

UPDATE FOR SPOUSES AND SURVIVING SPOUSES - November/December 2018

I'd like to repeat a bullet I included in the last issue (September/October 2018), as it remains current and relevant. The issue of suicide prevention has been included as one of the priority concerns for the new Maryland Military Coalition (MCC)--as an initiative for the MCC's Calendar Year 2019 agenda.

- **Veterans Crisis Line.** According to the VA, "people experience emotional and mental health crises in response to a wide range of situations--from difficulties in their personal relationships to the loss of a job. For Veterans, these crises can be heightened by their experience in military service. When emotional issues reach a crisis point, it's time to call on the Veterans Crisis Line for support." This also applies if you are concerned about a Veteran who may be in emotional distress or suicidal crisis. Here's the number: **800-273-8255, and Press 1**. If you would rather chat or use a text message, go to VeteransCrisisLine.net. You also can send a text message to 838255. The Veterans Crisis Line is staffed by caring, qualified VA responders (many of whom are Veterans themselves). These confidential resources are available to all Vets and their family members and friends--even if they are not registered with VA or enrolled in VA health care! **Responders are available 24/7, 365 days each year.**

- **Timely Pay News of Interest to All --Good News Worth Repeating,** The COLA (adjustment to the cost of living) for CY 2019 will be 2.8% on Uniformed Services retired pay, SBP payments, Social Security payments, Veterans Compensation and, for the first time--Special Survivor Indemnity Allowance [SSIA]--for those individuals who receive these payments. That's the largest increase we've had in seven (7) years, since 2012.. Of course, expect increased deductions from your monthly payments for Medicare in 2019. [See item 11, below, for additional Medicare information.]

1. **Important Changes in Maryland Income Tax Calculations for Calendar Year 2019.** I won't attempt to explain all the details in this Update, but all retirees, spouses of retirees, and surviving spouses receiving SBP payments need to know that the Income Tax Subtraction again has increased--which is great news for many. When you complete your State taxes next year, don't forget to take advantage of what MOAA in Maryland has helped to get into last year's legislation. If you are retired and over the age of 55 (no longer over 65), you can claim a \$5,000 subtraction from your Maryland Adjusted Gross Income (AGI). If you are over 65, you can now claim a \$15,000 subtraction. This is of the most significance, in general, to retirees who are not yet claiming Social Security monthly payments or other pension benefits. Older retirees may benefit to some degree, but the Maryland Pension Exclusion will affect how much the new rules actually are worth to each taxpayer. In any event, when you complete your taxes make certain to use the new subtraction figures. If someone completes your tax return for you, let them know that there is an increase in the subtraction as well as a decrease in the age at which these subtractions apply. If you need all the details, please refer to Chapter 573 of the Maryland Code, based on Senate Bill 996, which was approved by the General Assembly and then signed by Governor Larry Hogan on May 15, 2018. It already is in effect. See the following link for the actual bill, entitled: Income Tax--Subtraction Modification--Retirement Income (Hometown Heroes and Veterans Act of 2018): mgaleg.maryland.gov/2018RS/chapters/noln/Ch_573_sb0996E.pdf

2. **Change Reported by the Defense Health Agency (DHA) and FEDVIP.** The TRICARE Retiree Dental Program (TRDP) coverage will terminate on December 31st. If you intended to enroll in a FEDVIP [Federal Employee Dental and Vision Program] prior to the original deadline of December 10th, you still can enroll. The deadline has been extended until sometime in March 2019. MOAA has been informed of the three-month extension (which it had requested) by the Office of Personnel Management (OPM). The extension is being termed a "belated enrollment phase," and as of the original cut-off date, FEDVIP had

fallen substantially short of its target enrollment of 800,000 for dental coverage. About 639,000 beneficiaries had signed up. Vision coverage had been elected by only about 300,000 people. Contractors offering these dental and vision services would like more beneficiaries to enroll. According to Kathy Beasley at MOAA HQ, "OPM will review its Open Season policies and identify changes that might improve the process in 2019." According to the DHA, you still can visit BENEFEDS.com 24/7. You also are welcome to call 1-877-888-FEDS [1-877-888-3337]. The TTY number is 1-877-889-5690.

3. MOAA Announces Legislative Goals for 2019. Part of this year's effort will be to reintroduce legislation that was not passed in the previous legislative cycle, according to Dan Merry, MOAA's Vice President of Government Relations. There are now 10 goals on MOAA's list for Federal Legislation, and these are very different from our State priorities in Annapolis, as explained in a summary document compiled by the Maryland Military Coalition (MMC) from input from many of the 14 member organizations. You'll be hearing a lot more about our State initiatives [see paragraph 4, below] through your Chapters later, but for now you may wish just to see the list of 10 Federal items, some of which affect spouses/family members in a substantive way: (1) Ensure any TRICARE reform sustains access to top-quality care; (2) Prevent disproportional TRICARE fee increases; (3) Sustain military pay comparability with the private sector; (4) Stop erosion of compensation and non-pay quality-of-life benefits; (5) End financial penalties for military survivors; (6) End concurrent receipt penalties for military retirees; (7) Achieve equity of benefits for Guard and Reserve members with their active duty counterparts; (8) Strengthen DoD-VA collaboration and services to support wounded warriors and an expanding population of women veterans; (9) Ensure timely access to service-earned VA benefits; and (10) Protect military and veterans family support programs and policies. Several of these 10 items unquestionably will become the focal points of MOAA Storming the Hill effort in April. Watch for a discussion in an article in the upcoming issue of MOAA's Military Officer magazine.

4. Maryland Military Coalition Legislative Agenda - CY 2019. Bob Norton, Vice President of our Maryland MOAA Council of Chapters, recently was elected President of the Maryland Military Coalition (MMC). The MMC will work only with State of Maryland matters (i.e., not Federal legislation or issues). I have included a copy of the MMC's Legislative Agenda for 2019 for your information. Please note that my husband, Harvey, will serve as the MOAA Director on the Coalition. Each of the 14 member organizations will have a Director. ***A copy of the single-page MMC Legislative Agenda is attached for your information (in .pdf format).***

5. Medicare Coverage Outside the United States. Medicare usually does not cover health care when you are traveling outside of the United States. Medicare Part B (Medical Insurance) may pay for services that you get on board a ship that is within the territorial waters which adjoin the U.S. land areas. It won't pay for health care services if you are 6 hours away from a U.S. port. Medicare may pay (in somewhat rare cases) for inpatient hospital, doctor, ambulance services, or dialysis in a foreign country if: (a) you are in the U.S. when the medical emergency occurs, and a foreign hospital is closer than the nearest U.S. hospital that could treat the problem; (b) you are traveling in Canada between Alaska and another state when the medical emergency occurs, and the Canadian hospital is closer than the nearest U.S. hospital that can treat the emergency; (c) you live in the U.S. and the foreign hospital is closer to your home than the nearest U.S. hospital that can treat your condition--regardless of whether or not an emergency exists. Also, (d) Medicare drug plans will not cover prescription drugs bought outside the U.S. Medicare supplement insurance policies (MEDIGAP) may cover you when you travel outside the United States. Note the fact that Medicare pays only for services covered under Original Medicare. Medicare Part A (Hospital Insurance) covers hospital care after you've been formally admitted with a doctor's order to the foreign hospital as an inpatient. Part B covers emergency and non-emergency ambulance and doctor services you get immediately before and during your covered inpatient hospital stay. Medicare does not cover return ambulance trips home if it did not cover your hospital stay or you got ambulance and doctor services outside the hospital after your covered stay ended.

6. Expanded TRICARE Coverage for Ambulance Services. TRICARE expanded ambulance services to cover both "treat-and-release" and "joint response" services now cover: (a) Treat and Release ~ When an ambulance treats you but does not take you to the hospital. (b) Joint Response ~ When an ambulance crew needs a paramedic or the intermediate EMT to give advanced life support

services. Note: Ambulances can be network or non-network providers. If a non-network provider treats or transports you and then bills you for treat-and-release or joint response, they can charge you up to 115 percent of the TRICARE-allowable charge. Active duty service members are not liable for treat-and-release or joint response services.

7. Medicaid for Military Families. More than 200,000 active military families rely on Medicaid. A recent research report, [America's Military Readiness and the Essential Role of Medicaid](#), examines the importance of the Medicaid program in the health of military-connected families. The TRICARE for Kids Coalition and MOAA are key contributors and sponsors of the report. The report details how Medicaid supports children of active duty and Guard/Reserve service members and veterans--crucial for our country's military readiness. The Medicaid program is the Nation's largest single payer for health care service for over 37,000,000 children. Children in families with active duty, reserve, National Guard, retired, and veteran members can be enrolled in Medicaid even when a service member is covered by TRICARE or a veteran receives care through the VA. An estimated 3.4 million children of veterans are enrolled in Medicaid based on family income. Another 200,000 military children--about 10% of the children of active service military families who are covered by TRICARE--also rely on Medicaid for health care coverage due to serious medical conditions that require highly specialized care. About 500,000 children of TRICARE-covered families qualify for Medicaid coverage on the basis of income, which can cover needed pediatric services when TRICARE does not. TRICARE covers most health care services, but does not always meet the specific health care needs of children. Therefore, a child's health care requirements may not be met by TRICARE. Medicaid is needed then to fill in the gap.

8. Health Maintenance for Gulf War Post 9/11 Vets and Offspring. In a report released November 28th by the National Academies of Science, Engineering and Medicine, a panel of 16 scientists said they could not definitively link health issues in some 1990-1991 Gulf War and post 9/11 veterans and their families to environmental exposures, but they recommend the government and other institutions establish a health monitoring and research program to determine what health effects, if any, military deployments have on the veterans and future generations. One item identified in the Military.com release on 6 December, by way of example, was the exposure of fire fighters and military personnel to smoke and flames at burn pits in Iraq. Environmental terrorism by a future enemy might be another area for concern.

9. PTSD Project & Veterans Care ~ Department of Veterans Affairs Initiatives to Promote Employment. Post-traumatic stress disorder (PTSD) can cause Veterans to struggle in many aspects of life. This may be especially true for some Veterans when interviewing for a new job, searching for and securing a new position, and managing successfully in a new career following military service. "Veterans CARE" as a VA initiative may play an important part in solving individual problems with PTSD. The term "Veterans CARE" is an abbreviated version of Veterans Coordinated Approach to Recovery and Employment. It operates under a partnership among the U.S. Department of Veterans Affairs, local governments, impact investors, and Social Finance. According to militaryconnection.com, "The goal of this initiative is to support unemployed or underemployed Veterans with PTSD and assist them in attaining and maintaining employment that is both compatible with their skill set and competitive in their workforce." This is a new program; recruitment has begun for about 480 Veteran participants in a comprehensive "test study" in three geographic areas: Boston and Brockton, Massachusetts; New York City, and the Central/Western portion of Massachusetts. This program is funded primarily by project investors; the partnering government agencies will repay investors for positive outcomes. Veterans Care has its focus on improving the health and employment for Veterans. More information about the model of this first Pay-For-Service project of its kind in the USA is available at <http://socialfinance.org/focus-areas/workforce/veterans-care-project/>. It is noted that a Maryland-based company, Westat (an Employee-Owned Research Corporation) will be utilized in the evaluation of program success.

10. Payments to a Survivor of a Military Retiree (and Their Timing). Thanks go to Shane Ostrom, Lt. Col, USAF (Ret.), the MOAA Program Director for Finance and Benefits Information, for the key elements of what he termed "Military Survivor Benefits 101." It is important for spouses and adult family members of retired military personnel to know the facts. Shane shared with us the following overview of payments following the death of a sponsor--and their timing:

- Arrears of Pay refers to the final retired pay deposited after a retiree's death. The final month of retired pay is removed (i.e., not paid) by the Defense Finance and Accounting Service (known as DFAS). Retired pay is audited, and the final payment due is recalculated to include only the final days of life in the last pay month (not the full month). This amount is then redeposited in the retiree's bank account.
- Survivor Benefit Plan (SBP) Payments are paid monthly upon application from the time of death -- 90-180 days after death, with retroactive payments applied.
- Dependency and Indemnity Compensation (DIC) Payments are paid to eligible survivors upon the approval of a U.S. Department of Veterans Affairs (VA) application, after the member's death. This may take six months to one year. Retroactive payment of DIC is made back to the date of death. The Department of Veterans Affairs notifies DFAS of DIC payments.
- There will be an SBP/DIC Offset. It has been referred to as a "Widow's Tax," and the fight by MOAA continues to get it eliminated. The offset means that the DIC amount is subtracted from SBP payments going forward. Note that payment of retroactive DIC means prior SBP payments must be reduced. The SBP/DIC offset is applied to past SBP payments (due to any retroactive period of DIC payments). In brief, over-payment of any past SBP dollars paid is recovered by DFAS. The survivor will need to refund any SBP payments received due to the subtraction mentioned above. Survivors should remember that SBP payments are taxable by the Federal Government. [Note: See item 1, above, in regard to State of Maryland income taxes. There is a Subtraction from Income that is applicable to SBP payments as a part of AGI on a Maryland tax return. It may prove beneficial for a surviving spouse to take advantage of that Subtraction.] Finally, keep good records and pay particular attention to how you treat any overpayment of retroactive SBP when filing a tax return.
- Special Survivor Indemnity Allowance (SSIA). A monthly payment may be added to your SBP payment to help ease the pain of the Widow's Tax (the SBP Offset). This SSIA is now adjusted upward each year to reflect any cost of living increases.

11. **Medicare Part B and Part D Premium Update.** Retirees and SBP recipients can expect a little bit more in their Social Security benefit payments starting next month. Benefits will go up by 2.8% in 2019, reflecting the largest increase in COLA (cost-of-living adjustment) in 7 years. Consequently, there will be an adjustment upward in Medicare Part B premiums, but these will rise by only \$1.50 per month for most of us to \$135.50 (from the \$134 many of us paid in 2018). Note that there still remains variation in Part B premiums based on one's income. Provisions of the Bipartisan Budget Act (BBA) of 2018 reduced Medicare Part D enrollees' out-of-pocket co-insurance for the brand-name drugs in the "coverage gap phase" of coverage. Some people refer to that phase as the "doughnut hole." There also are some new special provisions of Part D coverage that may apply to a small number of our Maryland members; check out the details if you buy your drugs using Medicare Part D.

12. **Study Suggests That Better Childcare May Help Military Families More Than a Pay Raise.** A recent article by Amy Bushatz on Military.com discussed a 2018 study conducted by consulting firm Marvin Strategies, commissioned by the USO, and communicating with over 50 spouses (representing all military branches) at 13 bases in the United States and overseas. Among the most significant changes the report recommends are those focused on the military childcare system. Chris Marvin (of Marvin Strategies) was quoted as saying, "...the military and government is still running a system that treats military spouses as if they live in the 1950s. And moreover, we don't have to do that...." Military spouses truly need stable childcare today because, without it, they cannot afford to work. Military spouses are not a monolithic group, but many of them need to work (unlike June Cleaver, the mother in "Leave it to Beaver" on TV during the 1950s). Today's economy "often assumes households have two incomes, [so] relying on one is no longer sustainable," in Marvin's words. If we made childcare easier for the military family, we would improve military retention--which would unquestionably contribute to the overall improvement of national security. Finally, according to Marvin, this is not a nice-to-have or a morale issue; it actually "would do more for the financial wellbeing of the military families than 10 years of pay raises."

13. **Mailing List for these Bi-Monthly Updates.** My e-mailing list for these Updates contains all of our Chapter Presidents, our Council officers, and those of you who requested to be included. I also send copies to a few staff members at National Headquarters. COL Terri Coles of Council and Chapter Affairs advised me that she forwards the Updates to a number of MOAA addressees around the country for their general information. [Most of the content certainly is not targeted only to Maryland addressees.] Of course, I hope that our Maryland Chapter Presidents will continue to share the material (by whatever means they find most appropriate) with the spouses and surviving spouses within their Chapters.

My husband, Harvey, and I wish you a very Merry Christmas, a joyous holiday season--and the best of everything in the New Year! Stay well and safe. I look forward to seeing some of you at the Maryland MOAA Council Meeting in Arnold, MD on Saturday, January 12th. At that meeting we'll be swearing in the new elected officers of the Council.

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