NATIONAL MILITARY FAMILY ASSOCIATION

Together we're stronger

Statement

by the

NATIONAL MILITARY FAMILY ASSOCIATION

for

Subcommittee on Personnel

of the

UNITED STATES SENATE
ARMED SERVICES COMMITTEE

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The Committee

The National Military Family Association (NMFA) is the leading nonprofit dedicated to serving the families who stand behind the uniform. Since 1969, NMFA has worked to strengthen and protect millions of families through its advocacy and programs. We provide spouse scholarships, camps for military kids, and retreats for families reconnecting after deployment and for the families of the wounded, ill, or injured. NMFA serves the families of the currently serving, retired, wounded, or fallen members of the Army, Navy, Marine Corps, Air Force, Space Force, Coast Guard, and Commissioned Corps of the USPHS and NOAA.

Association Volunteers in military communities worldwide provide a direct link between military families and the Association staff in the Nation's capital. These volunteers are our "eyes and ears," bringing shared local concerns to national attention.

The Association does not have or receive federal grants or contracts.

Our website is: *www.MilitaryFamily.org*.

EXECUTIVE SUMMARY

The United States military is the most capable fighting force in the world. For two decades of war, service members and their families never failed to answer the call, steadfastly sacrificing to protect our Nation – abroad and even now at home. They make these sacrifices trusting that our government will provide them with the tools to keep them ready. Continued national fiscal challenges have left military families confused and concerned about whether the programs and benefits contributing to their strength, resilience, and readiness will remain available to support them and be flexible enough to address emerging needs. The Department of Defense (DoD) must provide the level of programs and resources necessary to meet this standard. Service members and their families have kept trust with America through 20 years of war with multiple deployments and separations. Unfortunately, that trust continues to be tested.

We ask Congress:

As you evaluate proposals for changes to pay and benefits, consider the cumulative impact on military families' purchasing power and financial well-being, as well as the effects on the morale and readiness of the all-volunteer force now and in the future.

Please:

- Reject benefit changes and budget proposals that threaten military family financial well-being as a way to save money for the government.
- Keep military pay commensurate with service and aligned with private sector wages.
- Provide oversight to ensure recently enacted military health reform efforts enhance military families' access to quality health care and that the costs of increasing military readiness are not passed along to families as cost shares or premiums which will degrade family readiness and potentially retention.

We ask Congress to make improving and sustaining the programs and resources necessary to keep military families ready a national priority.

We also ask Congress to:

- Provide oversight to ensure DoD and the individual Services are supporting families of all components by meeting the standards for deployment support, reintegration, financial readiness, and family health. Fund appropriately at all levels.
- Ensure military families are provided safe, high-quality housing.
- Ensure adequate funding for military child care programs, including child care fee assistance programs. Improve affordability and access to child care and increase the availability of part-time and hourly care. Establish dependent care flexible spending accounts for members of the uniformed services.
- Facilitate more accessible paths to both licensure and employment for military spouses in the mental health field when they work with our service members and their families. Expand opportunities for mental health professionals to obtain supervision through DoD entities and contractors providing mental health care.
- Preserve the savings military families receive by shopping at the commissary and exchanges. Oppose any reform measures that would reduce the value of the benefit.
- Require pediatricians in Military Treatment Facilities (MTFs) to screen patients for food insecurity and provide information about applying for WIC. Institute a basic needs allowance.
- Increase funding of Impact Aid through the Department of Education (ED).

- Continue to authorize $50 million for DoD Impact Aid for schools educating large numbers of military children and $20 million for military children with severe disabilities.
- Bring the Extended Care Health Option (ECHO) benefits on par with State Medicaid waiver programs.
- Authorize an open enrollment period for the Survivor Benefit Plan (SBP).

After 20 years of war, we continue to see the impact of repeated deployments and separations on our service members and their families. We appreciate Congress' recognition of the service and sacrifice of these families. Your response through legislation to the ever-changing need for support has resulted in programs and policies that have helped sustain our families through these difficult times.

PAY AND COMPENSATION

We appreciate Congress making the pay raise at Employment Cost Index (ECI) a priority in the Fiscal Year 2021 National Defense Authorization Act (FY21 NDAA). Congress chose the Employment Cost Index (ECI) as the standard for active duty pay raises to recruit and retain the quality of service members needed to sustain the all-volunteer force, and we thank you for meeting that standard this year.

Although the last five years have seen military pay raises at the ECI, reductions to service member housing allowances, increased health care costs, and the requirement under the Blended Retirement System for service members to contribute to their retirement savings lower service member take-home pay. We ask you to consider the cumulative effects of these policies on military families' financial well-being and reject any proposals that ask families to shoulder a greater financial burden.

We believe that Basic Allowance for Housing (BAH) is an essential component of military compensation. We urge Congress to return BAH rates to cover 100 percent of housing costs and oppose any changes that threaten to reduce military families' pay.

We ask Congress to keep military pay commensurate with service and aligned with private sector wage increases.

We ask Congress to reject budget proposals or benefit changes that threaten military family financial well-being as a way to achieve savings for DoD.

MILITARY HEALTH SYSTEM

The past year has placed unprecedented demands on the military health system (MHS). Thousands of military medical personnel deployed to support civilian communities with COVID-19 testing, treatment, and vaccinations. At the same time, civilian health care providers faced financial pressure as patients deferred care during the pandemic, straining the purchased care network and further highlighting the importance of the direct care system and military medical providers. The pandemic illustrated the vital role of the MHS, both within the military community and to the Nation.

While coping with the demands of the pandemic and its aftermath, the MHS is also undergoing a transformation. Following language included in the FY17 NDAA, administration of military treatment facilities (MTFs) is shifting from the Services to the Defense Health Agency (DHA). That same year, DHA was also directed to review all MTFs and restructure or "right size" as needed, moving some beneficiaries to the purchased care network. Meanwhile, a new generation TRICARE contract is on the horizon, which will introduce additional changes to the system. ***We ask Congress to provide close oversight as the MHS moves through these changes to ensure military families' healthcare needs are met.***

We thank Congress for pausing proposed military medical billet cuts and planned MTF restructuring in the FY21 NDAA. Given the known stresses on the civilian health care system, moving forward with those changes would have put military families' access to health care at risk. It is our understanding that DHA has conducted additional analysis of the MTFs identified for right-sizing and will only move forward when it is able to certify the civilian network is able to absorb the

additional demand for care. However, we also note that a May 2020 GAO[1] report identified problems with the Department's assessment process, including inadequate methods to determine civilian provider quality and availability. As DHA moves forward with MTF restructuring, we need transparency into the methods they are using to determine that the civilian network is sufficient to meet families' needs. *Congressional oversight of this process is critical.*

We remain concerned about the potential impact of military medical billet cuts. While details of the Administration's FY22 budget have not been released, the previous two budgets included plans for cuts of up to 18,000 military medical billets. Assuming these cuts are concentrated on non-operational specialties such as pediatrics and obstetrics, the impact on families' access to care could be significant. We are especially grateful that Congress acted to stop military medical billet cuts last year and request similar language be included in this year's NDAA.

We appreciate that Congress recognized impediments to providing dental coverage to active duty families through the Federal Employee Dental and Vision Insurance Program (FEDVIP) and repealed the planned elimination of the TRICARE Dental Program (TDP). However, the known problems with the TDP remain. Due to low reimbursement rates included in the TDP contract, many dentists are unable or unwilling to join the network, forcing many families to pay high out-of-pocket costs for out-of-network care. We recognize the proposal to eliminate TDP and make families eligible for FEDVIP dental plans was intended to do away with the "race to the bottom" feature of the TDP contract and increase the number of providers available to families. We expect DHA to recognize the issues with the current TDP contract and ensure the next one provides a high value, high quality plan for families. Congressional oversight is needed to ensure DHA does not repeat the mistakes of the current TDP contract.

The process for the next generation TRICARE contract (T-5) is well underway with the recent release of the final Request for Proposal (RFP). We appreciate that, thanks to requirements included in the FY17 NDAA, the new plan will include more competition among contractors and thus more choices for beneficiaries. However, the changes included in the T-5 contract bring some risk to beneficiaries if not properly implemented. We are particularly concerned about disruptions that historically accompany transitions to a new TRICARE contract, such as delayed referrals, claims processing issues, and customer service backlogs. The participation of multiple contractors in a region, while increasing competition, will also increase the number of transitions corresponding to disruptions for beneficiaries.

We also recognize that implementing the new T-5 contract may bring short-term cost increases to the Department, especially if the contract includes investments in preventive care, care coordination, and other common features of value-based care plans, which are intended to improve outcomes and lower long-term costs. However, any cost increase must not be passed to beneficiaries. We ask Congress to block any attempt to shift health care costs to TRICARE beneficiaries, particularly if the cost increases are caused by changes to the TRICARE contract. ***Continued leadership and oversight by Congress is required to ensure DHA successfully navigates these multiple changes to an already complex system.***

[1] United States Government Accountability Office, Report to Congress, *Defense Health Care: Additional Information and Monitoring Needed to Better Position DoD for Restructuring Medical Treatment Facilities*, May 2020.

However, while much is changing within the military health system, military families' needs remain the same: ready access to high quality, low cost health care. While we recognize the value of the TRICARE benefit, families still face significant coverage gaps relative to the top commercial plans. To help ensure military families receive the right care from the right provider at the right time, we ask Congress to:

- Reduce copays for mental health visits and physical, speech, and occupational therapies.
- Modify the TRICARE Annual Open Enrollment/Qualifying Life Events policy to prevent military families from becoming trapped in MTFs that don't meet their needs.
- Align TRICARE with commercial insurance plans by automatically covering young adult dependents up to the age of 26, as required by the Affordable Care Act.
- Address issues with access to mental and behavioral health care documented in the August 2020 Department of Defense Inspector General (DoD IG) report, *Evaluation of Access to Mental Health Care in the Department of Defense.*

TRICARE Specialty Care Copays

Premium-free health care is an important component of service members' compensation and benefits package. It is an extraordinary benefit commensurate with the extraordinary risks and sacrifices associated with military service. It also ensures all military families have access to health care, a critical driver of military family readiness.

However, we know decisions about seeking care are often driven by out-of-pocket costs at the point of service. Patients who can't afford their specialty care copays will put off treatment, potentially leading to the need for more expensive interventions in the long term. Commercial insurance plans recognize this reality; value-based insurance design is built on the principle of reducing cost-related non-adherence. Paradoxically, current TRICARE policy runs counter to that principle.

The TRICARE copay construct categorizes mental health outpatient visits, as well as physical, speech and occupational therapies, as specialty care. This results in copays that are excessively high for relatively low-cost visits. For example, Group A Active Duty family members are charged $34 per specialty care visit, including mental health treatment. This is not only a significant increase compared to 2017, but TRICARE copays are also higher than out-of-pocket costs for mental health care for FEHBP beneficiaries. ***We urge DoD and/or Congress to establish more reasonable copays for mental health visits and physical, speech and occupational therapies to bring them in line with high quality commercial plans and reduce the cost barrier to seeking care.***

There is evidence that high TRICARE copays are preventing military families from seeking needed specialty care. In 2018, the first year of the new fee construct, Defense Health Program spending was significantly lower than expected due, in part, to a drop in utilization. In addition, when it launched the lower back pain physical therapy pilot, which allows beneficiaries in selected locations to receive physical therapy for back pain with no copay, DHA noted that PT utilization was lower in categories of beneficiaries with higher out-of-pocket costs – e.g., Select beneficiaries and retirees.

How can anyone afford physical therapy 3 times a week with a copay of $40+? My college student son was an athlete and tore his hip labrum playing lacrosse. Thank God that happened the year prior to the co-pay increase. At the time it was only $12, which I thought was expensive then. Ha!

-Donna, Military Spouse

We are particularly concerned that high copays may be deterring military families from obtaining needed mental and behavioral health care. For many years, DoD has acknowledged the importance of mental health care and encouraged service members and families to seek care when needed. Numerous studies have shown that military kids are at higher risk for emotional and behavioral problems and that risk increases as cumulative months of deployment increase. Unfortunately for families, mental health struggles do not disappear after the service member separates or retires from the military. The thought that TRICARE copays are discouraging military families from accessing mental health care is appalling.

They (my children) need therapy to deal with living with the effects of war. But one thing that happened recently though was we had to cut our son's therapy in half because TRICARE doubled our copay. So he's not getting the amount of mental health care and our daughter can't get anything beyond what she's just getting at the TBI clinic because we just can't pay for it.

-Jacqueline, spouse of medically retired soldier/caregiver

We have requested DHA conduct a utilization study, broken down by beneficiary category, examining rates of physical/occupational/speech therapy and mental/behavioral health care usage in 2018 and 2019 compared to the two years prior to the implementation of the new fee structure. This data will allow Congress and DHA to understand the scope of the problem and work toward a resolution.

Qualifying Life Events

We remain concerned about the annual open enrollment period's potential to trap TRICARE Prime families in MTFs that don't meet their needs and **request that "dissatisfaction with MTF access or quality of care" be added to the list of Qualifying Life Events (QLEs).**

We realize the annual open enrollment period is a feature of civilian plans. However, TRICARE Prime's reliance on military hospitals and clinics creates a situation unique to the military. In most locations, military families enrolled in Prime are assigned to a primary care manager at an MTF and required to obtain the majority of their care there. If they are dissatisfied with their care, they have no option to receive care from a provider outside the MTF. In the past, military families dissatisfied with MTF care could switch to Standard (now Select) and see civilian providers; now, they have no recourse other than to wait for the next open enrollment period or other QLE. Commercial plans, in contrast, lock beneficiaries into a coverage level, not a single medical facility.

Given the variability in access, quality of care, and the patient experience across the direct system, many military families cannot make an informed choice about their TRICARE plan during the Open Enrollment Period or following a QLE, such as a PCS move. A family may have no problems getting appointments at one MTF but find it very difficult to get appointments at their new duty station's

MTF. MTF access to care can also vary over time as providers come and go, making an informed decision nearly impossible.

Allowing families to switch enrollment from Prime to Select would provide an additional benefit to DHA: visibility on any problems within the direct care system. Analyzing enrollment changes from Prime to Select could enable DHA to understand why families leave. It should also allow the MHS to identify problematic MTFs and target solutions to local access and quality of care problems.

The FY17 NDAA gives DoD discretion in defining QLEs. We believe one potential solution is to include "dissatisfaction with MTF access or quality of care" as a qualifying life event. We are open to other ideas and stand by to assist in developing a solution that prevents military families from becoming trapped in underperforming MTFs.

TRICARE Young Adult

While the Affordable Care Act requires employer-based insurance to cover beneficiaries' young adult children up to age 26 at no additional cost, TRICARE is not bound by this requirement. Instead, since 2011 TRICARE has offered the premium-based TRICARE Young Adult program to young adult dependents between the ages of 21 (23 if enrolled in school) and 26. Under statute, TRICARE Young Adult must operate at no cost to the government, meaning that young adult enrollees and their families must bear the entire cost. Again, commercial employer-based insurance plans automatically cover young adult dependents up to age 26 – a clear and unacceptable inequity for military families.

To make matters worse, the premiums for TRICARE Young Adult have skyrocketed. From 2020 to 2021, the premium for TRICARE Young Adult Prime rose by more than 20 percent. It now costs more than $450 per month. For young people whose childhoods were marked by repeated military-ordered moves and frequent separation from their service member parent and whose educational plans and employment prospects have now been derailed by the pandemic, this cost is an additional blow. We fear the cost will prove to be too much for many families, forcing them to forego health insurance for their young adult children. ***We urge Congress to pass the Health Care Fairness for Military Families Act (H.R. 475***), which would eliminate TRICARE Young Adult and allow young adults to remain covered by their parents' TRICARE plan up to age 26.

> *My daughter graduates from college in May. The job market for her field is extremely tight right now with hiring freezes because of COVID. Her friends a year ahead of her are still looking for jobs. My daughter sees her doctor every 3 months for a life long medical condition. Without the promise of a job right away that includes health care, our only choice will be to enroll her in TYA. The ability to keep her on our family plan until she settles in a job with benefits would be the ideal scenario. Other insurance plans in our country already allow for this. The almost 900% increase in price for TYA Prime from the family plan is outrageous.*
>
> - *Becky, military spouse*

Access to Mental Health Care

Our Association has heard for years from families who face problems accessing mental and behavioral health care. An August 2020 report from the Department of Defense Inspector General (DoD IG) provides data to support what we have heard anecdotally. The report, *Evaluation of Access to Mental Health Care in the Department of Defense,* documents widespread issues with accessing

mental and behavioral health care within time standards in both the direct and purchased care system. Specifically, over the six-month period from December 2018 to June 2019:

- 7 of 13 MTFs or their supporting TRICARE network did not meet the specialty mental health access to care standard each month; and
- An average of 53 percent (4,415 of 8,328 per month) of all active duty service members and their families, identified as needing mental health care and referred to the purchased care system, did not receive care, and the MHS did not know why.[2]

We recognize there is a national shortage of mental and behavioral health care providers, and the problem is not limited to the MHS. However, the need for mental and behavioral health care is particularly acute within the military family community. As noted above, the challenges associated with military life are already linked to an increased risk of mental and behavioral health issues in both service members and their families. Military families are already dealing with the stress of two decades of war; we expect the need for mental health care to increase as we emerge from the pandemic, which has been traumatic for many families. While there are no easy answers to the shortage of mental health providers, there are steps that DHA and Congress could take that we believe could alleviate some issues.

When service members and their families seek mental or behavioral health care, they are often referred to the purchased care system. To find a provider, they must rely on the provider directories maintained by the managed care support contractors, which are notoriously inaccurate, duplicative and/or outdated. It is not uncommon for families to contact a provider to find out they no longer accept TRICARE or don't treat their specific condition. Families who have to look outside the network for care must then determine whether the provider is TRICARE authorized; if not, the family will have to pay the entire cost out-of-pocket.

To address these issues, the DoD IG recommended DHA implement a mental health scheduling pilot. Under this system, a patient referred for mental or behavioral health care would have a single appointing line to call. The scheduler would then help the patient find an appropriate provider either in the direct or purchased care system and provide a "warm handoff" to the provider's office. ***We ask Congress to direct DHA to implement a mental health scheduling pilot.***

TRICARE also has gaps in its coverage of treatment for eating disorders. An analysis by the Eating Disorders Coalition (EDC) found that only 35 percent of the 365 available treatment facilities in the Nation are TRICARE authorized, with only 21 percent of the available nationwide care being in-network. This can make it difficult for military families seeking treatment for eating disorders to find care.

> *I just read your story about lack of access to Eating Disorder Treatment for military dependents and it completely rings true. My 14 year old is in a downward spiral having been diagnosed with an eating disorder within the last 2 months. She needs inpatient treatment at a facility that specializes in children/adolescents and that has the expertise to manage her developmental disability. There are very few facilities in the country that meet those criteria, and most of them do not take Tricare. The ones that do are hundreds or thousands of miles*

[2] Department of Defense Office of the Inspector General, *Evaluation of Access to Mental Health Care in the Department of Defense (DoDIG-2020-112)*, August 10, 2020

from where we are stationed in Virginia. It is a disgrace that during a medical crisis like an eating disorder, which not only is life-threatening to the patient but also causes trauma and disruption to the family unit, we cannot obtain the necessary care for our daughter due to Tricare's lack of access. It is a disgrace.

- *Anonymous military spouse*

TRICARE also does not cover treatment for eating disorders for beneficiaries over the age of 20. No other insurance provider has this limitation, which puts the health of military spouses and young adult dependent children at risk. ***We ask Congress to pass the SERVE Act*** (H.R. 1309/S. 194), which would eliminate age restrictions on receiving eating disorders treatment for military spouses and children, remove barriers to treatment at all levels of care, and encourage training and resources for commanding officers and supervisors to help identify the signs and symptoms of eating disorders and other mental illnesses.

SPECIAL NEEDS MILITARY FAMILIES

Exceptional Family Member Program (EFMP)

We appreciate that Congress addressed longstanding issues with the Services' Exceptional Family Member Program (EFMP) in the FY21 NDAA. Specifically, standardizing the EFMP across the Services should reassure families who justifiably wondered why processes and procedures for EFMP vary from Service to Service. We are also grateful that the FY21 NDAA directed the Services to be more transparent in the assignment coordination process, which we have long called for. Often EFMP families do not understand why they were not allowed to move to a desired location; requiring the Services to provide a reason when orders are declined should help minimize questions and dissatisfaction. Finally, we are pleased Congress instituted performance metrics for the EFMP, which will provide additional data about family satisfaction with the assignment coordination process and installation family support services. ***We encourage Congress to continue close oversight as the Services move forward with standardization to ensure they continue to follow Congressional intent to provide needed support to military families with special needs family members.***

TRICARE Extended Care Health Option (ECHO)

Congress established TRICARE's Extended Care Health Option (ECHO) as a substitute for state Medicaid Waiver services that are often unavailable to mobile military families. Medicaid Waiver programs provide long-term care services in home- and community-based settings to those who would otherwise require care in an institutional environment. Many states have lengthy waitlists for their Medicaid Waiver programs leaving military families unable to access services when they PCS from one state to another before reaching the top of the waitlist. Medicaid Waiver program services should serve as the benchmark for ECHO-covered services.

We are grateful that Congress increased the number of respite care hours available to families in the ECHO program from 16 to 32 hours per month. We also appreciate that Congress removed the requirement that families access another ECHO benefit before becoming eligible for respite care. Once implemented, these provisions should help military families caring for family members with

chronic or complex medical conditions. However, it is important to note that ECHO still has gaps, relative to Medicaid waiver services, in its coverage of needed products and services.

Specifically, ECHO currently does not cover service or modification of durable equipment and assistive technology devices or training in their proper use, which helps ensure equipment is fully functional and matches the physical needs of the user. In addition, most states' Medicaid waiver programs cover medically necessary alterations to residences and vehicles to reduce the disabling effects of a person's qualifying medical condition. ECHO currently does not, meaning families must pay out-of-pocket for such adaptations. Finally, while the increase in respite care hours is welcome and appreciated, the number of hours available monthly still falls short of the average state Medicaid waiver program. The Military Compensation and Retirement Modernization Commission (MCRMC) conducted a state-by-state analysis of the Medicaid waiver program[3] and found the average program offered 695 hours of respite care annually; even with the improvements included in the FY21 NDAA, ECHO families only have 384 hours of respite care per year, and those hours may not roll over from month to month. ***We ask Congress to improve coverage available under the ECHO program so military families with special needs family members can access needed services and support.***

DEFENSE RESALE

Our Association has long viewed the commissary as an essential element of military compensation. Families agree, telling us often over the years that the commissary – and the savings families realize when shopping – is one of their most valued benefits. However, in any discussion of defense resale, there is no ignoring the elephant in the room: commissary sales have been declining for years, and while sales did tick up in 2020, the general trend shows no sign of reversing.

To be fair, much of the sales decline is most likely due to factors outside the Defense Commissary Agency's (DeCA's) control. Both the retail landscape and the military lifestyle have changed dramatically in recent years, making it increasingly difficult for the commissary to compete. The curbside pick-up option at several commissaries has met some of the skyrocketing demand for contactless shopping. However, the market is still dominated by big-box, low-cost stores such as Costco and Wal-Mart, while Amazon has proved the big winner in the last year, offering convenience and door delivery. At the same time, more military families are choosing to live off base, meaning the commissary is not always the most convenient place to shop.

It's also true that DeCA does not have all the tools that a typical retailer can use to increase revenue. For example, there's little it can do to expand its customer base – although the extension of commissary privileges to Purple Heart and Medal of Honor recipients as well as veterans with service-connected disabilities is a welcome step in that direction. It has limited ability to advertise and can't close underperforming locations. Those steps that DeCA has taken to increase efficiency and appeal to customers, such as introducing private label products, have not yet led to increased sales.

Although fewer military families seem to be taking advantage of their commissary benefit, it remains vital to many, especially those stationed overseas or in remote locations, as well as families who are struggling financially. We are grateful Congress has shown a commitment to preserving the

[3] https://docs.house.gov/meetings/AS/AS00/20150204/102859/HHRG-114-AS00-20150204-SD001.pdf

benefit, including mandating in law that DeCA meet savings targets. We are also grateful for the appointment of Director William Moore, who brings stable leadership, and request the continuation of close oversight of business practices.

Like the commissary, the Service Exchanges play a vital role in the military community, providing essential services and helping fund Morale, Welfare and Recreation (MWR) programs. That funding is especially important as the Services face increased pressure to redirect MWR funds toward readiness. We commend the DoD for appropriating necessary funds to sustain the exchanges during the COVID-19 pandemic.

In the FY 2021 NDAA, the DoD was directed to update the business case analysis (BCA) on the consolidation of the defense resale system. We are pleased that no actions on consolidation will be taken until the BCA is updated to reflect more accurate costs and benefits. The cost of consolidation must not come at the expense of MWR funding, commissary savings, or services offered by the Exchanges. ***Any proposal to change the defense resale system must ensure the programs, services, and savings military families rely on are preserved.***

The defense resale system is complex, and merging its disparate elements will be difficult and present some risk. We urge caution before embarking on wholesale change to a system relied upon by service members and their families. At a minimum, Congress should ensure the voices of all stakeholders are heard – leadership of DeCA and the Exchanges, industry partners, and – most importantly – patrons.

WHAT DO TODAY'S MILITARY FAMILIES NEED TO ENSURE READINESS?

It has often been said while the military recruits a service member, it must retain a family. Our Association has long argued that in order to build and maintain the quality force our nation demands the military must support service members as they balance the competing demands of military service and family life. We urge Congress to strengthen the programs and services available to support all troops and families in diminishing uncertainty and meeting the daily challenges of military life.

Yet, budget issues have increased stress and anxiety for families. The military must evolve to meet the needs of today's military families, but it needs a predictable budget and appropriation to do so.

PRIVATIZED MILITARY HOUSING AND THE DEFENSE PERSONAL PROPERTY PROGRAM

For the past two years, we have heard from thousands of military families who have endured deplorable conditions within privatized military housing. We were encouraged and thankful Congress has taken steps to address the situation in the FY20 and FY21 NDAA. However, we continue to hear from families about problems with privatized housing. Sadly, families have started to sue the privatized housing contractors and Services because of inaction.

We urge Congress and the Services to move forward with improved oversight and management of the contractors and housing officials responsible for these conditions, which have, and continue to, affect the health, safety and well-being of service members and their families.

CHILD CARE

The COVID-19 pandemic exacerbated what military families already knew---our country is undergoing a child care crisis. The military community has felt the inaccessibility of affordable, quality child care for years. Civilian families often meet their child care needs with extended family members, but military families rarely have the luxury of access to close family members. Of the 1.6 million total military children, the largest percentage is between birth and 5 years of age (37.8%). During the last year, child care capacity has been greatly reduced due to shuttered child care centers and health precautions. There tends to be a higher concentration of installations located in heavily populated and high-cost areas, further contributing to the high cost of care with limited capacity.

In response to the pandemic and increasing cost of child care, our Association launched the Child Care Relief Fund in September 2020. Eligibility was limited to pay grades E1-E6, active duty, activated reserves, or National Guard on Title 10 or Title 32 orders for six months or longer. In just two weeks we received 10,000 applications. We just opened applications again and have received over 10,000 in two weeks - with 26 percent of those coming from single service members. The message is clear: child care is a readiness issue.

Military child care is some of the highest quality in the country. We commend the DoD for prioritizing our active duty families by implementing the 2020 priority policy change at CDCs, which supplanted lower priority patrons to create a greater capacity for active duty. However, many families still don't have access to on-base care due to lengthy child development center (CDC) and family childcare center (FCC) waitlists, especially for infant care which requires a greater child-to-teacher ratio than older age groups. The services offer child care fee assistance for families to seek quality care from eligible providers outside the gate. However, eligible providers are sparse in high-demand areas, and the Navy has a waitlist for their fee assistance program.

DoD will never be able to meet the child care needs of every military family. However, access to quality, affordable child care is essential to military readiness. The unique challenges of military life – distance from extended family who might otherwise assist with care, long hours, and shift work – often mean seeking care in the civilian community isn't feasible. Military families will continue to look to DoD to meet their child care needs, and DoD must continue to do more.

There is no silver bullet to solving the military child care crisis. There are several innovative solutions DoD and Congress should adopt to address the problem:

Increase funding and expand provider eligibility for the fee assistance program: The fee assistance program operated by the Services is an innovative, effective approach to the problem of insufficient child care availability on base. The program helps offset the cost of child care in the civilian community, helping families access high-quality care at a more affordable cost. We urge the Services to direct more funding to this program which is essential to many families and relieves pressure on installation child care services.

DoD has stringent requirements for child care providers participating in the fee assistance program, including national accreditation. However, many states have less stringent requirements for providers. In those locations, families often have difficulty locating a provider who meets DoD's eligibility requirements. The Office of Military Community and Family Policy and the Defense State

Liaison Office (DSLO) have worked together to encourage states to increase their standards to meet DoD's and have had a great deal of success in this regard, particularly the Military Child Care in Your Neighborhood-Plus program. We encourage them to continue and expand this program.

Establish Dependent Care Flexible Spending Accounts:
Establishing dependent care flexible spending accounts (FSA) is an innovative method to help ease the burden of child care expenses on military families. We look forward to the results of the FSA feasibility study directed by the FY21 NDAA and subsequent congressional briefing. Members of the uniformed services should be eligible for this pre-tax, reimbursable benefit already available to civilian DoD personnel and many other federal employees. The majority of federal employers offer employees eligibility through FSAFEDS or their own reimbursable FSA program. FSAFEDS, or a similar program, could be utilized to support service members at a minimal cost. DoD has the authority to implement FSAs but has elected not to do so. We believe this is a quality of life, retention, and readiness issue for our service members.

Fund Public Private Partnerships to Provide Community Child Care: Several of the services are considering commercial leasing projects with private facilities outside the installation to increase capacity for military child care. By leasing private property, the CDCs don't have to compete for military construction funds, can increase capacity in a short period of time and less cost compared to building new infrastructure, hire military spouses, and contribute to the local economy.

MILITARY FAMILIES AND FOOD INSECURITY

The 2019 Survey of Active Duty Spouses (2019 ADSS) conducted by the DoD reported 11 percent of active duty spouses described their financial situation as "not comfortable." Another 20 percent of spouses reported they had experienced some financial difficulty. Although the survey did not address the issue directly, it did find that 5 percent of respondents had visited a food pantry in the previous 12 months – more than doubled from 2017. Further, the effects of the COVID-19 pandemic have likely resulted in a larger number of military families seeking food assistance due to increased stress on family finances.

There is evidence that military families' financial stress sometimes leads to food insecurity:

- Food pantries operate on or near virtually every military installation – four near Camp Pendleton alone.
- The number one cause of food insecurity is financial instability which is often aggravated by high spouse unemployment and underemployment, frequent moves that result in unexpected out-of-pocket expenses, and the high cost associated with housing and child care.

Our Association has argued that military families should benefit from the same social safety net programs that support their civilian neighbors and friends. There should be no shame or stigma in accepting assistance to ensure a service member is able to put healthy food on the table. Our concern, rather, is for military families who may be falling through the cracks, either because they are not aware of programs that could assist them or they fall just over income eligibility thresholds.

One example of this issue is military families' eligibility for SNAP benefits. SNAP is designed to support families whose incomes put them below 130 percent of the federal poverty level. (Some

states set a higher threshold – they may go up to 185 percent of the federal poverty level.) However, because the military Basic Allowance for Housing (BAH) is included when determining SNAP eligibility, it is rare for military families to qualify. Paradoxically, families stationed in high cost of living areas are most affected by this barrier – their higher BAH prevents them from qualifying for SNAP, but the high cost of everything from food to utilities and transportation puts them under great financial strain.

We appreciate Congress' requirement for DoD to conduct a report on food insecurity among military families, and we recognize that the 13th Quadrennial Review of Military Compensation (QRMC) found that a low number of military families utilize SNAP. However, we remain concerned about the families who fall through the cracks and don't qualify for needed assistance through SNAP due to the inclusion of BAH in determining eligibility. These families are left to make ends meet by utilizing food pantries and food distribution facilities on or around their installation. We implore DoD to consider the severity of this issue and consider how food insecurity affects the well-being and retention of junior-ranking service members and their families.

In the past, Congress and DoD have acted to address military family financial stress and food insecurity. For example, in the late 1990s, Congress authorized the Family Supplemental Subsistence Allowance (FSSA), which was designed to assist families whose income and household size put them below 130 percent of the federal poverty level. However, few families participated in this program as BAH was considered income in determining eligibility and required service members to work through their chain of command to gain assistance. In 2016 FSSA ended domestically at the recommendation of the Military Compensation and Retirement Modernization Commission (MCRMC), which noted that most eligible families would be better off participating in SNAP.

While we agree with the MCRMC that SNAP is in many ways a more valuable and effective program than FSSA to assist military families struggling with food insecurity, the fact remains that many families in need are unable to access it due to the inclusion of BAH. For that reason, ***we ask Congress to institute a basic needs allowance*** with key elements to make it effective for military families:

- Set eligibility at 130 percent of the federal poverty guidelines, based on income and number of dependents;
- Exclude BAH when determining eligibility;
- Using data from the Defense Finance and Accounting Service (DFAS) and Defense Enrollment Eligibility Reporting System (DEERS), automatically notify service members of their potential eligibility for the basic needs allowance. (Under a similar program, service members had to apply for assistance under the FSSA program through their chain of command, which could be a barrier to participation.) Service members could then provide information about other sources of income to confirm their eligibility.

We would also like to draw attention to the Women, Infants, and Children (WIC) program, which supports families with pregnant or nursing mothers and young children up to age five. WIC offers support in the form of vouchers or electronic benefits cards that may be used to purchase foods such as formula, baby food, eggs, peanut butter, bread, milk, fruits, and vegetables. Participants in the program also receive nutritional counseling and breastfeeding support. Given the young demographics of the military family community and the fact that the largest cohort of military

children (over 42 percent) is under age six, this program in many respects is tailor-made to support military families. In addition, because BAH is not counted in determining WIC eligibility, it is much easier for military families to qualify – in fact, nearly every E-6 or below with one or more children could potentially qualify, assuming there is no additional household income.

While we were unable to find statistics on the usage of WIC among military families, we are certain many more families potentially qualify than currently take advantage of this valuable program, which is unfortunate. We would like to see DoD take steps to raise awareness of WIC among young military families. One easy step would be *to* ***require pediatricians in Military Treatment Facilities (MTFs) to screen patients for food insecurity and provide information about applying for WIC.***

The majority of military families may never face food insecurity, and for those who do it is often a short-term problem that is resolved through promotion. However, we firmly believe no military family should ever struggle to put food on the table, especially when programs exist that can provide support. Raising awareness of WIC and instituting a basic needs allowance would provide much-needed support to the youngest, most vulnerable military families.

MILITARY CHILDREN'S EDUCATION

Like most parents, military families care deeply about the quality of their children's education. They also worry about the effect that the military lifestyle has on their children's education – specifically, the frequent military-ordered moves. Typically, military families move every two to three years, so a military-connected child can expect to attend six or more schools before their senior year of high school.

The Interstate Compact on Educational Opportunity for Military Children, which has been adopted by all 50 states and the District of Columbia, as well as the Department of Defense Education Activity (DoDEA), addresses many of the most common transition-related challenges faced by military-connected children moving to new schools. Still, the fact remains public schools are locally controlled – and financed – so policies, resources, and requirements vary from district to district and state to state. Understandably, this is a source of stress for military families, who want their children to have the best possible education.

Public school districts serving large numbers of military-connected children rely on annual Impact Aid funding directly from the Department of Education (ED) and the DoD to help offset lost property tax revenue due to federal property like military installations being located inside the school district. The federal government doesn't pay local property taxes, the major funding source for school districts, so Congress created the Impact Aid program to compensate districts for lost property tax revenue. Local district leaders determine how to spend the funds based on local needs such as instructional materials, staff, transportation, technology, and facility needs.

COVID-19 impacted all school districts across the country. Schools faced increased costs as they shifted to virtual instruction, while remote learning made it harder for districts to obtain accurate attendance counts. Since Impact Aid funds are allocated in part based on the number of federally connected students per district, inaccurate counts would have had devastating financial effects on Impact Aid funding if Congress had not intervened. We are grateful that the Impact Aid Coronavirus Relief Act became law in December 2020, which allowed school districts the flexibility to use last year's student count for this year's Impact Aid application.

We are also grateful to Congress for authorizing $50 million for DoD Impact Aid and $20 million in DoD Impact Aid for schools serving military children with severe disabilities in the FY 2021 NDAA. We request Congress maintain FY 2021 funding in the FY 2022 NDAA. However, ED Impact Aid continues to be underfunded, limiting education supports and services districts can provide to students. School districts do not receive all the funding for which they qualify under the program's formulas. ***We urge Congress to provide at least a $2 million increase for Federal Property and a $100 million increase for Basic Support components under the ED Impact Aid program for FY 2022 Appropriations.***

All school-aged children attending federally impacted schools benefit from this program. This includes more than 1.6 million military-connected students, approximately 80 percent of whom attend local public schools in their civilian communities. It is incumbent on DoD and the federal government to ensure schools charged with serving military-connected children have the support they need to provide the best possible education.

Our military children are resilient, but most schools educating them are at a financial disadvantage. The education of our military children directly affects military force readiness. If students are not receiving the education, services, and resources they need, the military family unit suffers and causes undue stress on the service member.

We continue to be concerned about the financial burden posed on school districts educating large numbers of military children with special needs. We wholeheartedly support sending military families with special needs family members to locations where their medical and educational needs can be met, but these locations need to be adequately funded to meet the needs of the community. We are grateful for the inclusion of EFMP standardization in the FY 2021 NDAA, which will implement necessary changes to the assignments process for EFMP families. We will be closely monitoring the implementation of the changes to ensure they are improving military family readiness.

SPOUSE EMPLOYMENT AND EDUCATION SUPPORT

Spouse employment and education support is a critical component of military family readiness. Much like their civilian counterparts, many military families rely on two incomes to help make ends meet. However, military spouses face barriers hindering their educational pursuits and career progression due largely to challenges associated with the military lifestyle.

In recent years we are gratified that Congress, DoD, the White House, and individual states have all taken steps to lessen the burden of an active duty member's military career on military spouses' educational and career ambitions. We fully support these initiatives, including DoD's Spouse Education and Career Opportunities (SECO) portfolio, which provides educational funding for select military spouses, career counseling, employment support, and the DoD DSLO state-level initiatives. We are encouraged to see the recent expansions to DoD's My Career Advancement Account (MyCAA), which now covers national testing and continuing education units to support spouse career maintenance. We also appreciate recent legislative action that has resulted in creating more occupational interstate compacts to ease the burden on military spouses employed in an occupation that requires a license or certification.

We appreciate that Congress recognizes the difficulty military spouses have in moving their careers from state to state by increasing the reimbursement for re-licensing and re-certification up to $1,000 because of a PCS. We are gratified that fees, including those obtained from continuing education courses, are now covered by the program.

While progress has been made in areas such as licensing, the military spouse unemployment rate remains stagnant at 22 percent, and the COVID-19 pandemic's effects exacerbated the issue, leaving 38 percent of previously employed spouses without jobs.[4] Military spouses continue to face significantly lower earnings as well as higher levels of underemployment than their civilian counterparts, greatly impacting their families' financial stability.

Grow Our Own

As military families struggle to cope with the effects of 20 years of war, we are seeing an increasing demand for mental health services within our families and community. Unfortunately, access to high-quality care is limited. The shortage of mental health professionals nationally is mirrored in the military community; it is even greater at military installations in remote areas. We believe our Nation must prevent, diagnose, and treat the mental health needs of service members and their families. In the face of a nationwide shortage of mental health professionals, doing so will require innovative solutions and strategic public-private partnerships including Congress, DoD, the VA, and other organizations.

One of our Association's top priorities is to ensure adequate access to mental and behavioral health providers who are attuned to the unique stressors of military life for service members and their families who have endured years of repeated deployments, long separations, and possible injuries or illnesses. We support efforts to educate and employ military spouses as professionals in these fields.

Since 2004, NMFA's military spouse scholarship and professional funds program has had over 120,000 applicants and awarded $6.8 million in funds.

Many of our military spouses pursuing careers in mental health fields intend to serve military families. Helping these spouses overcome obstacles and pursue their careers has the dual benefit of assisting the individual spouse and family while addressing the shortage of mental health providers in the military community. However, these spouses face obstacles due to the unique challenges of the military lifestyle. One scholarship recipient wrote:

> *I will do whatever it takes to become a military psychiatrist. Therefore, I'd like for you to keep in mind that you are not only helping me through this kind-hearted gesture, but you are also helping the future men and women that will serve this country.*

One of the many challenges which these spouses highlight is that of obtaining supervision hours- not only the sheer number of hours spread over years that are likely to be interrupted by a PCS, but also the cost associated with accumulating hours. One scholarship applicant writes, "The cost of each individual hour is $70. With this financial support, I would be able to accumulate hours at a

[4] "By the Numbers: COVID-19 Impact on Military Families." National Military Family Association. 2021. https://www.militaryfamily.org/income-loss-unemployment-and-loss-of-childcare-the-military-family-in-pandemic-america/

faster pace." Another spouse posted on our Association's Mental Health Professionals Network page about her experience transferring supervision hours from one state to another:

> *As we all know, each state is different with number of hours and work locations they will approve. I started my hours in MO and had a PCS to Texas with less than 6 months left. Texas would not accept clinical hours from another state unless already licensed as an LCSW. After working with the MO social work board, they approved me to continue supervision telephonically and via video with my Missouri supervisor. They also approved my employer in TX and counted the hours I worked towards the remainder I needed for Missouri. Then I applied to test for MO but was able to take the exam in TX.*

In recognizing this financial strain, we offer scholarship funds to be used toward supervision hours in addition to licensure and certification costs.

We are encouraged that the Department of Veterans Affairs (VA) has a program in place that provides supervision to employees pursuing a career in mental health, such as psychologists, social workers, professional mental health counselors, and marriage and family therapists. We encourage other federal entities, such as DoD, to explore ways to provide supervision to employees pursuing careers in the mental health field.

We offer the following recommendations for Congress to consider:

- Facilitate streamlined paths to obtaining supervision, licensure, and employment for military spouses and veterans in the mental health field when they work with service members and families;
- Expand eligibility for non-medical counselors employed by the federal government to transfer a license in good standing across state lines to help fill gaps in mental health care;
- Pass legislation to reinstate Department of Labor (DOL) Employment and Training Administration (ETA) program which ensures occupational boards and state officials working with occupational licenses are educated on terms and provisions of interstate occupational compacts and state reciprocity laws pertaining to military spouses; and
- Pursue a pilot program that establishes paid fellowship opportunities for military spouses.

MILITARY FAMILIES IN CRISIS

Military families continue to live extraordinarily challenging lives. Reintegration continues to pose challenges for some. Others are anxious about their financial futures. Most military families are resilient and will successfully address whatever challenges come their way. However, some will need help. It is critical military families trust DoD services and programs and feel comfortable turning to them in times of need. These programs and services must be staffed and resourced adequately so when families reach out for help, they can trust it is available. Military families must be assured our nation will support them in times of family or personal crisis.

Suicide

Five years after Congress mandated DoD track military family member suicides, DoD finally released data – one year of data. Unfortunately, one year of data does not accurately portray what families have experienced over 20 years of war. Nor does that data provide any insight into the

prevalence and trend of military family member suicide. Acidotically, we have heard of increased suicide rates among teenagers during the pandemic.

Our Association continues to be concerned about the impact of 20 years of war on military families. Without timely and accurate information, it is impossible to understand the extent of the issue, and targeting solutions is very difficult.

Preventing Child Abuse and Neglect, and Domestic Violence

Research commissioned by our Association[5] and others during the past decade documents the toll of multiple deployments on children and families, the difficulties many families face on the service member's return, and the added strain a service member's physical and invisible wounds can place on a family. These stressors put military families at risk for marital/relationship problems and compromised parenting that must be addressed with preventative programs.

Those looking for budget cuts may find it tempting to slash family support, family advocacy, and reintegration programs. However, bringing the troops home from war zones does not end our military's mission, family separations, or the necessity to support military families. "Rotations" and "training exercises" of units to Europe and elsewhere must be accompanied by the same high levels of family support as if service members were heading on a combat deployment. To family members, especially young children, "gone is gone."

We are concerned the extraordinary stress military families, along with the Nation as a whole, have faced during the pandemic have led to increased domestic violence or child abuse. Preventive programs focused on effective parenting and rebuilding adult relationships are essential. The government should ensure military families have the tools to remain ready and to support the readiness of their service members.

We are encouraged the Family Advocacy Program, a Congressionally mandated DoD program designed to prevent and respond to child abuse/neglect and domestic abuse in military families, has redoubled its focus on prevention programs. Their efforts to repair relationships and strengthen family function will be essential. Programs like New Parent Support focus on helping young parents build strong parenting skills early on.

We encourage Congress and the DoD to ensure Family Advocacy programs are funded and resourced appropriately to help families heal and aid in preventing child and domestic abuse.

SURVIVING FAMILIES

After almost two decades of advocacy, we are gratified that Congress finally eliminated the Survivor Benefit Plan (SBP) offset to fund the Dependency and Indemnity Compensation (DIC). When the Social Security offset to the SBP was eliminated in the FY05 NDAA, Congress provided for a one-year open enrollment for those who opted not to select SBP upon retirement. Since 1980, there have been six open enrollment opportunities.

[5] Anita Chandra, et al., RAND Center for Military Health Policy Research, Views from the Homefront: The Experiences of Youth and Spouses from Military Families, 2011

We ask Congress to authorize an open enrollment period for the Survivor Benefit Plan once again.

MILITARY FAMILIES –CONTINUING TO SERVE

Recent national fiscal challenges and the pandemic have left military families uncertain, confused and concerned regarding the availability of the programs, resources, and benefits contributing to their strength, resilience, and readiness. Further, families are concerned if those resources will evolve to address emerging needs. The Department of Defense must provide the level of programs and resources to meet these needs. A recent study by the National Academies of Science, Engineering and Medicine, *Strengthening the Military Family Readiness System for a Changing American Society* (2019), called on the Department to employ a more coordinated and comprehensive approach to matching the needs of individual families to available programs. Service members and their families have kept trust with America, through 20 years of war, with multiple deployments and separations. We ask the Nation to keep the trust with military families and not try to balance budget shortfalls from the pockets of those who serve.

Evolving world conflicts and the pandemic continue to keep our service members on call. Our military families continue to answer this call as well, even as they are dealing with the long-term effects of two decades at war. The government should ensure military families have the resources to remain ready. Effective support for military families must involve a broad network of federal, state, and local government agencies, community groups, businesses, and concerned citizens. Our Nation must continue to fund what works to support military families and, above all, value their service.