours previously allowed. Congress felt that, since Reservists were becoming a larger player in the nation's national security, that it was a small additional benefit which could be provided.

Today, in order that DoD can control the right to use the commissary, the Reservist either has to use a copy of their current Order bringing them on active duty, or show a pink privilege card, if they are not on active duty.

Last year the Senate wrote into the FY 96 defense authorization bill, language which would grant unlimited privileges to eligible reservists of the selected reserve. This effort did not survive in conference between the two Houses because the House did not have it in their version of the bill.

Although the ROA is on record supporting unlimited visits to the commissary, we can support the notion which would grant Reservists five (5) visits per month verses the current one visit, in addition to those authorized while serving on active duty.

JUSTIFICATION: Reservists are being called upon more and more as part of the total force. They are no longer "in reserve" but are a key contingent of the deploying forces. They have been used in deployments in Desert Shield/Storm, Somalia, Haiti and now Bosnia. Reservists played an important role as a peacekeeping force in the Sinai, retrograding equipment out of Europe (RETROEUR) and in Latin America supporting the CINC Southcom. Operations Deny Flight, Provide Comfort and Joint Endeavor are just a few of the missions in which Reservists have played a pivotal role.

One Constitution Avenue, N.E., Washington, DC 20002-5655
Telephone: (202) 479-2200 ★ FAX: (202) 479-0416 ★ CompuServe: #71154,1267

The level of risk for involuntary call to active duty is significantly greater today than it was five years ago. Deployments have risen exponentially. The Services are calling upon the Reserves, in ever greater numbers, to volunteer for service in an effort to reduce the active duty optempo/perstempo. When volunteerism is not practical, Reservists have been called up involuntarily. This is a sea change from the original concept of being a Reservist and should be recognized accordingly.

Finally, it has been estimated that there would be little, if any, financial impact on the Commissary system as a result of expanded privileges. Approximately 40% of our Reservists live outside what is considered a normal commuting distance to a commissary. The Defense Commissary Agency (DeCa) has supported the concept of expanded privileges and has studied its impact. DeCa has stated that they could handle the anticipated business with no problem.

There has historically been a feeling among Reservists that they are treated like second class citizens. Expanding commissary privileges would provide a positive recognition of the value of the citizen soldier. Although it would be a hollow benefit for almost half of the Reserve force, it would reflect an acknowledgement that Reservists are indeed an important piece of the Total Force.

The Department of Defense also supports this initiative.

RECOMMENDATION: That the President, either by executive order, personal contact with the Congress, or both, ensure that expanded commissary privileges of at least five (5) days per month, be provided to all members of the Selected Reserve.

Roger W. Sandler
Major General, AUS (Ret.)
Executive Director

U.S. Senator for Missouri

Kit Bond NEWS

FOR IMMEDIATE RELEASE
MAY 3, 1996

CONTACT: LEANNE JEROME
DAN HUBBARD
(202)224-4611

BOND ASKS VETERANS AFFAIRS SECRETARY JESSE BROWN, "WHICH IS IT?"

Senator Christopher S. "Kit" Bond, Chairman of the Veterans Affairs, Housing and Urban Development and Independent Agencies Appropriations Subcommittee, today asked VA Secretary Jesse Brown to explain the Clinton Administration's budget for our nation's veterans.

"The Administration proposes less over the seven year budget than Republicans did last year, when we were roundly condemned by Democrats for "cutting" veteran's programs. Further, Clinton's 7 year budget makes all the significant cuts in the last few years, which, if enacted, would hurt veterans. So, if we take this budget seriously, we have to conclude that the Clinton Administration wants to hurt veterans. If we do not take it seriously, then we must conclude that this is a joke, a sham document, and the Clinton Administration does NOT balance the budget. So, Mr. Brown, WHICH IS IT?" Bond asked.

Bond noted that seven year spending under last year's Republican plan would be $99 billion, while under the Administration's plan, it would be only $86 billion, some $13 billion less. Drastic cuts would be made beginning in 1999, again right after an election, under the Clinton plan.

"In previous hearings, we have discussed the need, and the need for the Department to recognize, that the VA must be restructured to bring about improved care at less cost. I am disappointed the budget does not reflect the cost savings associated with implementing the many recommendations made by the Government Accounting Office and the Inspector General to improve care and reduce spending.

"Mr. Secretary, it is my sincere hope that we can engage in a constructive dialogue this year, unlike last year, about how to restructure and make improvements to the Department, both to live within the

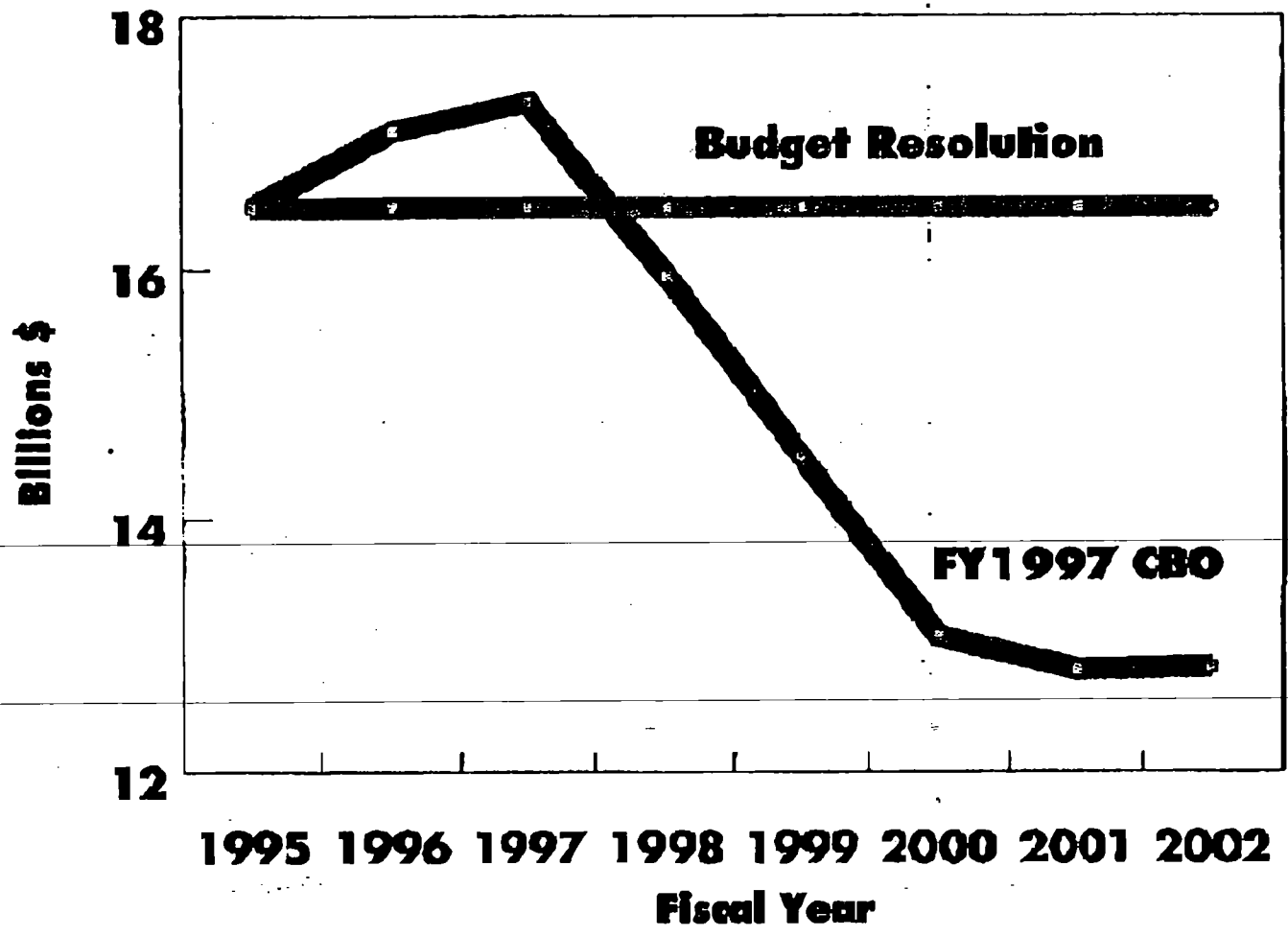
constraints imposed by our goal of balancing the budget by the year 2002 AND to ensure the best possible service to veterans.

"Unfortunately the cynicism and protection of the status quo reflected in your budget request does not get us off to a good start," Bond concluded.

###

VA Medical Care and Hospital Services

FY96 Budget Resolution vs FY97 Clinton Budget



The American Legion
For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006-2887 ★
(202) 861-2700 ★

April 26, 1996

Kenneth S. Apfel
Associate Director for Human Resources
Office of Management and Budget
Room 266, Old Executive Office Building
Washington, DC 20500

Dear Mr. Apfel:

As you are probably aware, the House Veterans' Affairs Subcommittee on Education, Training, Employment, and Housing examined a document during their hearing last week. That document, which outlines budget priorities for the Department of Labor for the next decade, raises some very serious questions about where veterans stand with the Clinton Administration.

In order to forestall future misunderstandings on veterans' employment and training issues, I recommend that you and your appropriate staff members meet with me and some of my colleagues from other veterans' service organizations to open a dialog on the significance of veterans' programs at the Department of Labor and their effect on the economy in general. There is evidence that even minor reductions in a relatively small budget have a substantial impact in other areas of government spending.

Veterans played an important part in the election of Bill Clinton as President of the United States. It is not in anyone's interest to alienate an important constituency. It is most certainly not in anyone's interest to deny job opportunities to the 250,000 men and women who leave the armed forces each year for a career in civilian society.

I look forward to hearing from you or your staff on when a meeting might be scheduled.

Thank you for your consideration.

Sincerely,

James B. Hubbard, Director
National Economic Commission

HOUSE VETERANS AFFAIRS COMMITTEE

335 Cannon H.O.B.
Washington, D.C. 20515
(202) 225-3527
FAX (202) 225-2629

NEWS RELEASE

For Immediate Release:
April 23, 1996

Contact: Pat Hinton
(202) 225-5037

Subcommittee Chairman Buyer Blasts Clinton Administration for Poor Treatment of Veterans; Stands by The American Legion

Washington, DC - Congressman Steve Buyer (R-IN), Chairman of the Subcommittee on Education, Training, Employment, and Housing, House Committee on Veterans' Affairs, today strongly condemned the Clinton Administration's priorities, which clearly places veterans at the bottom of their priority list.

On Thursday, April 18, The American Legion disclosed to Buyer's Subcommittee, a prioritized list of programs administered by the Department of Labor. The document, faxed to The American Legion anonymously, shows that veterans' employment programs ranked last in funding priorities by the Clinton Administration.

"This document shows where veterans' employment programs are in the Clinton Administration's priority list--dead last," stated Buyer.

Buyer continued, "For the Clinton Administration to categorize programs for those who have defended the country behind every other program run by the Department of Labor is simply disgraceful."

James B. Hubbard, Director of the National Economic Commission for The American Legion, in testimony before the Subcommittee, stated he believed the document originated from the Office of Management and Budget with the assistance of the Department of Labor's top management.

"This is unconscionable," Hubbard said. "The Department of Defense discharges 250,000 people per year. Military personnel and their families face many barriers to employment and training when transitioning into the civilian work force. The is absolutely wrong. The American Legion encourages this Subcommittee to investigate this issue," he said.

The government document inscribed, "NOT FOR RELEASE TO THE PUBLIC," was faxed to The American Legion, revealing that veterans' employment programs are ranked last in funding priorities

U.S. DEPARTMENT OF LABOR

FY 1995-2006 BUDGET PRIORITIES

Budget Authority/Trust Fund Transfers

($'s in Millions)

NOT FOR RELEASE TO THE PUBLIC

	FY 1995 BA/TF	FY 1996 BA/TF	FY 1997 BA/TF	FY 1998 BA/TF	FY 1999 BA/TF	FY 2000 BA/TF	FY 2001 BA/TF	FY 2002 BA/TF	FY 2003 BA/TF	FY 2004 BA/TF	FY 2005 BA/TF	FY 2006 BA/T
TOP PRIORITY												
Training & Employment Services	2,818	3,293	3,926	4,026	4,125	4,225	4,388	4,555	4,683	4,816	4,948	5,087
Employment Service	915	825	848	872	896	920	945	971	997	1,025	1,052	1,081
One Stop Career Centers	100	125	150	155	160	165	171	176	181	187	193	201
Subtotal - Top Priority	3,833	4,243	4,924	5,053	5,181	5,310	5,504	5,702	5,861	6,026	6,193	6,369
% Change From Prior Year	---	---	---	2.6%	2.5%	2.5%	3.7%	3.6%	2.8%	2.8%	2.8%	2.8%
HIGH PRIORITY												
Job Corps	1,089	1,121	1,154	1,154	1,154	1,154	1,154	1,154	1,186	1,220	1,254	1,289
Unemployment Insurance	2,313	2,335	2,564	2,564	2,564	2,564	2,636	2,710	2,786	2,864	2,944	3,026
Worker Protection -												
PWBA	69	68	85	78	71	64	73	83	86	88	90	93
PBGC (Admin Limitation)	11	12	12	12	12	12	12	13	13	13	14	14
ESA	248	248	306	306	306	306	315	323	332	342	351	361
OSHA	312	309	341	341	341	341	351	360	370	381	391	402
MSHA	200	199	204	204	204	204	210	216	222	228	234	241
Subtotal - Worker Protection	840	836	948	941	934	927	961	995	1,023	1,052	1,080	1,111
BLS	350	359	370	370	370	370	380	391	402	413	424	437
Subtotal - High Priority	4,592	4,691	5,036	5,029	5,022	5,015	5,131	5,250	5,387	5,549	5,702	5,863
% Change From Prior Year	---	---	---	-0.1%	-0.1%	-0.1%	2.3%	2.3%	2.6%	3.0%	2.8%	2.8%
ALL ELSE												
SEOA	396	350	0	0	0	0	0	0	0	0	0	0
TA Program Operations	135	124	126	116	105	93	108	124	126	130	135	138
AW	31	23	0	0	0	0	0	0	0	0	0	0	
M	134	134	146	134	122	110	125	143	147	151	155	160
CF	0	0	0	4	3	3	3	4	4	4	4	4
O	52	48	48	44	41	37	42	47	48	50	52	53
VET S&E (UTF Transfer)	21	20	21	20	19	18	18	21	22	23	24	25
VET Grants (UTF Transfer)	364	357	357	344	331	318	335	354	358	362	367	372
stment in Reinvestment Fund	0	0	4	0	0	0	0	0	0	0	0	0
Subtotal - All Else	953	856	501	462	420	379	431	493	505	520	537	552
% Change From Prior Year	---	---	---	-8.0%	-9.1%	-9.8%	13.7%	14.4%	2.4%	3.0%	3.3%	2.8%
CRITIONARY TOTAL	9,378	9,790	10,462	10,544	10,623	10,704	11,066	11,445	11,753	12,095	12,432	12,784
% Change From Prior Year	---	---	---	0.8%	0.7%	0.8%	3.4%	3.4%	2.7%	2.9%	2.8%	2.8%

XTOT.WK4

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. list	Interagency Veterans Policy Group meeting attendees (partial) (2 pages)	04/19/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Molly Brostrom
OA/Box Number: 8398

FOLDER TITLE:
VSOs [Veterans Service Organizations]/Military Coalition Meetings 1996/Interagency Veterans Policy Group Meetings 5/6 [1995]

2012-0326-S
kc790

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[002]

W# 86393

INTERAGENCY VETERANS POLICY WORKING GROUP MEETING
OLD EXECUTIVE OFFICE BUILDING
ROOM 472
FRIDAY, APRIL 19TH
10:15 A.M. - 11:45 A.M.

American G.I. Forum
✓ Ernie Garcia
SSN:
DOB: P6/(b)(6)

Hector DeLeon
SSN:
DOB: P6/(b)(6)

American Legion
✓ George Michael Schlee
SSN:
DOB: P6/(b)(6)

AMVETS
✓ James J. Kenney - Exec Dir
SSN:
DOB: P6/(b)(6)

Blinded Veterans Association
✓ Tom Miller Exec Dir
SSN:
DOB: P6/(b)(6)

Art Mathews
SSN:
DOB: P6/(b)(6)

Disabled American Veterans
✓ Ron Drach - Englmt Dir
SSN:
DOB: P6/(b)(6)

[002]

Military Order of the Purple Heart

✓ John B. Kirby
SSN: P6/(b)(6)
DOB: P6/(b)(6)

P6/(b)(6)

Ron Atwell
SSN: P6/(b)(6)
DOB: P6/(b)(6)

Paralyzed Veterans of America

Doug Vollmer – Leg. dir.
SSN: P6/(b)(6)
DOB: P6/(b)(6)

✓ **Veterans of Foreign Wars**

William L. Bradshaw —
SSN: P6/(b)(6)
DOB: P6/(b)(6)

— Sidney Daniels – employment
SSN: P6/(b)(6)
DOB: P6/(b)(6)

✓ **Vietnam Veterans of America**

Bill Crandell
SSN: P6/(b)(6)
DOB: P6/(b)(6)

Patricia ONeil
P6/(b)(6)
SS P6/(b)(6)

THE WHITE HOUSE

WASHINGTON

April 8, 1996

MEMORANDUM FOR EXECUTIVE DIRECTORS OF
The American GI Forum
The American Legion
AMVETS
Blinded Veterans Association
Disabled American Veterans
Military Order of the Purple Heart
National Association of Black Veterans
National Association of State Directors for Veterans Affairs
Paralyzed Veterans of America
Veterans of Foreign Wars
Vietnam Veterans of America

FROM: Alexis Herman
Assistant to the President for Public Liaison
Kitty Higgins
Secretary to the Cabinet
Carol Rasco
Assistant to the President for Domestic Policy

RE: TIME AND DATE CHANGE FOR WHITE HOUSE MEETING

We regret to have to change the time and date of our next meeting to **Friday, April 19, 10:15 - 11:45 am**, Room 472 of the Old Executive Office Building (the original date was Thursday, April 18, 3–4:30 pm, per the memorandum of March 28).

The requests of the first memorandum remain the same -- please submit a brief written summary of the issues that you would like to discuss and the name and date of birth of the attendee from your organization to Bob Jones by April 15 (telephone: 273–4845 fax: 273–4876).

We apologize for the inconvenience of the schedule change. Thank you, and we look forward to hearing from you.

THE WHITE HOUSE

WASHINGTON

March 28, 1996

MEMORANDUM FOR EXECUTIVE DIRECTORS OF
Air Force Association
Association of the United States Army
Fleet Reserve
Jewish War Veterans
National Association of Uniformed Services
National Guard Association
Non-Commissioned Officers Association
Reserve Officers Association
The Retired Enlisted Association
The Retired Officers Association
U.S. Marine Corps League

FROM: Alexis Herman
Assistant to the President for Public Liaison
Kitty Higgins
Secretary to the Cabinet
Carol Rasco
Assistant to the President for Domestic Policy

RE: Meeting on Monday, April 22

As chairs of the White House Interagency Veterans Policy Group, we cordially invite you to a meeting with our offices on **Monday, April 22, 3:00–4:30 pm**, in Room 180 of the Old Executive Office Building.

As you know, over the past two years the Interagency Veterans Policy Group has provided a forum for discussion of veterans policy issues across agencies. Our meetings with your organizations, such as the April 22 meeting, provide an opportunity for you to highlight issues that the Interagency Veterans Policy Group should address and for us to update you on the status of key issues.

Please submit a brief written summary of the issues that you would like to discuss and the name and date of birth of the attendee from your organization to Bob Jones by April 17 (telephone: 273-4845 fax: 273-4876).

Thank you, and we look forward to hearing from you.

THE WHITE HOUSE

WASHINGTON

April 29, 1996

MEMORANDUM FOR INTERAGENCY VETERANS POLICY GROUP

FROM: Alexis Herman, Assistant to the President for Public Liaison
Kitty Higgins, Secretary to the Cabinet
Carol H. Rasco, Assistant to the President for Domestic Policy

RE: Interagency Veterans Policy Group Meeting

On **Monday, May 6, 4:00-5:30 pm, Room 472 OEOB**, there will be a meeting of the Interagency Veterans Policy Group. The President is expected to hold a roundtable with the veterans press in the near future and therefore it is especially important that you attend next Monday's meeting and are prepared to provide updates on relevant issues.

As in the past, please come to the meeting prepared to provide updates on the issues listed in the attached working agenda. The working agenda consists of issues raised by the veteran service organizations and military coalition groups in our recent meetings with them. If there are other issues that you believe we should be aware of, please come prepared to discuss those as well.

Thank you for your efforts. If you have questions about the agenda or meeting, please call Molly Brostrom of the Domestic Policy Council at 456-5561.

INTERAGENCY VETERANS POLICY GROUP
WORKING AGENDA
April 29, 1996

Short term Issues

1. Department of Labor Veterans Employment and Training Programs

The veterans community is quite concerned about the Administration's 1997 budget proposals to not fund two DOL veterans programs, the Homeless Veterans Reintegration Project and the National Veterans Training Institute. These concerns have been exacerbated by a leaked budget document that gives the appearance of a lack of concern for veterans programs at DOL. DOL has scheduled a meeting with representatives of veterans groups to discuss these concerns, and is considering an agreement to extend the HVRP program.

DOL will report on the meeting with VSOs and the status of HVRP.

2. Expand Commissary privileges for members of the Reserve Components

Arguing that Reservists are increasingly being relied on as key contingents of our nation's defense, the Military Coalition groups are advocating for expanded commissary privileges for Guard and Reserve personnel. Specifically, in letters to Congress, the Military Coalition has requested support for inclusion in the FY 97 Defense Authorization bill of a DoD initiative to implement a test of unlimited commissary use at a minimum of two locations for Reservists. In addition, they are requesting support for increasing commissary privileges for Guard and Reserve members to five visits per month instead of the current single visit per month (12 visits per year).

DoD will discuss the status and our position on these proposals.

3. National Oceanic and Atmospheric Administration (NOAA)

The suggestion was made that a National Performance Review (NPR) recommendation to convert the NOAA Commissioned Corps to civil service positions would not achieve the proposed savings, but would add additional cost. The recommendation was made that the White House reconsider the proposal and support a Senate proposal to downsize the NOAA Corps.

NPR will report on status of proposal.

4. GAO Report on Hispanic Veterans

The American GI Forum referenced the GAO report on issues affecting Hispanic Veterans, asking in particular how VA is going to respond to the issue of increased data on Hispanic Veterans.

VA will provide a brief update on the report and their response, including the issue of data on Hispanic veterans.

5. Academy of Science Agent Orange Report

Questions were raised about our response to a recent Academy of Science report that discusses the question of association between exposure to Agent Orange and spina bifida.

VA will provide a brief update on the report and our response.

6. Blinded Veterans.

The Blinded Veterans Association raised the concern that blinded veterans will fall through the cracks in VA's reorganization of the Veterans Health Administration (VHA).

VA will report on how these concerns are being addressed in VHA reorganization.

7. Transition Assistance Program

Groups expressed support for the continued existence of the Transition Assistance Program, particularly in light of reports of Congressional efforts to dismantle the program.

DoD, DOL and VA will report on status of TAP.

Longer Term Issues

1. Health Care and Military Retirees

The issue of health care options for military retirees and the perception of disparate payment schemes and broken promises continues to be at the top of agendas of Military Coalition groups. Solutions they continue to advocate include Medicare Subvention at DoD and consideration of opening FEHBP to military retirees.

DoD and OMB will report on status of these issues.

2. Eligibility Reform

At the meeting with VSOs, VA provided an update on the status of eligibility reform, explaining that the Senate is planning hearings on the Administration's proposal and the House is expected to bring it to the floor.

VA will provide any new or additional update on the status of eligibility reform.

3. Persian Gulf War Advisory Committee

Administration response to Gulf War veterans with undiagnosed illnesses continues to be of concern to the veterans groups.

NSC will provide any update on progress of the Advisory Committee.

THE WHITE HOUSE

WASHINGTON

Mil. Coalition follow-up

= Commissary

= Ques on D.D's action on reimb

= ? of addl # for Med. bens

= NOAA

- open FEHBP

4/22 Mil. Coalition Gps / White House Mtg

*Barry - ? 2002 as end date

Toni
- 45 people working
- report completed 7/31
- CBO scoring $1.5B → OMB agrees
- ? how to measure current level of effort

VA & Maine Subs Pilot

$473M shortfall
? of treating aware Medicare eligibles @ DoD facils

DoD briefing

Richard Schneider
Commissary issue (319 commissaries)
- using reserves more today than 5-6 yrs ago
- need 5th parity btwn active + reserve
- only 30-40% of personnel/recruits? take adv of comm's
- 5 included Lang - for didn't; Conf went w/ H
- impt perception that recruits not 2nd class

ltr from mil. coalition

Pt of NPR? ← privatize → ques of savings to soldier

Herb Rosenbleth

DoD distrust - e.g. d's CHAMPUS reimb; T's cost to mil.
- why no legisl?

Virginia

DoD invented Tri-Care - for beneficiaries
? of add'l $ for Medicare reserves

NOAA

Expansion of mail-order presc syst
4/14 Defense of Auth. — great S.H. - 3%...

USMC

65+ need to be looked out

Issue is what ppl are promised?
"65+ shown the door"
97 budget
5% ↓ ⇒ trans
another solution ⇒ open FEHBP (Warren, Br
— not scoring issue
Pres said supportive of Med subv

Schneider

DoD / VA CHAMPUS eligible Sharing Agts

Mil. → have to pay 25% copay at VA

Tax Refund of

IRS recoupment - st of limitation

SSDs + VST — 11 yrs of servic → VA elig.

- Sep/Service bonus

Special Separation Bonus

⇒ Net amount (family concurrent receipt)

DoD - Last yr study of hc s

- only gp that's growing is 65+

FEHBP - most bens would choose ~~would~~

- only way to pay is to downsize mil hc syst

DoD looking at / expect to rpt to Congress @ end of

Many

Disagt in OMB → need to Defense Auth.

DoD bill will be scored → gives of how they'll get round

CBO

Admin pushing Med at-risk contracts - often mgd Sh

care, lower costs - 70,000/month signing up

- parts of the country where they're

Not avail.

DoD always provided space avail care

TriCare -

DoD	FEHBP	Medicare
2200 / person	1600 / person	diff age group

THE WHITE HOUSE

WASHINGTON

Follow Up

- DOL : - budget priorities document
  - HVRP, NVTI
  - why didn't Reich appeal?
- VA data on Hisp. veterans / GAO Rpt on services
- Spina bifida kids – ? issues of kids.
- Pers. Gulf Adv Comm ⇒ VSOs on mailing list
- HUD ⇒ how many VA applications rec'd?
- Boyer – critical of Josephs
  - also, of HUD homelessness (actual ⇒ 7/25)
- Move education to St. Louis

Next Mtg – July or Sept

Am Legion

DOL internal doc it 97-02

- Priority
- Essential - straight line
- Lower Prio - get matched down to help meet budget targets

Preston: = ~~more need to~~ articulate progs (vets progs here)

= projections, estimates

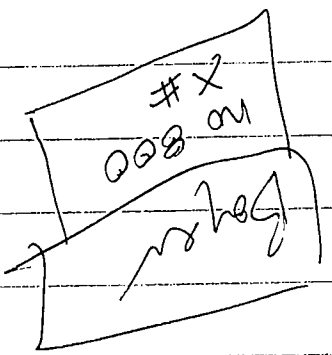
= we revisit as we go fwd - altho w

Pres - major initiatives dealing w/ anxious = loss

* HVRP - Dept wkg to replicate agt w/ HUD for next yr

all JTPA progs busy out in 96

= all of $$



4/19

Elig Reform

HR 3118 - Stump / Admin proposal

S → May 8 hrg

Admin proposal: maintain enrollment proposal

Medicare Subvention

OMB - Larry Haas

Garcia, GI Forum - spirit of helping to finds. [solutions]

Interest in improving service to veterans

GAO Rpt on how Hisp. Vets Served

- VA doesn't track data for Hisp. vets

* What is VA doing? to ensure suff't data

* What is being done for children of VV's w/ spina bifida

* Gulf War Illness - don't want repeat of Agent Orange

* Concern abt budget overall

- cutbacks will affect Hisp's dispr'ly

= list of VSOs for mailing list

examinations to fams children

Am Legion

LT Vets HSecurity Plan / 96-97 Budget

Pleasure to be here

* When does SuperNOFA application due?
* f'up on vets appls

Purple Heart - Kinsley
- Support elig reform
- concern w/ shrinking of VA budget
- Tri-Care: denies care to mil. retirees
forces retirees to go from Champus to Medicare

Kinney, AMVETS
* Illness ness → neg. publicity ab't use of funds - use VSOs them to publicize funds

Sid Daniels, Bradshaw (?)
Concern 97 budget - 1) Disabled Vets → falls short
- funds drop, CVOR
- formula-driven → Provide equality for retirees from Bosnia, etc
- appeals process: DOL doesn't receive due consideration

2) HVRP - zeroed out

Nat'l Vets Training Inst - zeroed out - training for mgrs

Bill Crandell
- this group partly valuable in helping on
- Spina Bifida: issues of liab...
- VA studies focus on VA responsibility
- have their own work

= next mtg => early Sept
early July

Blinded Vets
Tom Miller - + elig reform
- concern abt VHA reorg => that bl vets will fall th
concerns abt
- Benefits reforms
- DOL short shrifted - blind => more time + effort
- DOJ, EEOC - workload growing as result of AD
=> push for full impl of ADA

Ron Drach
* best vehicle for communication

[Kitty: more funding for 1-Stop - and DVOPs, LVERs
role preserved]

NVTI
LVRP - potential source of emb'ssment
Boyd => critical of Josephs, DoD
+ tech'l amdts Sierra Law
? move educ office to St. Louis, MO
- will improve efficiency of govt + services to ve
- bipartisan bill intro'd

TAP -> still needed - cong'l effort
DAV home page

Vollmer

* Campaign medal vs
Full vets status for Bosnia vet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003a. fax	cover sheet, Alma Esparza to Bob Jones (partial) (1 page)	04/15/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Molly Brostrom
CA/Box Number: 8398

FOLDER TITLE:
VSOs [Veterans Service Organizations]/Military Coalition Meetings 1996/Interagency Veterans Policy Group Meetings 5/6 [1995]

2012-0326-S
kc790

RESTRICTION CODES

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PRM Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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National Alliance of Veteran Family Service Organizations
1522 K Street, NW, Suite 702
Washington, DC 20005
202-289-0953
Fax 202-289-0956

FAX Cover Page

Date: April 15, 1996

To: Bob Jones
WH Interagency Veterans Policy Group

Fax #: 202-273-4876

From: Alma Riojas Esparza
Executive Director

Number of pages (including cover page): 1

Comment:

Bob,

Thank you for including the American GI Forum in the April 19 meeting at the White House. Mr. Ernie Garcia will represent the American GI Forum at the meeting. His date of birth is P6/(b)(6) and his P6/(b)(6)

The AGIF would like to discuss the following items:

1. The GAO report on issues affecting Hispanic Veterans
2. The Academy of Science Report on Agent Orange and the reported association of exposure to Agent Orange and spina bifida
3. The Gulf War DOD report
4. The impact of DOD reduction in force (civilian and military) on Hispanics.

For example, the shutting down of Kelly AFB will greatly reduce the employment level of Hispanics in DOD and will have a tremendous economic impact on San Antonio, Texas, a community with a 60% Hispanic population.

Please call me if you have any questions.

Alma Riojas Esparza
Washington, D.C. Liaison
America GI Forum

MILITARY ORDER OF THE PURPLE HEART

CHARTERED BY CONGRESS

NATIONAL HEADQUARTERS
5413-B BACKLICK ROAD
SPRINGFIELD, VA 22151-3960
(703) 642-5360 FAX (703) 642-2054

OFFICE OF: Adjutant General

April 15, 1996

Bob Jones
White House Meeting Assistant
FAX (202) 273-4876

Re: Issues Summary for Veterans Organizations for Friday, April 19, 1996.

Dear Mr. Jones:

The following is a brief outline of the issues our organization desires to discuss at the referenced meeting.

1. Health Care Eligibility Reform
   a. Full continuation of care
   b. Adequate funding of the Department of Veterans Affairs
2. Purple Heart Recipients as a special category of Health Care Eligibility without regard to percentage of disability.
3. Tricare, as proposed, is unfair to Military retirees.
   a. Denies the care that military members were led to believe in.
   b. Forces military retirees from the Champus program to Medicare at age 65.

Yours in Patriotism,

JOHN B. KIRBY
Adjutant General

JBK/lmg

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003b. fax	cover sheet, Frederico Juarbe to Robert Jones (partial) (1 page)	04/15/1995	P6/b(6)

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[0036]

FAX COVER SHEET

NATIONAL VETERANS SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

DATE: 4/15/96

Total number of pages including cover sheet: 1
(please call 202-543-2239, ext. 20, if all pages are not received)

PLEASE DELIVER TO:

NAME: Robert L. Jones

FAX NO: 273-4876

FROM: Frederico Juarbe Jr., Director, NVS

FAX NO: 202-547-3196 PHONE NO: 202-543-2239

COMMENTS:

This is in reply to your request for a brief written summary of the issue(s) the VFW would like to submit for discussion at the meeting of the White House Interagency Veterans Policy Group on April 19, 1996.

An issue which we would submit for discussion is as follows:

> **We assume that the White House is aware of S.1563 and H.R.3119, which proposes legislation reforming eligibility for veteran access to health care provided by the Department of Veterans Affairs. If this legislation advances in the Congress, can the veterans service organizations expect that the Administration will signify its approval by signing the final legislation into law?**

The VFW attendees will be William L. Bradshaw whose date of birth is P6/(b)(6) and Sidney Daniels whose date of birth is P6/(b)(6)

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003c. fax	cover sheet, Frederico Juarbe to Robert Jones (partial) (1 page)	04/15/1995	P6/b(6)

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Molly Brostrom
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2012-0326-S
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[0035]

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VETERANS OF FOREIGN WARS OF THE UNITED STATES

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FROM: Frederico Juarbe Jr. Director, NVS

FAX NO: 202-547-3196 PHONE NO: 202-543-2239

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1946 1996

Air Force Association

1501 Lee Highway, Arlington, Virginia 22209-1198 (703) 247-5800
An Independent Non Profit Aerospace Organization

VETERANS ISSUES

-enact Medicare Subvention

-provide seamless health care for military retirees from retirement to death, i.e., FEHBP

-provide access to medical treatment for military retirees at Base Realignment and Closure locations

-ensure full COLA's for retirement pay; enact COLA on same date for all federal annuitants

-allowing concurrent receipt of military retired pay and veterans disability compensation

-encourage continued improvements to veterans benefits and health care through VA facilities

Contact: Ralph Forsht (703) 247-5800 ext. 4842

THE FLEET RESERVE ASSOCIATION'S LEGISLATIVE AGENDA FOR THE 104TH CONGRESS

The FRA supports the introduction and passage of legislation affecting compensation, benefits, and entitlements for active duty, reserve and retired Sea Service personnel and their families, and opposes legislation that erodes or eliminates pay, benefits and entitlements.

1. ***Medicare Reimbursement to DOD*** — continue efforts supporting legislation enabling the Health Care Finance Administration (HCFA) to reimburse DOD for care provided to Medicare eligible military beneficiaries.

2. ***Managed Health Care Plans*** — work with DOD Health Care Officials to ensure the enrollment fees and co-payments for DOD Managed Health Care Plans are less costly to beneficiaries than deductibles and cost shares for regular CHAMPUS or Medicare.

3. ***COLA Equity*** — fight efforts to reduce military retired pay and ensure that cost of living adjustments (COLAs) commence on the same dates as federal retiree COLAs in fiscal years 1997 and 1998.

4. ***Active Duty Pay*** — secure annual active duty pay increases that are above the consumer price index (CPI) to help close the estimated 13.8 percent gap between active duty and private sector pay.

5. ***BAQ/VHA*** — ensure that the FY 1997 budget funds an adjustment that brings the Basic Allowance for Quarters (BAQ) and Variable Housing Allowances (VHA) to a level commensurate with housing costs.

6. ***Commissaries*** — ensure that the Defense Commissary Agency (DECA) is adequately funded to provide the current savings to future consumers.

7. ***Pharmaceutical Drug Benefit*** — work toward approval of a mail-service pharmaceutical drug benefit for military health care beneficiaries.

8. ***Concurrent Receipt of Military Retired Pay and Veterans' Disability Compensation*** — support legislation authorizing concurrent receipt of full military retired pay and veterans' disability compensation.

9. ***USFSPA*** — support legislation eliminating inequities in the Uniformed Services Former Spouse Protection Act.

10. ***SBP Offset*** — work to eliminate the Social Security offset provision of the Survivor Benefit Plan (SBP).

11. ***Base Closures*** — continue efforts to retain military treatment and other facilities that are fully utilized by sizeable retiree communities at BRAC sites.

12. ***Naval Home Funding*** — oppose further increasing the monthly AFRH active duty pay deduction until other funding alternatives are fully explored.

13. ***FEHBP*** — explore health care alternatives for Medicare eligible military beneficiaries including the Federal Employees Health Benefit Program (FEHBP).

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. letter	James Bapple to Robert Jones re thankyou (partial) (1 page)	04/17/1996	P6/b(6)

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Molly Brostrom
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5535 HEMPSTEAD WAY
SPRINGFIELD, VA 22151-4094
(703) 750-1342
Fax (703) 354-4380
"The Servicemember's Voice in Government"
Established 1968

SOCIETY OF MILITARY WIDOWS
(Affiliated 1984)

April 17, 1996

The White House
Interagency Veterans Policy Group
Attention: Mr. Bob Jones

Dear Mr. Jones:

Thank you for the opportunity to participate in the April 22 forum. As requested, the following is a brief summary of the issues we would like to discuss:

- A Continuing Strong National Defense
- A Continuing Strong All-Volunteer Force
- Honoring the Contract with America's Military:
  - Military Medical Care. We need Administration support for:
    - Medicare reimbursement (subvention). S 1487 (Gramm) and HR 3142 (Hefley): S 1639 (Dole) and HR 3151 (Watts).
    - FEHBP for Military Retirees. HR 3021 (Moran) and S 1651 (Warner).
    - The President's budget under funded military medical care by $640+ Million. This means one third of Medicare eligibles will be denied space available care in military hospitals.
  - Cost of Living Protected Retired Pay
  - Continuance of the Commissary System (as part of the total compensation package).

The undersigned will be attending. My date of birth is P6/(b)(6)

Sincerely,

James W. Bapple
Major, US Army, Retired
Legislative Action Team

Reserve Officers Association of the United States
The Professional Association Representing All Officers

ISSUES FOR WHITE HOUSE MEETING
22 APRIL 1996

ISSUE: Expanded Commissary Privileges for Members of the Reserve Components.

DISCUSSION: Until 1990, Reservists had commissary privileges which were limited to those days in which they were performing some form of active duty. This active duty could take the form of the routine annual training or special tours of active duty of limited duration.

After 1990, commissary privileges were expanded to 12 per year in addition to the active duty tours previously allowed. Congress felt that, since Reservists were becoming a larger player in the nation's national security, that it was a small additional benefit which could be provided.

Today, in order that DoD can control the right to use the commissary, the Reservist either has to use a copy of their current order bringing them on active duty, or show a pink privilege card, if they are not on active duty.

Last year the Senate wrote into the FY 96 defense authorization bill, language which would grant unlimited privileges to eligible reservists of the selected reserve. This effort did not survive in conference between the two Houses because the House did not have it in their version of the bill.

Although the ROA is on record supporting unlimited visits to the commissary, we can support the notion which would grant Reservists five (5) visits per month verses the current one visit, in addition to those authorized while serving on active duty.

JUSTIFICATION: Reservists are being called upon more and more as part of the total force. They are no longer "in reserve" but are a key contingent of the deploying forces. They have been used in deployments in Desert Shield/Storm, Somalia, Haiti and now Bosnia. Reservists played an important role as a peacekeeping force in the Sinai, retrograding equipment out of Europe (RETROEUR) and in Latin America supporting the CINC Southcom. Operations Deny Flight, Provide Comfort and Joint Endeavor are just a few of the missions in which Reservists have played a pivotal role.

Army ★ Navy ★ Air Force ★ Marine Corps ★ Coast Guard ★ Public Health Service ★ NOAA

One Constitution Avenue, N.E., Washington, DC 20002-5655
Telephone: (202) 479-2200 ★ FAX: (202) 479-0416 ★ CompuServe: #71154,1267

The level of risk for involuntary call to active duty is significantly greater today than it was five years ago. Deployments have risen exponentially. The Services are calling upon the Reserves, in ever greater numbers, to volunteer for service in an effort to reduce the active duty optempo/perstempo. When volunteerism is not practical, Reservists have been called up involuntarily. This is a sea change from the original concept of being a Reservist and should be recognized accordingly.

Finally, it has been estimated that there would be little, if any, financial impact on the Commissary system as a result of expanded privileges. Approximately 40% of our Reservists live outside what is considered a normal commuting distance to a commissary. The Defense Commissary Agency (DeCa) has supported the concept of expanded privileges and has studied its impact. DeCa has stated that they could handle the anticipated business with no problem.

There has historically been a feeling among Reservists that they are treated like second class citizens. Expanding commissary privileges would provide a positive recognition of the value of the citizen soldier. Although it would be a hollow benefit for almost half of the Reserve force, it would reflect an acknowledgement that Reservists are indeed an important piece of the Total Force.

The Department of Defense also supports this initiative.

RECOMMENDATION: That the President, either by executive order, personal contact with the Congress, or both, ensure that expanded commissary privileges of at least five (5) days per month, be provided to all members of the Selected Reserve.

Roger W. Sandler
Major General, AUS (Ret.)
Executive Director

Virginia Torsch

THE RETIRED OFFICERS ASSOCIATION

201 North Washington Street
Alexandria, Virginia 22314-2539
(703) 549-2311

Rethinking the White House Proposal to Eliminate the NOAA Commissioned Corps

The National Atmospheric and Atmospheric Administration (NOAA) Commissioned Corps is one of the seven uniformed services. Its mission is to conduct and manage environmental science operations at sea, under sea, in the air, and on land.

NOAA Corps contributes to national environmental security. NOAA Corps duty assignments include: piloting hurricane penetration flights; Chief of Antarctic research station; studying oil spill damage from Prince William Sound to the Persian Gulf. All officers are in positions necessary to the agency.

NOAA Corps officers have the same periodic rotation, relocation, family separation, sea duty, and flight duty as the other services. Like other members of the uniformed services they can be required to serve on duty 24 hours per day, seven days per week without additional compensation.

A 1995 cost study of the NOAA Corps performed independently by the accounting firm, Arthur Andersen, found no cost savings at all in replacing these officers with civilians. The Service was actually shown to be less expensive.

The National Performance Review (NPR) recommendation (DOC2-05) proposes to reduce and ultimately eliminate the NOAA Corps. It proposes a $35 million savings over five years. No source or accounting for that savings is available. In fact, more recent information suggests that an opposite result is more likely. In addition to $10.8 million in one-time transition costs, converting the NOAA Commissioned Corps to civil service positions will cause a $2.7 million increase in NOAA's annual operating expenses.

The speech writer, who prepared the President's Rose Garden remarks announcing this NPR plan, incorrectly characterized the NOAA Corps as a defense force, with 400 officers operating 10 obsolete ships, and suggested that the other services could adequately protect the Nation. The NOAA Corps is an environmental service, has far more than 10 specialized

oceanographic research ships, and assigns its 400 officers throughout NOAA, not just on their ships.

The NPR recommendation is flawed in its facts, suggests undocumented savings, and conflicts with the independently proven economy of the service. The only result will be the elimination of a uniformed service, which would have to be replaced by a more expensive alternative.

The Vice President's letter of July, 1994, to the officers of the NOAA Corps indicated a high level of support for the NOAA Corps, and that their environmental mission was valued.

There is already pragmatic evidence that civilianization of the NOAA missions is not a cost-effective solution. When the NOAA ship SURVEYOR was decommissioned in 1995, charter ships were invited to continue the SURVEYOR's work. The winner was a Russian ship which cost jobs for Americans.

Although legislation in the House of Representatives suggests its sponsors' preference to eliminate the NOAA Corps, the Senate companion bills do not share this view. Instead, recognizing the significant value of a uniformed component in NOAA, the Senate bills contemplate gradually reducing the force from 412 officers to 285 officers by 1999. This plan is consistent with the Government-wide trend to downsize all of the uniformed and many of the non-uniformed agencies and is strongly supported by The Retired Officers Association.

Should the Administration unwisely eliminate the NOAA Corps, all rights and benefits should be guaranteed and where necessary, made equal to the other services. Appropriate compensation should be afforded to the members for the broken promise of a fulfilling service career and the denial any opportunity to serve until eligible for the promised retirement. The many hardships and foregone opportunities of a service career are not recoverable.

Recommendation: The Retired Officers Association strongly recommends that the White House rethink its proposal to eliminate the NOAA Commissioned Corps and instead support the Senate proposal to downsize the Corps to 285 officers by 1999, commensurate with reductions in other government agencies.

April 21, 1996

THE MILITARY COALITION

201 North Washington Street
Alexandria, Virginia 22314

April 15, 1996

RECEIVED APR 19 1996

The Honorable John McHugh
Chair, Subcommittee on Morale, Welfare and Recreation
House National Security Committee
2120 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

The Military Coalition, a consortium of military and veterans organizations representing over three million members of the seven uniformed services, is writing to request your support in sponsoring legislation in the FY 97 Defense Authorization Bill that would provide increased commissary privileges for National Guard and Reserve members. Specifically, we recommend you support the DoD initiative to implement a test of unlimited commissary use at a minimum of two locations for Guard and Reserve personnel.

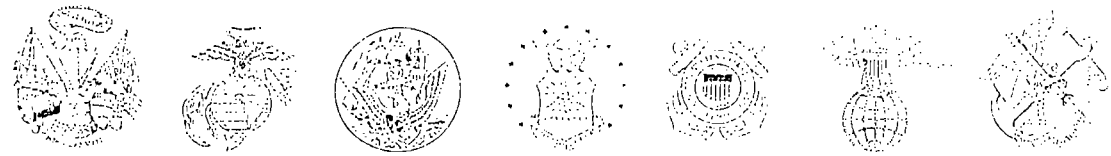
Currently, Guard and Reserve members are entitled to use the commissary twelve times per year, per enactment into law ten years ago. Since that time, the Reserve components have become more integrated into the daily missions of the Total Force and have been called upon increasingly to support the active component in many missions. Indeed, reliance on the Guard and Reserves has become an accepted fact of life in the defense of our nation. Yet the benefits available to our Reserve component members have not kept pace with their more visible and active role and the additional risks they are asked to incur.

In addition, we request your support for increasing commissary privileges for Guard and Reserve members to a minimum of one commissary visit for each inactive duty retirement point credited to the member during the member's previous anniversary year, or five visits per month versus the current one visit per month or twelve times per year. This would send a clear message to members of the Reserve components that Congress recognizes its increased value and contributions to the Total Force and consequently our nation's security.

If we can be of any further assistance to you, please feel free to contact us.

Respectfully,

(Signatures Enclosed)



THE MILITARY COALITION

201 North Washington Street
Alexandria, Virginia 22314

April 15, 1996

The Honorable G.V. Sonny Montgomery
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Montgomery:

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If we can be of any further assistance to you, please feel free to contact us.

Respectfully,

(Signatures Enclosed)

Army Aviation Assn. of America

Nat'l Military Family Assn.

Air Force Association

National Order of The Battlefield Commissions

Assn. of Military Surgeons of the United States

Naval Enlisted Reserve Assn.

Commissioned Officers Assn. of the US Public Health Service, Inc

The Military Chaplains Assn. of the USA

CWO & WO Assn. US Coast Guard

The Retired Enlisted Assn.

Enlisted Association of the National Guard of the US

The Retired Officers Assn.

Fleet Reserve Assn.

United Armed Forces Assn.

Jewish War Veterans of the USA

US Army Warrant Officers Assn.

Marine Corps League

USCG Chief Petty Officers Assn.

Marine Corps Reserve Officers Assn.

Reserve Officers Assn.

National Guard Assn. of the US

THE WHITE HOUSE

WASHINGTON

April 25, 1996

MEMORANDUM FOR **ELAINE KAMARCK**
Senior Policy Advisor for the Vice President

FROM: **LEEANN INADOMI**
Special Assistant to the President

SUBJECT: **NPR PROPOSAL FOR NOAA COMMISSIONER CORPS**

Attached is a statement from the Retired Officers Association regarding the proposed elimination of the National Oceanic and Atmospheric Administration Commissioned Corps.

I'm not sure you have seen this statement, but it was submitted at a meeting with military coalition groups and I wanted to be sure you had it.

cc: Jeremy Ben-Ami (w/o attachment)
Molly Brostrom (w/o attachment)

☐ Commissary => 5 days - Hershel

☐ Special Separation ~~Assoc~~ Bonus => J. Goldstein

Office of Management and Budget
National Security Division

Operations Branch

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Date: 4/22/96

TO: Molly [illegible]

ORGANIZATION:

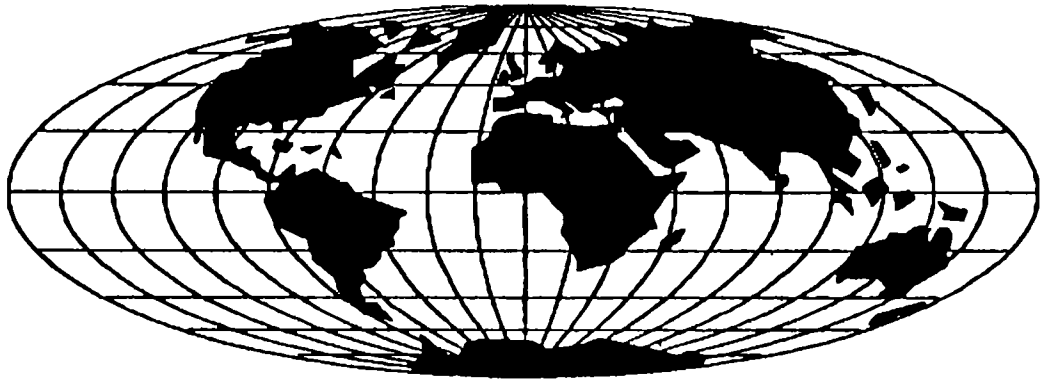
FAX NUMBER: 67028

FROM: Jim Fish

PHONE: (202) 395-3776

COMMENTS: pp 10-12 talk about [illegible] and FEHDO

DEFENSE HEALTH PROGRAM



Justification of O&M Estimates

Fiscal Year 1997
Volume 1

The Defense Health Program spans the globe to support the Department of Defense's most important resource--active and retired military members and their families.

IV. Performance Criteria and Evaluation Summary:

	FY 1995	FY 1996	FY 1997	Change FY96-97
Direct Medical Care Program				
Hospitals/Medical Centers	122	120	116	-4
Medical Clinics	505	511	513	+2
Dispositions	625,113	599,643	527,377	-72,266
Average Length of Stay	3.5	3.5	3.5	0
Occupied Bed Days	2,171,919	2,148,659	1,887,882	-260,777
Inpatient Work Units	647,656	620,892	544,289	-76,603
Ambulatory Work Units	1,053,212	1,005,408	882,426	-122,982
Medical Work Units	1,700,868	1,626,300	1,426,715	-199,585
Ambulatory Visits	40,801,798	39,088,379	34,278,240	-4,810,139
User Population (Average Full Time Equivalents)				
Active Duty Personnel (1)	1,705,177	1,640,932	1,610,788	-30,144
Dependents of Active Duty Personnel (2)	2,331,902	2,246,268	2,205,784	-40,484
CHAMPUS Eligible Retirees	783,771	781,603	779,227	-2,376
CHAMPUS Eligible Dependents of Retirees	1,328,875	1,344,130	1,340,175	-3,955
Medicare Eligible Beneficiaries	377,051	395,153	412,176	+17,023
Total Population	6,526,776	6,408,086	6,348,150	-59,936

(1) Includes Active Guard/Reserve entitled to medical benefit.
(2) Includes Dependents of Active Guard/Reserve entitled to medical benefit.

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL | # of pages ▶ 13

To Jim Fish / Bob Pellicci	From Marianne Cortes
Dept./Agency OMB – Jim, pls share	Phone # 703-697-8973
Fax # 4 Bob - thanks!	Fax # 703-697-8907

NSN 7540-01 317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

Department of Defense Medical Program, FY 1997

Statement by

Stephen C. Joseph, M.D., M.P.H.

Assistant Secretary of Defense for Health Affairs

Submitted to the

Subcommittee on National Security

Committee on Appropriations

United States House of Representatives

Second Session, 104th Congress

April 24, 1996

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Stephen C. Joseph

HAC Overview

Mr. Chairman, Distinguished Members of the Committee. I thank you for the opportunity to provide a comprehensive account of the Military Health Services System. I want to address our requirements as presented in the President's fiscal year 1997 budget and then go into some detail about the programs which support our twin missions of readiness and everyday health care delivery.

Department of Defense leaders, throughout the years, have stated that people are our most valuable resource; a principle clearly espoused by President Clinton and Secretary Perry in their determined actions to improve the quality of life for all members of the Armed Forces. Among the components contributing to an acceptable standard of living is health care: health care for service members wherever and whenever that care is needed; and, health care at home that is easily accessible, of high quality and at reasonable cost for service members and their families.

Fiscal Year 1997 DoD Medical Budget

The medical portion of the President's Defense budget, $15.1 billion, will afford us the resources to ensure that health care continues to be a successful contribution to quality of life in the military.

Of the total medical budget, almost $9.6 billion is planned for the Defense Health Program to provide support for worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, specialized services for the training of medical personnel, and occupational and industrial health care. Health care services will be provided in 116 military hospitals and 513 clinics for a beneficiary population numbering 8.3 million.

Included in the $9.6 billion are $3.5 billion in costs associated with the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and TRICARE Managed Care Support Contracts (MCSC). CHAMPUS is the program through which eligible patients may share the cost of health care purchased from the civilian sector. In 1993, the Department began a transition to the managed care concept of operation by adding several new components to its health care program. This managed care program, TRICARE, integrates the Civilian Health and Medical Program of the Uniformed Services with the military medical treatment facilities on a regional basis. TRICARE realigns the Military Health Services System into 12 DoD health care regions. The MCSC initiative, a significant component of TRICARE, will transition the purchase of health care and support services from civilian sources under the basic CHAMPUS program (fee-for-service) to fixed-price at-risk contracts. The FY 97 Defense Health Program funds the

costs of the seven MCS contracts (covering all 12 regions) that will be negotiated and procured by the Office of CHAMPUS.

In addition, $269 million in the Defense Health Program provides for procurement of capital equipment for military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded or altered health care facilities being constructed under major military construction programs; equipment for modernization and replacement of worn-out, obsolete or economically reparable items; equipment in support of TRICARE and medical treatment facility information processing requirements; and equipment supporting programs such as pollution control, clinical investigation, and occupational/environmental health.

The remainder includes the amounts requested for military medical personnel, almost $5.1 billion, and medical construction at $337 million.

Our fiscal year 1997 budget submission reflects strong commitments to readiness, quality of life issues and managed health care delivery. This submission represents fully funded CHAMPUS/Managed Care Support Contracts and the phasing-in of the new cost-shares for the uniform HMO benefit. This submission continues funding, $143 million, for our Comprehensive Clinical Evaluation Program and research activities in support of our service members and their families who are suffering from illnesses thought to be associated with service in the Persian Gulf.

This submission uses a capitation based model to determine the basic funding requirement for the Defense Health Program. The methodology is based on FY 95 costs. Rather than determining our capitation rate using the total number of eligible DoD beneficiaries, we estimate the number of those beneficiaries who actually use our system. That estimate is determined by a survey conducted semi-annually. The costs divided by the number of estimated users results in the capitation rate. We then adjust that rate for inflation and known changes from the base year.

This budget represents a decline in purchasing power of $880 million. This decline is driven by a reduction in our user beneficiary population, the ending of our force commitment in Bosnia, as well as the ending of other contingency operations. We are also handling this decline through the replacement of CHAMPUS fiscal intermediary contracts with more efficient Managed Care Support Contracts as well as our increased use of Utilization Management initiatives.

DoD Health Care Leadership

Building the medical programs for the Department of Defense is an effort for which considerable negotiation, coordination and collaboration is essential. During the past year, Health

Affairs, the Surgeons General of the military services, the senior medical officer of the Joint Staff, and the Principal Deputy Assistant Secretary of Defense for Reserve Affairs have solidified the organizational means to ensure open and timely communications and decision-making in support of the mission, programs and personnel of military medicine

Working throughout the year, we have defined the strategic goals for the Military Health Services System, produced a strategic plan and strategies for meeting these goals and begun to tailor and to place in priority our programs and efforts to comply with our strategies.

It is my belief that military medicine, today, has in place the tools necessary to lead, guide, size and shape the Military Health Services System to meet its twin missions into the next century. Along with senior advisory groups, both internal to the Department as well as from the external community, we have the Defense Health Program, our capitated budgeting process, and TRICARE. In addition, we continue to place highest priority on the requirements necessary for medically supporting the Armed Forces in carrying out the military objectives of our national security strategy.

Readiness

The world in which we live is charged with activity. It is neither settled nor predictable. Our national security strategy recognizes that the interests of this nation remain global in nature, while the threats we face are more diverse. The President's national security strategy is one of engagement and enlargement. As the world's leading power, the United States must do all it can to deter aggression, promote peace, and foster the growth of democratic governments throughout the world.

For the Department of Defense, this strategy underscores the need to be prepared for short-notice deployments in harsh, austere environments with missions that range from war to contingencies to peacetime operations. Military medicine must be prepared to play an integral part in this strategy.

Because military medicine exists to support the men and women in uniform, especially when they deploy in response to our national security policy decisions, readiness of our medical personnel and units must be our paramount concern. Today, our Armed Forces are serving the NATO peacekeeping mission in Bosnia; and military medicine is there. This mission, while peacekeeping in nature, is fraught with dangers to the health and safety of our troops. The environmental health threats to our force in Bosnia range from the severe cold weather, poor to non-existent public works such as sanitation, to endemic diseases and the presence of innumerable land mines.

The medical preparations we have taken with this deployed force are different from previous deployments. These differences are a result of the progress we have made in placing tremendous emphasis on our readiness posture, and of implementing changes to improve our approaches to deployment, many arising from our experience in the Gulf War.

Prior to deploying, we conducted medical screening of all personnel, we have pointedly informed our troops regarding the environmental health risks they may encounter and offered information and training on how to stay healthy. Plus, we are capturing demographic data for all those who deploy.

During this deployment, we have preventive medicine and combat stress teams to accompanying the force. Other very specialized teams will deploy at the call of the commander, in coordination with the US European Command Surgeon, to address specific potential hazards. Additionally, a preventive medicine officer has been detailed to the staff of the US European Command Surgeon. The deployed preventive medicine teams in Bosnia will assess all aspects of disease and environmental threats; establish geographic-specific medical surveillance systems; investigate disease outbreaks; implement preventive medicine measures; and, document environmental and combat exposures.

Prior to or shortly upon their return, service members will be screened for identified health concerns. Once home, service members will receive information handouts, individual counseling, and medical referrals when indicated. Additionally, rosters of all deployed personnel will be stored in an accessible database to allow for future review and screening.

The medical contingent deployed in support of our peacekeeping efforts in Bosnia includes hospitalization, dental, veterinary services, laboratory, and medical evacuation assets. In Hungary we have a larger hospital capability; and for further, more specialized care, patients will be medically evacuated to the Army Medical Center at Landstuhl, Germany.

Most medical units in Bosnia deployed from Europe, notably the 30th Medical Brigade as the medical Command and Control Headquarters, the 212th Mobile Army Surgical Hospital, a 56-bed capability, situated in Bosnia, and the 67th Combat Support Hospital, a 120-bed capability, located in Hungary. As of April 19, our medical units had admitted 767 patients, performed 64 surgeries, seen 10,938 ambulatory patients, and evacuated 386 out of the theater of operations. Virtually all patients sought medical attention for diseases or non-battle injuries.

We are in the process of establishing a telemedicine network within Bosnia linking all of our medical units, then linking these units to the hospitals in Hungary, Germany and here in the

U.S. Additionally, we will connect the USS George Washington, in the Mediterranean Sea, on this medical net. What telemedicine means in Bosnia is that, real-time, very specialized health care, in the form of diagnoses and consultation, can be projected forward to the patient. It means very high quality, sophisticated care for the patient, often without having to transport the patient hundreds, even thousands of miles from his or her unit.

Our nation believes it is important to ensure the health of our men and women in uniform, and to have medical attention readily available in the event of injury or disease, anywhere, anytime. These expectations mean the Armed Forces need a health care component that can do as they do; they need Army medicine, Navy medicine, Air Force medicine.

Health care deployed in support of the Armed Forces, medical research, education, primary, specialized and follow-up care, and prevention and health promotion are all elements of a strong military health care delivery system that is responsive to the needs of the people it serves.

It is my responsibility to develop the policies and design the programs to enable the men and women of the Military Health Services System (MHSS) to do their jobs. It has been my practice to closely coordinate these decisions with the Surgeons General of the military services.

A perennial debate to which the MHSS is again joined concerns the appropriate size of the medical force; just how many physicians should be on active duty?, what is the correct size of the MHSS itself?, how much more capability can be added, or subtracted, based on cost-benefit analyses?

The current assessment, directed by the Deputy Secretary of Defense, is a major update to the original Section 733 Study, The Economics of Sizing the Military Medical Establishment, The Section 733 Study was directed in the FY 1992 and FY 1993 National Defense Authorization Acts. Mr. William Lynn, Director of Program Analysis and Evaluation, testified before Congress on April 19, 1994, on the results of that landmark study which seriously questioned the size of the current MHSS to support wartime requirements. This update was directed because of the controversy caused by the original study; the subsequent renewed interest in the issue by Congress, Section 745 of FY 1996 National Defense Authorization Act; the recommendations of the Commission on the Roles and Missions (CORM) of the Armed Forces; and, the Secretary's reply to Congress on the CORM recommendations.

Mr. William Lynn and I are co-chairing a senior level Steering Committee that is overseeing this update study. We have three working groups reporting to the Steering Committee.

Working Group No. 1 -- Wartime Requirements -- will determine the number of medical personnel needed to support the current planning scenarios involving two, almost simultaneous, major regional conflicts.

Working Group No. 2 -- Sustainment and Training -- will determine the number of medical personnel needed in the sustainment and training base to support the wartime and operational requirements.

Working Group No. 3. -- TRICARE Cost Savings -- will analyze the full cost savings potential from implementing utilization management, propose metrics to monitor the progress of the Department's TRICARE program, and consider the proposal of a fourth option, such as access to the FEHBP, for the TRICARE program.

While it is still too early for the final results, the deliberate approach being taken this time is designed to ensure that all interested parties have an opportunity to participate and that all relevant issues are evaluated. I am confident this effort will provide the Department, and ultimately the Congress, with a valuable new baseline for evaluating the appropriate size of the MHSS.

It is not possible to maintain a trained and prepared medical force ready to deploy on short notice without the MHSS. It is in the everyday operation of the MHSS -- caring for patients of all ages -- that our medical personnel increase their skills as health care professionals. And, very importantly, it is where our medics and independent duty corpsmen receive the patient care training they need to do their most vital jobs.

An underlying strength of the MHSS is having practitioners who are themselves members of the US military. These health care professionals, like their military professional counterparts, need to maintain their technical skills; our health care personnel do this by practicing medicine in military medical facilities everyday. They also need to understand the military system, its plans, doctrine and operating systems. To gain that understanding they must use their health care skills in the military operational environment of their service: field, transportable, or shipboard medical facilities. Participation in readiness training exercises is one means that offers military health care professionals an opportunity to learn how field medical units or the medical facilities onboard ship might operate during a deployment. This training experience is essential in order that our military medical personnel are fully prepared for military commitments which involve a force deployment. Bosnia is today's deployment, and it is one cloaked in risk to the health of our men and women who are there. We are committed to minimizing that risk and sustaining the health of our people.

TRICARE

TRICARE increases flexibility for the MHSS, which affords our military medical personnel the ability to maintain their personal readiness while assigned to a base hospital or clinic. This flexibility is demonstrated in the unprecedented collaboration among the military medical departments and in the partnerships we are building with civilian health care companies. These initiatives, joint service sharing and strong public-private partnerships, contribute to the survival of the MHSS.

Survival also means changing: improving operations, controlling costs, becoming more beneficiary-friendly, enhancing the quality of the care provided, and always continuing to support readiness. The outcome of these changes are the goals of TRICARE.

Implementation of TRICARE across the country is very much on-schedule. We began TRICARE Prime in the Northwest Region, Region 11, in March of last year. Prime services began in Region 6, Oklahoma, Arkansas, most of Texas and most of Louisiana, in November of 1995. The contract has been awarded for Regions 9, 10 and 12, California and Hawaii, with services beginning on April 1, 1996. In the Southeastern United States, Regions 3 and 4, covering the States of Alabama, Florida, Georgia, Mississippi, South Carolina, Tennessee, Southeast Louisiana and a small part of Arkansas, we have awarded the contract, and services will begin in July of this year. Award of the contract for Regions 7 and 8, the North Central and Desert States Regions, has had a short delay in order to include the provisions in law to provide wrap-around mental health services; services should begin in February of next year. The contracts for the remaining regions, 1, 2 and 5, will be awarded by the end of this year.

So far, we have been successful in tackling a variety of difficulties and obstacles, from enrollment glitches to contract award protests. While the protests are likely to continue with each new award, many of the implementation difficulties are being minimized through the sharing of information among Lead Agents. Our record on GAO protests is a good one: of the ten protests filed, we have won seven, lost two and one was dismissed. With regard to litigation, nine suits have been filed against us; we have won eight and one is still pending. Finally, of the three Agency level protests we received, DoD denied one and resolved the other two.

In the regions where Prime enrollment has begun, the trend is that anticipated numbers of enrollees have been far exceeded very early, leading to slow-downs in the enrollment process and even backlogs. Despite the bottlenecks, the message is clear that beneficiaries want to join Prime. In Region 11, enrollment of retirees and family members began in March 1995 and their numbers as of April 12, 1996, totaled 132,094. This more than doubles the estimated number of enrollments projected for the whole first year. The experience is similar in Region 6, where, in the first five months of operation, enrollment numbers of retirees and family members totaled 137,912. This exceeds the number projected for the entire first year.

Managed Care Support Contracts

Among the public-private partnerships contributing to the strength and flexibility of the MHSS and TRICARE are the Managed Care Support Contracts. Through these contracts, military hospitals expand their ability to offer the full range of health care services to beneficiaries depending on the MHSS for their care. The managed care support contracts assist military medical facilities by establishing a network of civilian providers to complement the military's capabilities, operating a health care finder service, conducting beneficiary services, processing claims, and more.

These partnerships also will afford us the opportunity to test the prospect of offering TRICARE Prime to our active duty families assigned to locations far distant from military medical facilities, such as recruiters and those in ROTC assignments. We are finalizing the details of this demonstration and hope to have it begin in Region 11 this summer.

We have awarded three managed care support contracts covering Regions 6, 9, 10, 11 and 12 to Foundation Health Federal Services, Inc. Humana Military Healthcare Services is the winning contractor for Regions 3 and 4.

Last year the Congress commended the Department on its efforts in moving towards a nationwide managed health care system for the military, TRICARE. Existing law at the time mandated that the TRICARE program be fully implemented by September 30, 1996. The Congress was concerned that the Department had accelerated the process in order to meet this statutory deadline and felt that there would be great benefit from additional time in meeting the complex requirements of TRICARE. Therefore, they extended the deadline for implementation of the TRICARE program by one year.

We have taken advantage of this new authority. We delayed the start of the procurement process for the Region 1 and Regions 2 and 5 Managed Care Support contracts. While we still plan to award these contracts by the end of this calendar year, the delay has afforded us the opportunity to complete development of the Composite Health Care System (CHCS) interoperability and to evaluate various alternative financing methodologies to allow the military medical facilities to manage and be accountable for all health care of its enrollees.

The new financial approach that we selected will significantly clarify military medical facility financial responsibility for the Prime enrollees while retaining a partnership with the

contractor. There will be a continued sharing of risk for all CHAMPUS eligibles not enrolled with the military medical facility; and, more frequent bid price adjustments to improve the "real-time" cost impact of management decisions by the military medical facility commanders. By clarifying the military medical facility's financial responsibility, we strengthen that facility's incentives to manage utilization. Both of these enhancements are included in the Requests for Proposals for Region 1 and Regions 2 and 5.

Capitation Financing

One of the management initiatives that has afforded us the ability to make a significant philosophical change in health care delivery is capitation financing. Medical treatment facility commanders have been provided the information and incentive to manage all of the DoD resources expended within their areas of influence which is considered to be the user beneficiary population in their respective catchment (or health service) areas. For the past two fiscal years, the three Military Departments have provided their commanders with specific information concerning the expenditure of CHAMPUS funds as well as the dollar value of the military staff participating in patient care activities. By taking this integrated approach to health delivery planning and execution, commanders and their staffs have realized significant improvements in utilization patterns and better coordination of required services for our beneficiaries. In short, our shift in external emphasis from process-oriented workload counts to healthy beneficiaries has begun to enable clinicians to concentrate on developing strategies to encourage healthy lifestyles, emphasize preventive measures, and return sick and injured patients to full health and functionality as efficiently and quickly as possible.

The development of our capitation model for determining resource requirements has revolutionized the budgeting and programming for the Defense Health Program. With recent refinements such as adjustments for differences in age/sex mix, we have a very dependable way to forecast our per capita resource requirements. As a result, we are better able to identify real opportunities for improvements in efficiency and effectiveness.

Breast Cancer Program

Encouraging healthy lifestyles and emphasizing prevention are major elements of the two-tracked DoD Breast Cancer Program. First, we have the on-going research program, which involves broad-based, scientifically diverse, interdisciplinary, innovative science with extensive patient involvement. Our research approach uses the implementation strategy recommended by the Institute of Medicine of the National Academies of Science and includes a two-tiered peer review process. Nearly 300 awards have been recommended for funding using our fiscal year 1995 appropriations. These awards include research proposals for mammography efforts, breast cancer centers, and continuation of research, infrastructure enhancement and training and recruitment. Our fiscal year 1996 appropriations will continue these research efforts.

The second track of our Breast Cancer Program is to improve diagnosis, prevention and education for our women beneficiaries. This portion of the program will be based on plans submitted by each of the TRICARE Lead Agents and will emphasize breast cancer awareness, early detection, prevention education and treatment programs. We are now in the process of establishing a DoD Breast Cancer Work Group, chaired by a member of my staff, to provide guidance and oversight for the program. Work group members will be representatives from the military services and from such disciplines as medicine, surgery, radiation oncology, general surgery, gynecology, radiology, nursing and physical therapy. Our goals are to provide training in early detection, minimization of breast cancer risk, and optimally increasing health care availability emphasizing access and follow-through for our population of women at risk.

We recently entered an agreement with the National Cancer Institute (NCI) which expands our trial program that provided CHAMPUS reimbursement for breast cancer treatment under approved NCI trials for high dose chemotherapy with stem cell rescue. NCI sponsors an extensive clinical trials program for the evaluation of therapy for various types of cancer. Our new agreement will allow DoD beneficiaries to participate in these various NCI sponsored clinical trials in either military medical facilities or in civilian facilities with reimbursement through CHAMPUS/TRICARE. This agreement will improve access to promising cancer therapies for our beneficiaries as well as assist in meeting clinical trial goals and arrival at research conclusions regarding the safety and efficacy of emerging therapies in the treatment of cancer.

Dual Eligibles: DoD and MEDICARE

We continue to evolve TRICARE in our efforts to make it the best health care plan in the country. In doing so, we must work within the constraints of our budget and to the extents of our legal authorities. By Congressional direction, TRICARE shall not increase the Department's health care costs, and at the same time the costs to our beneficiaries shall not increase. This tug-of-war with dollars has caused many of our retirees to be unhappy with the enrollment fees required of them and their families, should they elect to join TRICARE Prime. The FY 1996 Defense Authorization Act, granting priority use of the military treatment facilities for enrollees, serves to alleviate some of that unhappiness.

Still, there remains one critical issue: care for our Medicare-eligible beneficiaries. Last year, over 250 Members of Congress sponsored or co-sponsored legislation that would have allowed the Health Care Financing Administration (HCFA) to reimburse DoD for care that military facilities provide for these dual-eligible beneficiaries. Similar bills are being proposed again this year.

There are many options for resolving this issue. One alternative is to allow these patients to continue on a space available basis in our military medical facilities. However, space is becoming less and less available as our military medical facilities are closed through the Base Realignment and Closure process and as the competition for military medical facility access

increases. Gradually, if no other action is taken, Medicare will probably be responsible for an increasing share. At present, DoD estimates that it provides $1.4 billion in care to dual eligibles.

A second alternative is to have HCFA reimburse DoD for those dual-eligibles who enroll in TRICARE Prime. Historically, the CBO has scored this alternative as increasing entitlement dollars without an off-setting decrease.

In response to the 1995 Defense Authorization Act, we proposed to HCFA conducting a demonstration whereby military medical treatment facilities may be reimbursed as providers under existing Medicare health maintenance organizations (HMO). Discussions are currently underway within the Administration to determine the feasibility of a new demonstration where DoD would maintain its current level of effort and would expend those funds first; then, turn to HCFA to cover additional dual eligible beneficiaries who choose to enroll in TRICARE Prime. We would like to see this demonstration begin as soon as technical and demographic specifications can be agreed upon.

A third alternative would be for DoD to continue to pay for medical care for Medicare eligibles. We currently budget to provide space available care to a growing number of our beneficiaries who are Medicare eligible. However, providing care under TRICARE for these beneficiaries could be excessively costly to DoD.

The Congressional Budget Office (CBO) recently made cost analyses of the "concept" of a Medicare reimbursement demonstration. It is our recommendation that the CBO analyze specific authorization language.

Federal Employee Health Benefit Program Option

Some of the Associations which represent our beneficiary populations have examined a variety of health care options and are seeking consideration for access to the Federal Employees Health Benefit Program as an option to TRICARE. We are examining this alternative at the present time and expect to have a report to the Congress by the end of May 1996.

I strongly believe, as do each of the Surgeons General, that any potential modification of the military health benefit must be developed in close coordination with our Committees of Jurisdiction. In that regard, we pledge to work with our committees to explore all reasonable possibilities, while ensuring the viability of the Military Health Services System and our commitment to meeting our primary responsibility to care for the Armed Forces when operationally deployed.

We are focusing our study on active duty families assigned to areas where TRICARE Prime is not available, rather than retirees, their family members and survivors. This is because DoD already assumes the vast majority of health care cost for active duty families, whereas many CHAMPUS-eligible retirees have other primary health insurance and are not reliant on DoD at present. There is a risk that beneficiaries who are currently not reliant on the Government for their health care coverage could be induced to drop their non-Government coverage, resulting in new costs to DoD, estimated at up to $500 million. A parallel circumstance exists for Medicare-eligible DoD beneficiaries. DoD provides space-available care in military facilities for many of these beneficiaries, but costs for private sector care is reimbursed by Medicare. Offering FEHBP coverage to DoD Medicare eligibles would require additional, new funding for DoD, estimated at up to $1.5 billion.

Closing

In closing, Mr. Chairman, I want to stress to you the fact that our Armed Forces are participating in far more operational deployments than just ten years ago. These are not wars, nor combat actions. They are currently peacemaking and peacekeeping operations, humanitarian and disaster assistance efforts. It means that we have our service members on the move frequently, temporarily living in makeshift accommodations around the globe. It means we have a tremendous need for rapidly deployable, highly qualified medical personnel to ensure the health and safety of these men and women. What we learned from Desert Storm, the Sinai, Somalia, Rwanda, Haiti, Macedonia, Guantanamo, we are applying today in Bosnia.

Being prepared for the next deployment demands an actively engaged, strong Military Health Services System, one which constantly strives to find better, more effective ways to meet its myriad responsibilities. I believe we are doing exactly that with TRICARE.

THE WHITE HOUSE

WASHINGTON

WHITE HOUSE MEETING WITH
REPRESENTATIVES OF MILITARY COALITION GROUPS

Monday, April 22, 3:00 - 4:30 pm
Room 180 Old Executive Office Building

Agenda

Welcome/Introductions

-LeeAnn Inadomi, Special Assistant to the President for Cabinet Affairs

Brief Updates

-Budget/CR Status: Larry Haas, Associate Director for Communications, Office of Management and Budget
-Medicare Subvention Working Group

Discussion of Issues of Concern from Military Coalition Representatives

Adjourn

7

THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

Facsimile Cover Sheet

To: Molly B.
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From:
Company: Office of the Secretary
Phone:
Fax:

Date:
Pages including this cover page:

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Bob → grandfathering

Putting Veterans First

Thank you for inquiring about the NOAA Corps. I'm attaching two NOAA articles on the NOAA Corps. The first is a NOAA Backgrounder used by NOAA to inform new Congressional members about the Corps. The second is a verbatim position of NOAA taken from the NOAA Legislative Informer, October 1995/Issue #14. The Legislative Informer is produced by NOAA's Legislative Affairs Office.

Regarding your request for background information on the NPR, the following appeared in the NPR as recommendation DOC2-05:

"Eliminate the National Oceanic and Atmospheric Administration Corps. The NOAA Corps is the smallest uniformed military service. It consists of about 400 officers who command a fleet of fewer than 10 obsolete ships. Reduce the current corps to 130 FTE's and eventually eliminate it. Savings: $35.2 million"

As you were informed by Deputy Under Secretary Josephson, the justification was wrong. The NOAA Corps does much more than command 10 'obsolete' ships. In fact, when the recommendation was made, the Corps was operating 18 vessels, 13 aircraft and was an integral part of NOAA's nautical and aeronautical charting programs as well as serving in other line organizations within NOAA.

The reduction 'to 130 FTE's' has also been admitted to be a 'typo' and should read 'by 130 FTE's'. NOAA Corps began this streamlining in 1995 and is half way there.

As Mr. Kamenski of the NPR admitted, the savings shown are also in error and any savings will be the result of streamlining efforts only. Mr. Kamenski also stated GAO does not see a cost savings in eliminating the Corps and NOAA's own study showed a cost incurred by doing so.

Mr. Kamenski stated that the NPR's position/justification to eliminate the NOAA Corps is now, that 'The NPR doesn't see the need for a separate personnel system.' This surprised me, since the NPR is currently advocating that agencies should develop separate personnel systems, more responsive to agencies missions, mobile and flexible, performance driven, etc., something which the NOAA Corps now offers.

I understand this was a concern of The Retired Officers Associations. The NOAA Corps is hearing from our retired officers and others, asking such questions as, should the NPR be allowed to strip officers of their commissions and end their careers based on a few opinions? Should officers be told their past sacrifices and the commitment made to them by the government are no longer valid? Some have even questioned whether there may be an anti-uniform, anti-military bias within the NPR and in the current NOAA Administration.

I would be very interested in knowing whether the Interagency Veterans Policy Group will be making any recommendations to the Administration on this matter and what those recommendations will be.