

Executive Summary — USMI Roundtable Discussion

Healthcare For Reserve Forces: Examining The Issues

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Reserve forces play a major supporting — and sometimes starring — role in U.S. military operations, leading to concern that their health benefits ought to mirror those provided to active-duty personnel, but also raising questions about the proper level of benefits for reservists before and after activation, the costs inherent in increasing reserve healthcare benefits, and the potential impact on the attractiveness of active-duty versus reserve service.

To examine these issues, the nonprofit **U.S. Medicine Institute for Health Studies** convened a roundtable discussion among federal agency, private sector, congressional and beneficiary group representatives, all of whom agreed that reservists called to active duty should have benefits on par with those provided to the regular active-duty force. The difficulty arises, they agreed, in trying to craft an enhanced benefit for reservists pre- and post-activation. The group urged caution in devising a richer benefit that would shift coverage-costs from the private to the federal sector, incur mounting budgetary obligations in succeeding years, and potentially have little impact on recruitment and retention or readiness. **Readiness**, discussants emphasized, must be the prime consideration in any examination of the reserve benefit structure.

Background

Reserve forces today constitute a higher percentage of deployed troops than any time since the Korean War, serving in such trouble spots as Iraq, Afghanistan and Bosnia. More than 320,000 reserve and guard personnel have been activated since the September 11, 2001, attacks on the United States. In fiscal 2004, reservists will serve 60 million man-days, compared with 15 million in the late 1990s.

Members of Congress in particular are concerned that the increasing defense burden borne by reserve forces ought to be accompanied by parity in health benefits provided to active-duty personnel, and both the House and Senate are in the process of legislating an enhanced health-benefit package for reservists. But, what would be the true impact of such an increase in the health benefit?

Roundtable Discussion/Consensus

Roundtable discussants noted that 80 per cent of reservists already have healthcare insurance through their employers. The 20 per cent without private insurance largely are young, healthy individuals who decline to spend money on health premiums and would be unlikely to be swayed by a richer premium-based federal health benefit for reserve forces. The greater concern among troops, discussants agreed, lies in such issues as having a sufficient level of skills and requisite equipment and body armor for dangerous deployments — areas in which additional resources might draw greater returns in terms of force readiness, and recruitment and retention, than would a richer healthcare benefit. Reservists are not clamoring for an enhanced federal healthcare benefit — but they are concerned about access to disability payments should they be injured

while on active duty, discussants pointed out, observing that disability concerns often are mistakenly interpreted in Congress as a demand for greater health benefits.

Discussants reiterated throughout the roundtable that **readiness** must be the prime consideration in any enhancement of benefits for reservists. Current efforts to extend federal health benefits to inactive reservists should focus on the transition period both pre- and post-deployment: pre-deployment, to make sure reservists are healthy and fit for active duty, and post-deployment, to make sure reservists receive needed care for any injuries received during activation (the disability concern). The Defense Department, Veterans Affairs Department, Congress and beneficiary groups should work together to determine the optimum length and richness of such transition benefits, which now are provided on a limited basis through a TriCare demonstration program and through the VA system.

Should the political push for “equity” between inactivated reservists and active-duty personnel reach fruition, there might be less incentive for anyone to join the active forces, discussants cautioned. Should the full TriCare benefit be offered to inactive reservists, employers in most cases would try to shift their employees who belong to the reserves to the federal program, thus reducing their corporate health insurance costs. The result of this would be a greatly expanded federal financial obligation that would exceed “what this country can afford.”

Some in the group suggested that reservists should be divided into subsets, with enhanced benefits designed especially to retain those with certain skills and training. However, it was decided, identifying these subsets would be extremely difficult under current data-analysis capabilities.

Among the observations made during the roundtable:

- There is a simple way for reservists to have health benefits that are the same as those given to active-duty personnel — become part of the regular active-duty force. “We are in danger of making the manpower piece cost too much and enhancing the benefit beyond what we can afford.”
- Reservists signed up voluntarily for their potential activation and bear some responsibility to keep themselves ready for deployment.

Participants in this roundtable: Ed Wyatt of EWyatt Consulting, moderator; Rick Stark of the Center for Strategic and International Studies and Patty Lewis of Monfort-Lewis LLC, discussion leaders; Dave Baker of Humana Military Healthcare Services, Cindy Bascetta of GAO, Ben Butler of NAUS, Marcia Crosse of GAO, Craig Duehring of DoD, Kenneth Farmer of the Army, Lynn Henselman of the House Armed Services Committee professional staff, Brian Hurley of Edward Martin & Associates, Michael Kussman of the VA, Steve Lillie of DoD, Steve Mirick of AMSUS, Bob Norton of MOAA, Ron Richards of DoD, Sue Schwarz of MOAA, Wayne Spruell of DoD, Harley Thomas of PVA, Charlotte Tsoucalas of Defense Health Advisors, Debra Wada of the House Armed Services Committee professional staff, Bob Washington of the Fleet Reserve Association, and Kathleen Woody of the Army



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