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President

ASSOCIATION OF THE UNITED STATES ARMY

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26 April 2012

On behalf of the membership of the Association of the United States Army, I write to urge you to reject provisions of the fiscal year 2013 defense budget that would dramatically increase healthcare fees for most military beneficiaries, including retirees, drilling RC members and family members of currently serving military personnel.

The proposed budget would triple enrollment fees for retired beneficiaries under age 65 over the next five years and establish a new enrollment fee for Medicare-eligible retirees, in addition to the Medicare Part B premiums they already pay. The proposal would also double pharmacy copays for this fiscal year and triple them over the next five years. In many cases the increases would result in yearly medical fees in excess of \$2,000, with future increases being tied to a yet to be determined medical inflation index that would further erode the value of military retired pay.

AUSA and its partners have proposed many options in testimony before Congress that would more efficiently manage the Department of Defense health care programs and thereby generate savings before making military beneficiaries bear the brunt of rising health care costs. In any event, fee increases should be capped at no more than the percentage increase in military retired pay as agreed to by both Houses of Congress in current defense authorization legislation.

Decades of service and sacrifice constitute a very large, pre-paid premium for career service members' healthcare in retirement, over and above what they pay in cash. As you consider this year's budget proposal, I urge you to remember that our military retirees and their families – far less than one percent of our nation's population – have rendered enormous service to our nation and deserve every benefit they have. Keep their healthcare costs low.

Sincerely,

GORDON R. SULLIVAN

General, USA Retired