



## Support the All-Volunteer Force

The 50th anniversary of the all-volunteer force (AVF) should be a celebration, not a crisis.

Since the end of the military draft in 1973, the AVF has protected our nation at home and abroad. But now, DoD finds itself in a war for talent: The active component faces an environment where personnel shortages result in increased workloads and reduced quality of life amidst a recruiting crisis, while the National Guard works to rebound from the stresses of the COVID-19 pandemic and its largest mobilization since World War II.

We are struggling to recruit and retain the force we need to defend our country and support our allies when called upon. Reversing these worrying trends requires a whole-of-government approach, and Congress must use all the tools at its disposal to keep the AVF ready and capable.

### BACKGROUND: A SHRINKING CANDIDATE POOL

Lawmakers can no longer ignore the decreased interest in – and eligibility for – military service.

Survey data from the Military Family Advisory Network revealed only 63% of servicemembers, retirees, military families, and veterans would recommend military life to someone, down from 75% just two years prior. A 2020 study from DoD shows 77% of young Americans would not qualify for military service without a waiver due to being overweight, drug

use, or having mental or physical health problems.

Figures are worse when factoring the willingness to serve, with only 9% of young people interested in military service (ages 16-21 per DoD's Joint Advertising Market Research & Studies). Taking into account these statistics, the dire picture for the all-volunteer force becomes clearer.

### RECRUIT AND RETAIN

Roughly 83% of current recruits come from military families. It's a critical pool of potential servicemembers ... one that's being soured, as a 2021 poll found fewer military families would recommend service to others.


To ensure the future of the force, the current force and the pool of veterans and retirees who previously served must both be taken care of to ensure they exert a positive influence to serve for the next generation of potential recruits. The treatment of and perspectives of influencers across all aspects of their experience, both during and after they served, is often more impactful and important to recruiting than the actual marketing messages or efforts by recruiters. To help sustain the all-volunteer force, Congress can:

- Ensure safe and affordable housing by restoring the Basic Allowance for Housing to 100%.
- Protect the health care benefit by reversing cuts to the TRICARE

pharmacy network and resisting calls to shift health care costs to beneficiaries via TRICARE fee increases.

- Improve health care for our over-stretched Reserve Component to support their medical readiness.
- Restore child care availability by doubling Family Child Care providers via provider incentives.
- Support spouse employment by passing the Military Spouse Hiring Act (S. 596/H.R. 1277).
- Address out-of-pocket costs for PCS moves with an updated dislocation allowance.
- Improve community services, school quality, and morale, welfare, and recreation (MWR) facilities with timely appropriations.

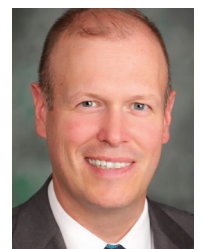
### MOAA'S POSITION

The all-volunteer force is our national strategic advantage. Maintaining such a capability requires protecting the quality of life for our uniformed community. Deliberate steps, like improving physical fitness and health programs in our education system, will help increase the pool of eligibles over time, while investing in uniformed community housing, health care, child care, food insecurity prevention, and improved facilities and services will make a meaningful difference to those already in service. 

## Congress, we need your help

- Use all available tools to combat the growing crises facing the all-volunteer force.
- Create long-term programs to widen the recruiting pool.
- Pass meaningful legislation to improve the quality of life of those in uniform and their families, to include the Military Spouse Hiring Act (S. 586).

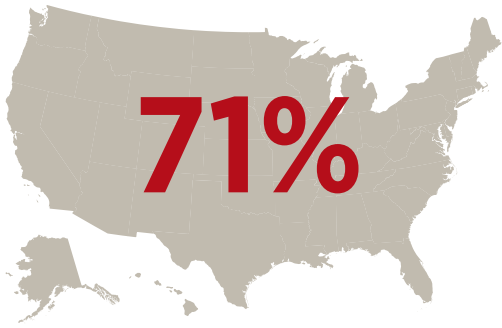
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## INELIGIBLE TO SERVE

In 2018, **71%** of young people in the U.S. would not be able to join the military if they wanted to.

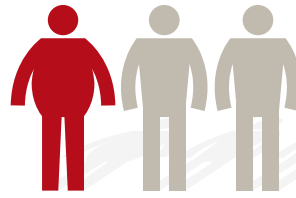


### The 3 top reasons for ineligibility:

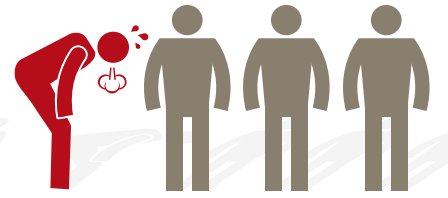
- Obesity
- Educational deficits
- Criminal or drug abuse record

## THE PROBLEM

Approximately **1 in 5 children** and **2 in 5 adults** in the United States have obesity.



Just over **1 in 3 young adults** aged 17-24 is too heavy to serve in our military.



Among the young adults who meet weight requirements, **only 3 in 4** report physical activity levels that prepare them for challenges in basic training.

Consequently, **only 2 in 5 young adults are both weight-eligible and adequately active.**

SOURCE: CDC FACT SHEET 'UNFIT TO SERVE'

GRAPHIC BY JOHN HARMAN/MOAA

## SHRINKING POOL OF RECRUITS – AN ANNUAL PROBLEM

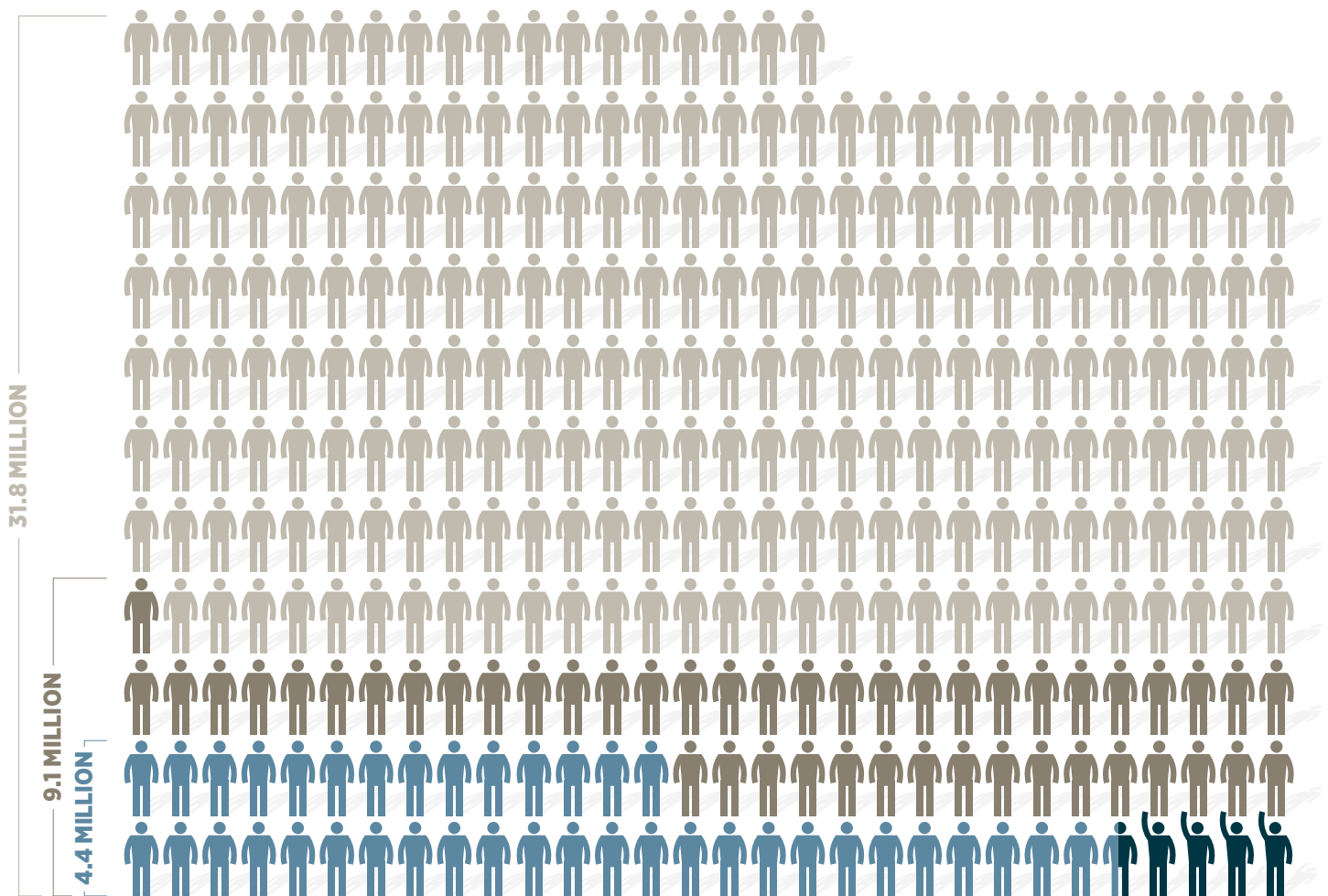
**Bottom Line:** We must ensure military pay and benefits stack up if recruiters are to have a chance in this competitive environment.

= 100,000 17-24 year olds...

... who meet standards...

... and who meet academic requirements...

... and have a propensity to join



Note: Ten states account for nearly one half of all active duty and reserve members in the military, in order: CA, TX, VA, NC, FL, GA, WA, SC, NY, and CO. The least represented regions are the northern Midwest and Northeast states.

~465,000

SOURCES: DOD, DOD DEFENSE MANPOWER DATA CENTER; NATIONAL COMMISSION ON MILITARY, NATIONAL, AND PUBLIC SERVICE; THE ARMY MARKETING RESEARCH GROUP

ICONS BY KUPI984/GETTYIMAGES; GRAPHIC BY JOHN HARMAN/MOAA



# Pay Full Housing Costs for Servicemembers

MOAA seeks to restore the Basic Allowance for Housing (BAH) to 100%.

## BACKGROUND

The availability of affordable rental housing is a national problem — one made worse for servicemembers thanks to frequent moves and the unique needs of their profession. Servicemembers don't choose where they are stationed, and they are always on call. The challenges mount further for families, with spouses of those in uniform more likely to be unemployed or underemployed.

## WHAT THIS MEANS FOR ALL SERVICEMEMBERS AND THEIR FAMILIES

Many enlisted servicemembers, stationed all across the country, are facing financial strain, and housing costs play a big role in their economic struggles. The wide majority of them do not receive a housing allowance in line with federal government standards for “affordable housing,” defined by the Census Bureau and the Department of Housing and Urban Development as “housing on which the occupant is paying no more than 30% of gross income for housing costs, including utilities.”

*See the chart “Can They ‘Afford’ to Serve?” on the reverse side of this page.*

As the chart makes clear, the average enlisted servicemember with dependents will not receive a BAH meeting affordable housing

standards until the grade of E-7. Higher ranks are less impacted by this model, but they have specific situations that are not favorable relative to BAH and housing costs.

## REAL-WORLD EXAMPLE

A married E-5 with four years of service will receive 46% of their compensation through their BAH and the Basic Allowance for Subsistence (BAS), which is designed to cover food costs. BAH is currently intended to cover 95% of the rental and utilities for a two-bedroom townhouse where they are stationed.

Using government estimates for total monthly expenses, an E-5 (in a military housing area representing the national average) is **\$433 short** on what they need to make ends meet each month.

*See the chart “Real-World Example” on the reverse.*

Financial readiness in the ranks directly supports our national security. When an emergency arises, servicemembers are left with difficult choices about how to fit unexpected costs into their already tight budgets. They might be forced to tap into savings or resort to using credit cards.

How can we address this shortfall? According to DoD data, the average E-5 will pay \$111 per month out of pocket toward housing costs to cover the 5% of the bill not footed by the Pentagon. This E-5 would still face a budget gap, but restoring BAH


to cover 100% of housing costs will make a major difference for our example and for our servicemembers.

Servicemembers and families living on base have their BAH cover 100% of the rent and utility costs. However, on-base housing is limited and roughly two-thirds of the force lives off-installation.

## HOW DID WE GET HERE?

Over the past decade, a greater financial burden has shifted to servicemembers and their families.

- Servicemembers’ pay increases from 2014-16 did not match inflation, leading to a 2.6% pay raise decrement.
- In 2015, DoD started reducing BAH to 95% of housing costs, at a 1% reduction each year until 2019.
- In 2018, the Blended Retirement System (BRS) essentially required new servicemembers (those not eligible for the legacy retirement plan) to contribute 5% of their paychecks to the Thrift Savings Plan to maximize matching contributions from DoD.

It's time to reverse these trends and support our servicemembers to ensure the future of the all-volunteer force. Congress signaled its interest in fixing this problem in the FY 2023 National Defense Authorization Act by authorizing funds to reduce the BAH absorption rate by 2%. Now, we need you to finish the job and pass the BAH Restoration Act. 

## Congress, we need your help

Our nation expects 100% from servicemembers. Ensure they get 100% of their housing allowance by supporting BAH restoration.

## MOAA Contact

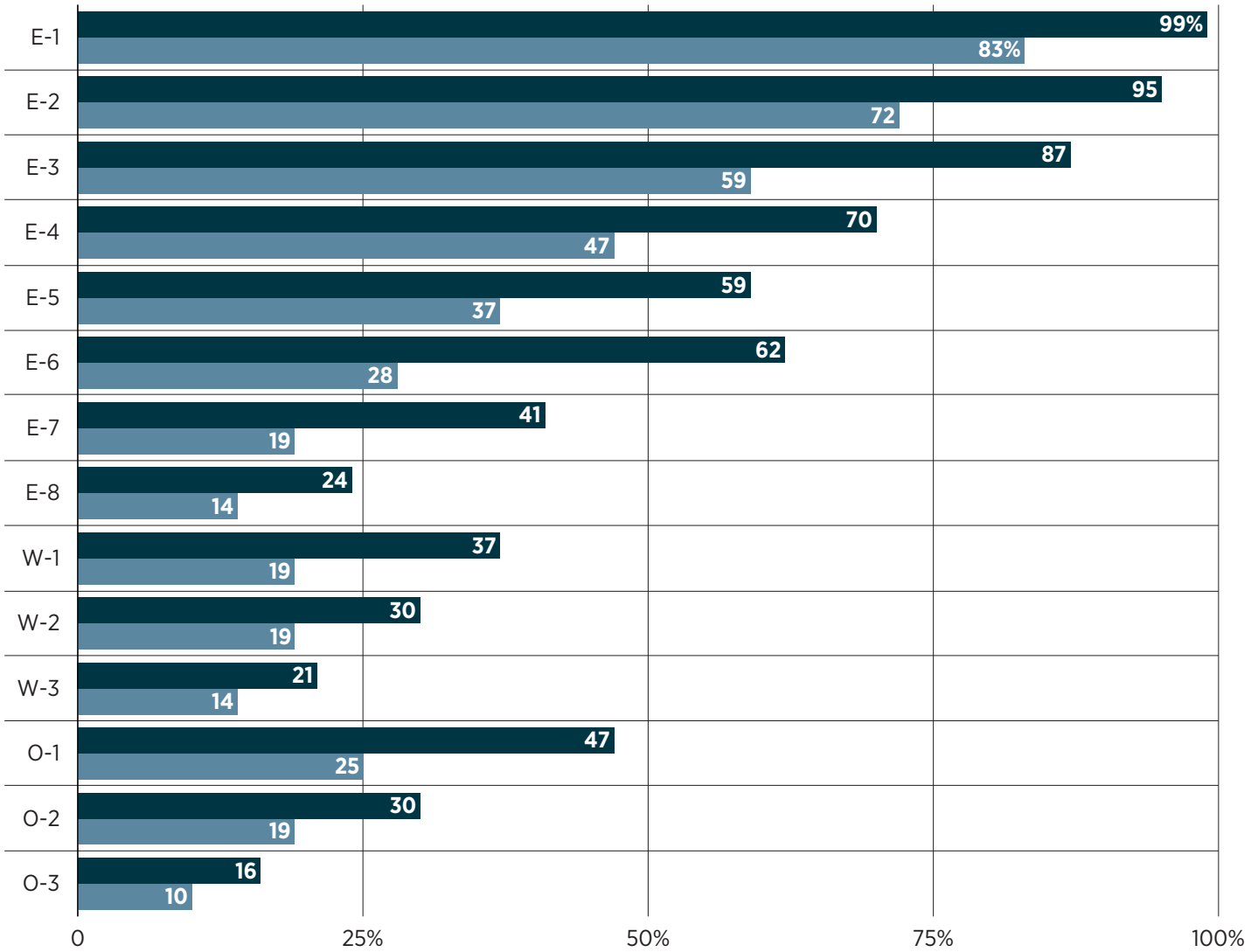


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## CAN THEY 'AFFORD' TO SERVE?

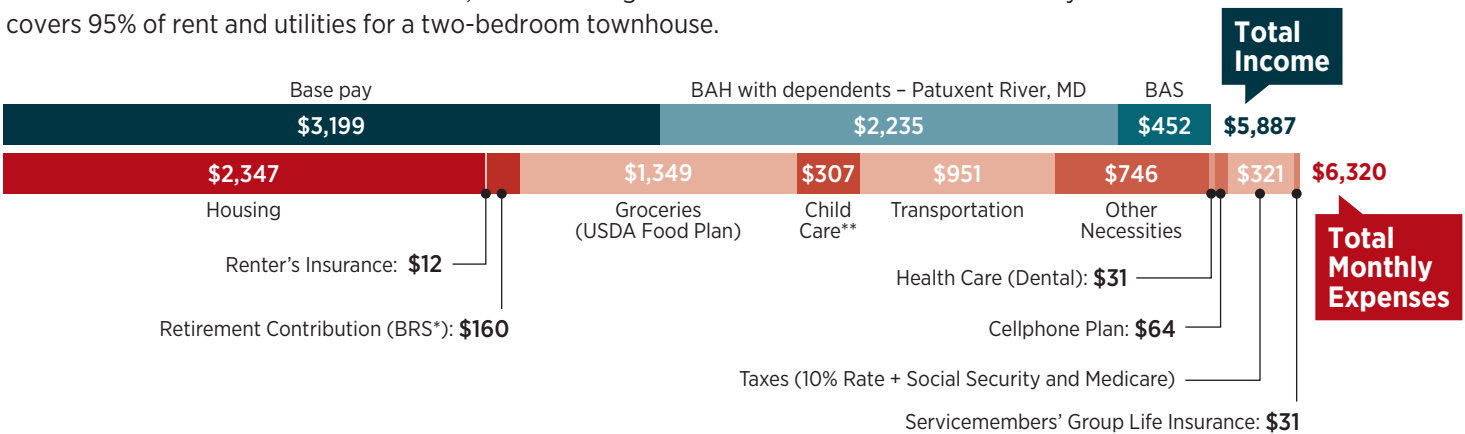
The housing allowance provided to a majority of servicemembers, including many within the junior enlisted levels, does not cover the federal definition of "affordable housing," leading to significant out-of-pocket costs and other family financial stressors.

Percentage of military members in all housing areas whose BAH falls short of covering the government-recommended standard of affordable housing (30% of gross income) ■ With dependents ■ Without dependents



## REAL-WORLD EXAMPLE

A married E-5 with four years of service will receive 46% of their compensation through their BAH and the Basic Allowance for Subsistence, which is designed to cover food costs. BAH currently covers 95% of rent and utilities for a two-bedroom townhouse.



\*Blended Retirement System \*\*CDC Rate for one child attending part-time in high-cost area

SOURCES AND METHODOLOGY: DOD PAY TABLES; ALL INFORMATION BEHIND 'REAL-WORLD EXAMPLE' FIGURES IS AVAILABLE AT MOAA.ORG/BAHBUDGET

GRAPHIC BY JOHN HARMAN/MOAA



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President and CEO



# Restore the TRICARE Pharmacy Network

## BACKGROUND — A NARROWED NETWORK

The Defense Health Agency (DHA) slashed network requirements as a cost-cutting measure within the new pharmacy contract. As a result, the TRICARE retail network lost many independent pharmacies and decreased nearly 25% — from approximately 55,000 to 42,000 locations as of February 2023.

TRICARE falls short of a key benchmark — FEP Blue, the Blue Cross Blue Shield plan that covers two-thirds of Federal Employee Health Benefits (FEHB) Program participants and boasts more than 55,000 network pharmacies. TRICARE beneficiaries rely on a pharmacy network nearly 25% smaller than this national network. Federal employees certainly pay more for their plan, but they do not endure the costs of deployments or permanent changes of station. They also do not sign up for and live with the potential risk of injury or death — risks significantly higher for the post-9/11 generation now transitioning into retirement.

Though not measurable, the cost of these sacrifices borne by the all-volunteer force surely eclipses the higher health care costs paid by civilian federal employees. It would only make sense for TRICARE to be on par with the benchmark set for civilians who also serve within the federal government.

## BENEFICIARY IMPACT

The DHA contends the narrowed network provides sufficient access, reporting approximately 98% of beneficiaries still have a pharmacy within a 15-minute drive. But drive time to the nearest pharmacy is a very narrow definition of “access” — one that does not adequately address complex medical conditions and prescription drug needs.

For most families in metro areas, switching to another pharmacy for occasional medication needs is an inconvenience. But the narrowed network has created access challenges for many elderly beneficiaries, those in rural areas, and others with serious medical conditions.

Elderly patients often rely on the special services and unique locations (e.g., hospital lobbies, oncology offices, long-term care facilities) independents provide. Rural families who were previously served by Walmart or community pharmacies, are now driving past those locations on long trips to reach a network pharmacy. Beneficiaries with serious medical conditions report challenges accessing cancer medications, compound drugs, and home infusions.

No pharmacy program will serve every need of every beneficiary, but the narrowed network has substantially increased the likelihood of prescription drug access challenges for some military families. This is not just the typical reshuf-

fling of network participants that occurs with every new pharmacy contract — it is a cut to the benefit that reduces the protections servicemembers have earned and the TRICARE pharmacy program should provide.

## TRICARE: THE NATION'S OBLIGATION TO THOSE WHO SERVE

Although the new pharmacy contract is in its early stages, MOAA already has heard from hundreds of TRICARE beneficiaries expressing disappointment, anger, and a sense of betrayal at the pharmacy network reduction — the latest in a series of cuts eroding the military health care benefit.

TRICARE is a key component of the compensation and benefits package that sustains the all-volunteer force. For nearly two decades, as servicemembers faced years of high operational tempo and repeated combat deployments, nearly all TRICARE out-of-pocket costs remained unchanged. Since 2018, as the post-9/11 cohort transitions to retirement, military retirees have endured a series of disproportionate TRICARE fee increases, reducing the value of their earned benefit. These include an unprecedented TRICARE Select enrollment fee, a higher catastrophic cap, and medical encounter copays that doubled in many instances.

At the same time, access to zero out-of-pocket cost military treat-

## Congress, we need your help

- Support language in the FY 2024 National Defense Authorization Act (NDAA) directing an analysis of access data that goes beyond drive time to the nearest pharmacy and assesses the impact of network cuts on vulnerable populations, such as the elderly and those with serious, chronic medical conditions.

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ment facility care has become constrained, forcing many patients into the TRICARE network for care with its rising copays and cost sharing.

There are also growing gaps in TRICARE coverage policy. Dozens of medications have moved to Tier 4/non-covered, and unlike FEHB Program plans, there is no appeals process based on medical necessity. TRICARE also has failed to keep up with evolving technologies, treatment protocols, and commercial benchmarks, creating coverage gaps that often come as a surprise to beneficiaries — diagnostic genetic testing, chiropractic care, and young adult eligibility, for example.

Put simply, when it comes to TRICARE, beneficiaries are paying more and getting less.

The military health care benefit is an obligation our nation has incurred to sustain the all-volunteer force. Fulfilling this obligation is particularly important during the current recruiting crisis, when our nation needs current and former servicemembers and their families — key influencers in the recruiting process — to endorse military service. As propensity continues to decline, the recommendations of key influencers like those who previously served become ever more important. Providing influencers with examples of declining health care benefits will not lead to positive recommendations for future service. ❗

### KEY TAKEAWAY

Members of the post-9/11 generation who served during two decades of war have watched their TRICARE benefits diminish just as they transition to military retirement — creating a risk that these key influencers will fail to endorse military service, thus worsening the recruiting crisis.

## EROSION OF THE TRICARE BENEFIT

A series of TRICARE fee increases and benefit cuts has reduced the health care protections servicemembers have earned. Below are the TRICARE fees for working-age retirees-Group A that entered service before 2018.

