

RAO BULLETIN 1 February 2010

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Veteran Employment Update 06: Last week, Steve Buyer, the senior Republican member on the House Committee on Veterans Affairs, reached out to Democrat leaders to bring about a bipartisan, legislative effort to assist the record level numbers of unemployed veterans. The most recent data from the Bureau of Labor Statistics shows that 968,000 veterans are unemployed compared with 807,000 last year. The data also shows an alarming 18.3% unemployment rate for veterans between the ages of 20 to 24. “These numbers are inexcusable and reflect the problems that veterans of every age group face in today’s job market,” said Buyer. “Congress must act to approve a jobs bill for veterans that will help stimulate the economy by expanding opportunities for veteran owned small businesses.” In December 2009, Buyer introduced H.R.4220, the Promoting Jobs for Veterans Act of 2009 to help veterans find meaningful employment and career opportunities. “Addressing the high unemployment rate among veterans must be among Congress’ top priorities for the second session of the 111th Congress,” continued Buyer. “H.R. 4420 would reduce veterans’ unemployment through targeted incentives to provide job training and entrepreneurial opportunities to those went from the battlefield to the unemployment line.” The bill contains the following provisions:

- Re-authorizes the Department of Veterans Affairs (VA) Veteran Owned Small Business Loan Guaranty Program which would guarantee loans up to \$500,000;
- Creates a new Troops-to-Teachers program to pay new teachers who are veterans, and teaching in a rural area, a \$500 monthly stipend;
- Increases the Veterans’ Workforce Investment Program (VWIP) authorization from \$9 to \$20 million;
- Increases the Vocational Rehabilitation monthly stipend to an amount equal to the maximum housing stipend under the post 9/11 GI Bill;
- Creates a two-year paid VA internship program for up to 2,000 vocational rehabilitation participants;
- Provides a zip code based housing stipend for unemployed veterans participating in a VA approved OJT/Apprenticeship program.
- Establishes a VA website link to reputable veteran employment websites and nationally advertise the “Vet-success” website created by the Vocation Rehabilitation Program;
- Expands VA authority to enter into sole source contracts with veteran owned small businesses;
- Raises the priority status for veteran owned small business--to attain government procurement contracts--to the same level as minority and women owned small businesses;
- Extends 8(a) eligibility for small businesses owned by individuals on active duty.

On a sad note, word has been received that Congressman Steve Buyer (R-IN), Ranking Member on the Veterans’ Affairs Committee and one of the principal leaders in establishing Tricare for Life, announced his retirement from Congress at the end of this term. Cong. Buyer will retire to assist his wife, Joni, who has been diagnosed with what doctors call an “incurable” autoimmune disease. [Source: TREA Washington Update 29 Jan 2010 ++]

Tricare Regional Contracts Update 05: Millions of Tricare beneficiaries who were facing changes in support contractors on 1 APR will not have changes at all this year. The Government Accountability Office (GAO) has upheld claims that the winning bids, worth \$38 billion over five years, were unfair, which delays any changes in contractor until at least 1 MAR 2011. This means that no beneficiary will need to change phone numbers or Web sites to make appointments. The GAO found several points to uphold and further investigate the claims, the largest of which was concern that Aetna Government Health Plans, which won the bid against current

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north regional contractor Health Net, used proprietary information to form its bid, provided by a former chief of staff at Tricare Management Activity (TMA), who still had access to private information and sensitive documents. Humana, which currently serves the south region of Tricare, also won its protest of a \$21 billion contract awarded to UnitedHealth Military & Veterans Services, claiming that the contracting officer did not correctly weigh the value of fee discounts Humana was offering via its care providers. Both Humana and TriWest Healthcare Alliance, whose bid was not disputed, have had their contracts extended to March 31, 2011, as well. [Source: NGAUS Leg Up 29 Jan 2010 ++]

NARA Data Breach: Personal information for 250,000 Clinton administration staff and White House visitors sent to the National Archives was compromised after a computer hard drive containing confidential material disappeared nearly a year ago, RollCall.com reported Wednesday. The National Archives and Record Administration (NARA) sent letters to former White House staff members and visitors during the Clinton era, informing them of the data breach and warning that highly sensitive information, like Social Security numbers, has been put in jeopardy, according to the newspaper. "NARA is attempting to inform all individuals whose personally identifiable information was contained on the missing hard drive," acting archivist Adrienne Thomas reportedly wrote in the letter. The hard drive was part of a storage collection containing contents of computers of former Clinton administration employees, including one of former Vice President Al Gore's daughters, whose Social Security number was on the drive. The hard drive was reported missing in March 2009, according to the newspaper. [Source: FOXNews.com 27 Jan 2010 ++]

Tennessee Veteran Cemetery: Tennessee has five National and three state veteran cemeteries. The Chattanooga and Mountain Home National facilities have space available to accommodate casketed and cremated remains. However the other national sites only have space available for cremated remains. They may be able to accommodate casketed remains in the same gravesite of previously interred family members. For space availability in state facilities call the numbers provided below. At state facilities there is a \$300.00 fee for the interment of a veteran's spouse or eligible dependent children that must be paid prior to or the day of the burial. Facility locations are:

- Chattanooga National Cemetery, 1200 Bailey Avenue, Chattanooga TN 37404 Tel: (423) 855-6590 or 6591 FAX: (423) 855-6597.
- Knoxville National Cemetery 939 Tyson Street, NW, Knoxville TN 37917 Tel: (423) 855-6590 or 6591 FAX: (423) 855-6597.
- Nashville National Cemetery, 1420 Gallatin Road, South, Madison TN 37115-4619 Tel: (615) 860-0086 or 0230 FAX: (615) 860-8691.
- Memphis National Cemetery, 3568 Townes Avenue, Memphis TN 38122 Tel: (901) 386-8311 FAX: (901) 382-0750.
- Mountain Home National Cemetery, P.O. Box 8, Mountain Home TN 37684 Tel: (423) 979-3535 FAX: (423) 979-3521.
- East Tennessee State Veterans Cemetery, 5901 Lyons View Pike, Knoxville TN 37917 Tel: (865) 594-6776.
- Tennessee State Veterans Cemetery, 4000 Forest Hill Irene Rd, Memphis, TN 381254000 Forrest Hill/Irene, Memphis TN 38122 Tel: (901) 543-7005.
- Middle Tennessee State Veteran's Cemetery, 7931 McCrory Lane, Nashville TN (615) 532-2238

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Internment eligibility in National cemeteries is in accordance with the guidelines provided at www.cem.va.gov/bbene/eligible.asp. Internment eligibility in Tennessee's state veteran cemeteries extends to:

- Any person who served on active duty in the Armed Forces of the United States (Army, Navy, Air Force and Marine Corps) who was discharged or released there from before 7 SEP 80 under conditions other than dishonorable.
- Any member of the Armed Forces of the United States who died while on active duty.
- Any person who served on active duty in the Armed Forces of the United States who entered active duty as an enlisted person after 7 SEP 80, and officers commissioned who entered active duty after 17 OCT 81, and whose discharge or separation from active military service was under "other than dishonorable" conditions. A person whose first tour of duty began on or after the dates listed above is eligible if he or she completed a continuous period of active duty of at least 24 months or the full period for which called or ordered to active duty, whichever is shorter or was released because of a hardship discharge, or has a compensable service connected disability or was released because of a service connected disability.
- Reserve & National Guard members who are in receipt of compensation or pension from the VA are eligible for burial and do not have to pay the plot allowance, except when the claim is denied by the U. S. Department of Veterans of Affairs.
- Reserve & National Guard members who completed twenty or more years of reserve or guard service and are entitled to retirement pay. This category of veterans does not qualify for the \$300.00 plot allowance, headstone and flag at government expense. Costs must be paid prior to burial.
- Reserve & National Guard members are also eligible for burial under the following five (5) categories and do not have to pay the plot allowance cost, except when the claim is denied by the U. S. Department of Veterans Affairs.
 - a. Dies under honorable conditions while undergoing active duty for training.
 - b. If called to active duty, completes the full period for which called up.
 - c. Dies under honorable conditions while performing full time AGR service.
 - d. Completed at least 24 months of active service.
 - e. Discharged due to service connected disability while on active duty.

For additional information on veteran burial in Tennessee refer to www.state.tn.us/veteran/burial.html . [Source: www.state.tn.us Jan 2010 ++]

Tennessee Veteran Cemetery Update 01: Local veterans concerned about the quality and accessibility of their final resting place voiced strong reservations 15 JAN about state officials' plans for a new veterans' cemetery across the French Broad River from the blasting operations of a local quarry. Tennessee Veterans Affairs Commissioner John Keys didn't outright say that the 68-acre site in Southeast Knox County was a done deal, although he warned that any change of plans at this stage could jeopardize the project's approved federal funding. And the estimated \$2.4 million cost of the cemetery's construction is solely federally funded. Keys said the current East Tennessee Veterans Cemetery on Lyons View Pike is expected to reach its full capacity by next year. And the original plan to expand the cemetery across the road to Lakeshore Park was scrapped after federal officials deemed the expansion site unacceptable in NOV 09. Knoxville City Council members are set to vote on a tentative agreement to buy the newly proposed cemetery site off Gov. John Sevier Highway for \$1.4 million and swap it with the state for 17.2 acres at Lakeshore Park.

Some veterans worry about possible disturbances from weekly blasts at the gravel quarry, and that funeral processions to the former farmland site would have to unduly compete with traffic from the nearby Forks of the River Industrial Park. Noise and seismic monitoring data collected in and around the quarry since MAR 09 indicate

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that the blasting is well within state standards, said Helen Hennon of Quantum Environmental & Engineering Services, the firm that conducted the project's environmental assessment. Hennon said she heard many of the same stories some veterans had from residents adjacent to the site, who claimed to have cracked home foundations from the blasting. She said the quarry has refined its operations within the past year, though. Yet Hennon also said that the monitoring data cited in the environmental assessment were previously collected by a firm working under contract for the quarry owners. She said the assessment was due this month before any independent monitoring could be done. John Strange, a veteran of the US Navy, said he fears the quarry blasts could break monuments and burial vaults. "My daughter has had two or three wells have their bottoms knocked out up there. Pictures fall off the walls," Strange explained. [Source: Knoxville News Sentinel Hayes Hickman article 25 Jan 2010 ++]

Cold War Experiments Lawsuit Update 01: Morrison & Foerster has won the right to proceed with a case against the CIA, the Department of Defense, and the U.S. Army, filed on behalf of veterans rights organizations Vietnam Veterans of America and Swords to Plowshares, along with six veterans with multiple diseases and ailments, tied to a secret testing program in which U.S. military personnel were deliberately exposed to chemical and biological weapons and other toxins without informed consent. Plaintiffs seek declaratory and injunctive relief that would free them from their secrecy oaths and grant them healthcare that they were promised. On 19 JAN 2010, Judge Claudia Wilken of the U.S. District Court, Northern District of California, issued an order that overruled the government's main arguments to dismiss the case, which were based upon lack of jurisdiction, failure to state a claim for relief, statute of limitations, sovereign immunity, and standing. "The victory obtained for us by our attorneys at Morrison & Foerster finally gives us a chance to redress one of the unfortunate decisions that has made veterans second class citizens," said Paul Cox, Board of Directors Member at Swords to Plowshares.

The court also dismissed a direct challenge to the Feres doctrine, which is an exception to the waiver of sovereign immunity that was created by the Supreme Court during the Cold War. According to Rick Weidman, Executive Director for Policy and Government Affairs at Vietnam Veterans of America, "the government became immune to damages suits by military veterans after Feres so the use of soldiers became cheaper than using guinea pigs." The human experimentation program launched in the early 1950s and continued through at least 1976 when it was suspended in response to hearings conducted by Congress. Thousands of experiments took place at the Edgewood Arsenal and Fort Detrick, as well as several universities and hospitals across America contracted by the Defendants. "Volunteers" were exposed to thousands of toxins under code names such as MKULTRA, including drugs such as LSD, mescaline, and cannabis; biological substances such as plague and anthrax; and noxious gases such as sarin, tabun, and nerve gases. "The government has long reconciled its war prosecutions and reliance on international treaties with secret actions on its part. As the case moves forward, perhaps we will finally learn an answer to why our vets were made victims at Edgewood," said Michael Blecker, Executive Director at Swords to Plowshares.

Morrison & Foerster Senior Counsel Gordon Erspamer is the lead attorney representing the veterans, along with partner Timothy Blakely and associates Stacey Sprenkel, Adriano Hrvatin, Tim Reed, and Jonathan McFarland. The case came on the heels of an earlier case the firm filed on behalf of veterans afflicted with Post-Traumatic Distress Disorder, which is now pending in the Ninth Circuit Court of Appeals. The firm is handling both cases pro bono. The trial should be held either this summer or this fall in San Francisco, hopefully it will be given class action to that it will represent the entire 7120 veterans, their widows and their children, who have been deprived the veterans benefits the victims of these immoral and ill thought out hazards to human health. One of the litigants stated: The government has stated that this will never happen again, somehow I don't trust them. The term "national security" has been used to hide many nasty things done in this nations name. Rendition, torture, up to and including abusing its own military personnel as this case shows. Then they use every means possible to deny it ever happened, they lie

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about it, they lie about the men who talk about it, they lie to us, they lie to Congress, they lie to Generals in charge, they lie to any and all involved in investigating them. I have been told I was NOT used in any "secret test programs" no I never claimed I was, I plainly stated I was used in a known classified project at Edgewood Arsenal, nothing more and nothing less. I have the files to prove I was there, can I prove what I was exposed to, no, I have had Congressman tell me that they have been informed by the Army that I was never there, I was not exposed to anything, I was sent home sick in JUL 74, despite Army records that prove I was at Edgewood Arsenal from 25 JUN thru 22 AUG 74. What took place during that 59 day period is classified, but it did happen.

The law firm's position is that after decades of ignoring these veterans and their families, it is finally time for this nation to accept their responsibility for these men and women. We just went to war against Saddam Hussein for using WMDs primarily Sarin and Mustard agents against the Kurds, what did these 7120 soldiers do to the government of the US to deserve being used and abused by them? Justice demands that this nation give these men and women medical care and if appropriate compensation for their medical conditions caused by the "classified experiments" 35-55 years ago. It is time to honor these volunteers for the danger they placed themselves in to enable the development of chemical, biological safety equipment to protect today's soldiers. They did not even give these men the promised Army Commendation or Soldiers medals they were promised, let alone the promotions we were promised. Maybe a federal court can make the military keep it's "honor" since they decided to use and abuse and then ignore these men and women due to the true costs of doing the "right thing" decades ago. [Source: Morrison & Foerster Press release 20 Jan 2010 ++]

BrainPort Vision Project: For those who are blind, the non-surgical BrainPort vision device is an investigational assistive device for orientation, mobility, object identification, and spot reading. It enables perception of visual information using the tongue and camera system as a paired substitute for the eye. Visual information is collected from a video camera and translated into gentle electrical stimulation patterns on the surface of the tongue. Users describe it as pictures drawn on their tongue with champagne bubbles. With training, users may perceive shape, size, location, and motion of objects in their environment. The BrainPort vision device is intended to augment rather than replace other assistive technology such as the white cane or guide dog. The BrainPort device was demonstrated by Cpl. Mike Jernigan, a medically retired Marine who lost both eyes after being wounded by a roadside bomb in Iraq in 2004, during the McGowan Institute for Regenerative Medicine First Open Meeting. The device could be approved by the U.S. Food and Drug Administration for market by the end of 2009 at a cost of about \$10,000 per machine.

Dr. Amy Nau, an optometrist and director of the University of Pittsburgh Medical Center's Eye Center Contact Lens and Low Vision Services, is conducting a nationwide search for blind veterans of all ages to participate in a research study on BrainPort. Once study participants have been trained on the device, they will return home where they will be asked to use the BrainPort daily and document their experiences and findings. If you are a veteran of the U.S. military and are legally blind, you may qualify to participate in the University of Pittsburgh Medical Center's BrainPort study. For more information, contact the medical center at (412) 647-2481, or e-mail Gail Engleka at gle1@pitt.edu, or visit the McGowan Institute for Regenerative Medicine website <http://www.mirm.pitt.edu/news/article.asp?qEmpID=476>. [Source: Military.com Benefits article; 4 Jan 2010 ++]

Credit Card Charges Update 04: The Federal Reserve's new rules for credit card companies mean new credit card protections for you. Here are some key changes you should expect from your credit card company beginning on 22 FEB 2010:

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- **Rates, fees, and limits:** Your credit card company has to tell you when they plan to increase your rate or other fees and how long it will take to pay off your balance. There can be no interest rate increase for the first year after you open an account. There are some exceptions including a late payment of more than 60 days or an introductory rate. If your credit card company does raise your interest rate after the first year, the new rate will apply to new charges you make. If you have a balance, your old interest rate will apply to that balance.
- **Restrictions on over-the-limit transactions.** You must tell your credit card company that you want it to allow transactions that will take you over your credit limit. Otherwise, if a transaction would take you over your limit, it may be turned down. If you do not opt-in to over-the-limit transactions and your credit card company allows one to go through, it cannot charge you an over-the-limit fee. If you opt-in to allowing transactions that take you over your credit limit, your credit card company can impose only one fee per billing cycle. You can revoke your opt-in at any time.
- **Caps on high-fee cards.** If your credit card company has an annual fee, the fee cannot total more than 25% of the initial credit card limit. For example, if your initial credit limit is \$500, the fees for the first year cannot be more than \$125. This limit does not apply to penalty fees, such as penalties for late payments.
- **Protection for underage consumers.** Cardholders under age 21 will need to show they are able to make payments; otherwise a cosigner may be required.
- **Billing and payments.** Your credit card company must mail or deliver your credit card bill at least 21 days before your payment due date. In addition, your due date must be the same date each month. The payment cut-off time cannot be earlier than 5 p.m. on the due date. If your payment due date is on a weekend or holiday (when the company does not process payments), you will have until the following business day to pay. If you make more than the minimum payment on your credit card bill, your credit card company must apply the excess amount to the balance with the highest interest rate. Finally, credit card companies can only impose interest charges on balances in the current billing cycle, thus eliminating “double-cycle” billing.

Be an informed consumer and review your credit card statements and disclosures. Contact your credit card company with questions or seek guidance from a military aid society, your local military bank, credit union, or Military OneSource. For additional info on Federal Reserve's rules refer to www.federalreserve.gov/consumerinfo/wyntk/creditcardrules.htm. [Source: NMFA Newsletter 26 Jan 2010 ++]

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Telemarketing Call Elimination Update 08: The Federal Trade Commission (FTC), as required by The Do-Not-Call Registry Fee Extension Act of 2007, has approved two reports to Congress: a biennial report focusing on the use of the Do Not Call Registry by both consumers and businesses, as well as the impact that new technologies have had on the Registry, and a one-time report on enforcement efforts and consumers' perceptions of the Registry's effectiveness. As detailed in the first report, the Do Not Call Registry now has more than 191 million active registrations, and more than 18 million new phone numbers were registered in Fiscal Year (FY) 2009. During that time, approximately 45,000 sellers, telemarketers, and exempt organizations such as charities subscribed to access the Registry, paying fees totaling more than \$15.5 million. In addition, during FY 2009, the FTC implemented a new procedure for tracking disconnected and reassigned phone numbers, which addresses problems that may arise as a result of new telecommunications technologies and the ease of transporting numbers from one telephone service provider to another.

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According to the second report, since 2003 when the Do Not Call Registry was put in place, research has consistently shown widespread public awareness of the program and a steady increase in the number of phone numbers registered. Together, the FTC and the Federal Communications Commission have collected penalties totaling over \$22 million from Registry violators, and due to these enforcement actions and the agencies' consumer education campaigns, consumers who have joined the Registry have reported dramatic reductions in the number of unwanted calls they receive. The FTC also has brought many enforcement actions against entities that have tried to circumvent the Registry's rules by falsely claiming to have an established business relationship with consumers. Finally, both the FTC and FCC have adopted regulations that generally prohibit "abandoning" telephone calls – that is, delivering a pre-recorded message instead of connecting a consumer to a live representative when a consumer answers the call. Since DEC 03, the FTC also has brought 18 enforcement actions against telemarketers for unlawfully using pre-recorded mass "robocalls." The Commission vote approving transmittal of the reports to Congress was 4-0. Both reports can be found on the FTC's Web site at www.ftc.gov/os/2010/01/100104dnabiennialreport.pdf .

To be added to the National Do not Call registry go to www.donotcall.gov/register/reg.aspx, click the "Registry" tab, and complete the contact info requested .Check your email for a message from Register@donotcall.gov. Open the email and click on the link to complete your registration. To file a complaint go to <https://complaints.donotcall.gov/complaint/complaintcheck.aspx?panel=2> and provide the info requested. You may file a complaint if you received an unwanted call after your number was on the National Registry for 31 days. You may also file a complaint if you received a call that used a recorded message instead of a live person (whether or not your number was on the Registry). Even if your number is registered, charities, political organizations, and telephone surveyors may continue to call you. Companies with which you do business may also continue to call, unless you have asked them to stop calling you. If you have asked them to stop calling, keep a record of the date you made the request and include that information in the comment section of any complaint you submit against that company. Refer to www.donotcall.gov/faq/faqbusiness.aspx for more information about the companies that may continue to call the numbers on the Registry. [Source: www.ftc.gov/opa/2010/01/donotcall.shtm 4 Jan 2010 ++]

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Seniors Healthcare Costs: Seniors received no annual cost of living adjustment (COLA) for 2010, but drug costs and the premiums of prescription drug and Medicare Advantage plans are making some of the biggest jumps in years. Among those coping with the worst cost increases are nearly 11 million people enrolled in Medicare Advantage plans. Premiums of those plans have increased from 25%-32% on average, according to the Kaiser Family Foundation. But 667,000 people with Medicare Advantage plans had to find a new plan altogether for 2010. Insurers cancelled some plans in response to new government spending cuts and requirements. The average monthly premium of Part D drug plans also rose 12%, and many enrollees of those plans are paying higher co-payments or co-insurance costs. According to a study released in May 09 by The Senior Citizens League (TSCL), seniors' buying power has shrunk by 20% since 2000. If the Social Security COLA were based on the CPI-E, however, retirees with an average benefit of \$460 in 1984 would have received about \$12,856 more through the end of 2010.

TSCL is highly concerned that seniors are getting put through the wringer and the situation will continue next year. Government economists predict that there may be no COLA again in 2011. Healthcare reform legislation would require even deeper cuts to Medicare Advantage and changes to Part D that would raise premiums for high-income seniors under pending healthcare reform legislation. Unlike other senior advocacy organizations, TSCL is strongly opposed to healthcare reform provisions that raise premiums, and out-of-pocket costs of beneficiaries. TSCL believes that the steep increase in healthcare costs over the past year while the CPI went down and was minus (-1.7) through September 2009 vs. September 2008 is proof that the annual method of calculating the COLA is

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broken and must be replaced. TSCL strongly supports new legislation that would more fairly and accurately base the annual COLA on a "seniors" CPI and guarantee that beneficiaries receive a minimum COLA of 3% every year.

U.S. Representative Eliot Engel (D-NY-17) introduced the "Guaranteed 3% COLA for Seniors Act of 2009" (H.R.4193) in Congress on 3 DEC 09. It has since been referred to the House Committee on Ways and Means, and the Committee on Education and Labor, where it is pending further action. The bill, if signed into law, would amend the Social Security Act with regard to the annual Cost of Living Adjustment (COLA) Social Security beneficiaries receive. Currently, the COLA is based upon the Consumer Price Index for Urban Wage Earners (CPI-W), which tracks the spending patterns of young, urban workers. This legislation would calculate the COLA based upon the Consumer Price Index for Elderly Consumers (CPI-E), which tracks the spending patterns of seniors. Also, the bill would guarantee that the Social Security COLA is never less than 3%. [Source: TSCL Social Security and Medicare Advisor, Vol. 15, No. 2 dtd 25 Jan 2010 ++]

GI Bill Update 66: In a coordinated effort to speed up the processing of Post 9/11 GI Bill education benefits this spring, the Department of Veterans Affairs (VA) announced 20 JAN that it has been reaching out to student Veterans, servicemembers, university officials and other partners to meet its commitment to an aggressive processing goal by 1 FEB 2010. That is the first date spring payments are due and presently VA has processed over 72,000 of the approximately 103,000 spring enrollments received. Since inception of the historic new program last year, VA has paid over \$1.3 billion in benefits to more than 170,000 students. "Only by VA and all of our partners working together will students be better served," said VA's Acting Under Secretary for Benefits Mike Walcoff. "We are making a concerted effort to reach out to everyone to provide the timely benefits that those who served our nation deserve." Walcoff said there are "shared responsibilities" between VA, universities and the students to ensure the success of processing the education benefits on time." To date:

- VA has sent letters to university presidents and school certifying officials, state Veterans affairs directors, and notified Veteran service organizations, congressional members and other education stakeholders highlighting VA's emphasis on the importance of timely submission of school enrollment information.
- VA also released a "Hip Pocket" guide and checklist, with helpful tips to assist Veterans in the application process. The guide and checklist can be found on college campuses and VA's GI Bill Web site, www.gibill.va.gov.
- VA is working to provide timely payments to all eligible Veterans to ensure that students are spared the financial hardships which some faced during the fall 2009 term.
- To help address the high volume of claims received for the new Post-9/11 GI Bill, VA hired 530 employees, bringing the total number of education claims processors to 1,200. Employees have been working mandatory overtime since AUG 09. Additionally, the department awarded a temporary contract to assist with education claims processing.

Veterans, servicemembers, reservists, and members of the National Guard who served on active duty since September 11, 2001 are potentially eligible for the new Post-9/11 GI Bill. It provides payments for tuition and fees, as well as a housing allowance and stipend for books and supplies for many participants. Under the new GI Bill, some members of the armed forces may transfer benefits to a spouse or dependent children. Information about the Post-9/11 GI Bill, as well as VA's other educational benefit programs, is available at VA's Web site, www.gibill.va.gov, or by calling 1(888) 442-4551. [Source: VA News Release 20 Jan 2010 ++]

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GI Bill Update 67: Roger Baker, chief information officer at VA, testifying 21 JAN before the House Veterans' Affairs Subcommittee on Economic Opportunity informed them of some slippage in deployment of the GI bill claims system. The Veterans Affairs Department is on track to unveil in late March the first version of a system to automate processing of educational benefit claims under the post-9/11 GI Bill, but its software capabilities will be more limited than originally planned. The first release of the rules-based software, which the Space and Naval Warfare Systems Center Atlantic is developing in four stages -- will allow officials to manage simple claims, but not more complex ones. For example, the initial version will not be able to respond to situations in which veterans add or drop classes. The projected deployment schedule is:

- First release will be deployed to a limited number of claims examiners in March so they can gain real-world experience with the system while SPAWAR continues to develop additional rules to handle more complicated claims, according to Baker. Despite the more limited first release, VA expects to meet its original goal of having the system fully launched by DEC 2010. SPAWAR will have developed all the functionality originally intended for the first stage by JUN 2010.
- Second release in June will allow VA to move claims examiners off of an interim, semiautomated system launched in 2009.
- Third version of the software -- which remains on target for a September release -- will tie the claims processing technology to VA financial systems for payments to veterans, and the final step will provide a Web interface so veterans can manage their claims.

The learning system was one of the 45 IT projects that Veterans Affairs' CIO Roger Baker suspended in 2009. Mark Krause, SPAWAR program manager for Veterans Affairs, said without the iterative development approach, VA could have faced a two-year delay in launching the system. "This is a good news story," he said. VA failed to quickly process post-9/11 GI Bill claims for the fall 2009 semester, requiring the authorization of emergency payments of up to \$3,000 per veteran at the end of SEP 09. Keith Wilson, director of the Office of Education Service at the Veterans Benefits Administration, told lawmakers he does not expect any such problems in payments for veterans enrolled in college for the spring 2010 semester. As of last week, VA had received 115,000 claims for that semester, and it will have all those processed for payment by 1 FEB, according to Wilson. [Source: NEXTGOV eNewsletter Bob Brewin article 22 Jan 2010 ++]

GI Bill Update 68: The Department of Veterans Affairs is beginning the process of recovering advance payments made available during the fall 2009 semester to Veterans and servicemembers who applied for education benefits. "The advance payments were a huge success and helped thousands of student Veterans during the first days of the historic Post-9/11 GI Bill focus on studies and not their finances," said Keith Wilson, Director of Education Services at VA. "Now, we can get to the business of closing the books on advance payments and focus on supporting Veterans for the spring semester." VA will begin sending out notification letters this week explaining the repayment process. In October VA instituted an advanced payment process for all eligible students who were currently enrolled in an institution of higher learning for the fall 2009 term to ensure that all Veterans and eligible students were able to focus on their academic studies and not be burdened with financial concerns. As part of that process, a web portal was established to allow electronic submission for advance payment. Advance payments were also made on-site at VA offices around the country. At that time student Veterans were told that advance payments would be deducted from future benefit payments.

In collaboration with the Department of Defense, VA will also notify active duty service members who may have mistakenly applied for the advance payment of their options for returning un-cashed checks or reimbursing

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deposited funds. VA discontinued advance payments via the website portal following the conclusion of the fall 2009 semester. VA is currently processing approximately 7,000 education benefits daily, up from an average of 2,000 at the beginning of the fall 2009 term. As of 22 JAN the Department has processed more than 105,000 of the approximately 132,000 spring enrollments received. Since the inception of the historic new program last year, VA has paid out more than \$1.3 billion in education benefits, and opened the door to higher education to more than 183,000 Veteran students. [Source: VA News Release 23 Jan 2010 ++]

GI Bill Update 69: If you have had trouble getting your question about GI Bill benefits answered when you call the Veterans Affairs Department's education benefits call center, you are not alone. VA officials acknowledged almost 90% of calls to the Muskogee, Okla., center never connected between October and December. They either got a busy signal or a message that the call could not be completed. For those who did get through, about 30% of the calls were terminated before their question was answered, either because the caller hung up or was disconnected. Some of the missed calls were from the same person trying again and again to get through, according to VA sources. They base that possibility on statistics showing that there were 1.1 million attempted calls in December but only about 145,000 calls that ended up connecting with people at the call center. High call volume — about 3.5 million attempted calls from October to December — is largely to blame for the missed calls, but a troubled phone system and staffing decisions also were factors. VA spokeswoman Katie Roberts said a decision to close the call center on Thursdays and Fridays to divert employees to process claims is part of the reason for missed calls. That move came after officials decided that processing a backlog of claims was the highest priority, she said.

The call center remains closed two days a week while VA focuses on processing claims for the spring term, hoping to avoid a repeat of benefits delays that plagued the Post-9/11 GI Bill in its first semester. However, officials hope that blocked and lost calls will decrease simply because the total volume of calls is expected to be less as students and schools become more experienced with the new benefit, and because VA will improve its performance in quickly processing benefits and reducing questions about the status of claims. "We anticipate fewer calls coming into the education call center because fewer veterans will have questions about their claims," Roberts said. "With fewer claims, we will be able to put education call center employees presently being used to process education claims back on the phones during Thursday and Friday." VA is making progress on processing claims, she said. Last fall, the VA was able to process about 2,000 claims a day. That is up to 7,000 claims a day now, she said. Problems with the call center were raised 21 JAN by Rep. Stephanie Herseth Sandlin, D-S.D., chairwoman of the House Veterans' Affairs Committee's economy opportunity panel, who urged VA officials to do something about the problem.

Rep. Herseth Sandlin, whose panel has jurisdiction over the GI Bill, questioned the closure of the call center for two days each week. "While we understand the value of using call center staff to process education claims, VA can have the call center open five days per week by dispersing the same work hours throughout the week," she said. Another issue is the telephone system itself, she said. When congressional staffers visited the call center, they were told equipment problems "create dropped calls and require constant maintenance," Herseth Sandlin said. In a statement, Iraq and Afghanistan Veterans of America said they expect better from VA. "It is ridiculous that veterans aren't able to get the answers they need," the statement says. "IAVA continues to receive countless phone calls and emails from our members every week detailing problems accessing VA's GI Bill hotline...". VA has not made any secret of the reduced hours for the call center hours, which is open M-W 07-1500 CST, VA officials said. People with questions also can try to send an electronic query online. The site accesses a database of answers to frequently asked questions and also allows specific questions to be asked. Limited hours on the days when the call center is open have drawn complaints from students in different time zones, especially on the West Coast. Rep. John Boozman of Arkansas, ranking Republican on the economic opportunity panel, said the hours also prevent students

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living outside the U.S. from having a reasonable opportunity to get help. He suggested that VA impose a staggered work schedule so the call center is open for more hours. [Source: NavyTimes Rick Maze article 24 Jan 2010 ++]

VA Blue Water Claims Update 10: The VA Compensation and Pension (C&P) Service has initiated a program to collect data on Vietnam naval operations for the purpose of providing regional offices with information to assist with development in Haas related disability claims based on herbicide exposure from Navy Veterans. To date, they have received verification from various sources showing that a number of offshore “blue water” naval vessels conducted operations on the inland “brown water” rivers and delta areas of Vietnam. They have also identified certain vessel types that operated primarily or exclusively on the inland waterways. The ships and dates of inland waterway service are listed below. If a Veteran’s service aboard one of these ships can be confirmed through military records during the time frames specified, then exposure to herbicide agents can be presumed without further development:

- All vessels of Inshore Fire Support [IFS] Division 93 during their entire Vietnam tour
 - a.) USS Carronade (IFS 1)
 - b.) USS Clarion River (LSMR 409) [Landing Ship, Medium, Rocket]
 - c.) USS Francis River (LSMR 525)
 - d.) USS White River (LSMR 536)
- All vessels with the designation LST [Landing Ship, Tank] during their entire tour [WWII ships converted to transport supplies on rivers and serve as barracks for brown water Mobile Riverine Forces]
- All vessels with the designation LCVP [Landing Craft, Vehicle, Personnel] during their entire tour
- All vessels with the designation PCF [Patrol Craft, Fast] during their entire tour [Also called Swift Boats, operating for enemy interdiction on close coastal waters]
- All vessels with the designation PBR [Patrol Boat, River] during their entire tour [Also called River Patrol Boats as part of the Mobile Riverine Forces operating on inland waterways and featured in the Vietnam film “Apocalypse Now”]
- USS Ingersoll (DD-652) [Destroyer] [Operated on Saigon River, OCT 24-25, 1965]
- USS Mansfield (DD-728) [Destroyer] [Operated on Saigon River AUG 8-19, 1967 and DEC 21-24, 1968]
- USS Richard E. Kraus (DD-849) [Destroyer] [Operated on coastal inlet north of Da Nang, JUN 2-5, 1966, protecting Marines holding a bridge]
- USS Basilone (DD-824) [Destroyer] [Operated on Saigon River, MAY 24-25, 1966]
- USS Hamner (DD-718) [Destroyer] [Operated on Song Lon Tao and Long Song Tao Rivers, AUG 15-SEP 1, 1966]
- USS Conway (DD-507) [Destroyer] [Operated on Saigon River, early AUG 1966]
- USS Fiske (DD-842) [Destroyer] [Operated on Mekong River, JUN 16-21, 1966]
- USS Black (DD-666) [Destroyer] [Operated on Saigon River, JUL 13-19, 1966]
- USS Providence (CLG-6) [Cruiser, Light, Guided Missile] [Operated on Saigon River 3 days during JAN 1964]
- USS Mahan (DLG-11) [Guided Missile Frigate] [Operated on Saigon River OCT 24-28, 1964]
- USS Okanogan (APA-220) [Attack Transport] [Operated on Saigon River JUL 22-23, 29-30, 1968 and AUG 5-6, 1968]
- USS Niagara Falls (AFS-3) [Combat Stores Ship] [Unloaded supplies on Saigon River and Cam Rahn Bay, APR 22-25, 1968]. Also, Cam Rahn Bay is a qualifying location for "inland waterway" service.

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If you served on any of those vessels during the times specified, you will be granted, without further development and delay, a presumptive exposure to herbicides for the purpose of health care and monetary compensation. **Note:** This list is not complete. If you served on a ship that entered the inland waterways of Vietnam, please contact navy@bluewaternavy.org with as much detail as possible so they can provide this information to the DVA for processing and inclusion in their data base[Source: Compensation & Pension Service Bulletin Jan 2010 Policy 211 ++]

VA Claim Error Rate Update 02: A new report from the Veterans Affairs Department inspector general will help fuel complaints about an error-filled disability claims process in need of a complete overhaul. Investigators looking at claims processing at the VA regional office in Roanoke, Va., found that 25% of the case files they closely studied had serious mistakes. Some veterans were denied benefits they deserved, and disability compensation was given to others who were not eligible. Many errors involved Vietnam veterans with disability claims related to exposure to the defoliant Agent Orange. In one case, a veteran was underpaid \$21,857 because the claims staff did not properly consider a physician's opinion that coronary artery disease was a complication of service-connected diabetes. In another, a veteran was overpaid \$15,640 for a diabetes-related amputation below the knee that he said was related to exposure to Agent Orange in Vietnam. His claims folder contained no evidence that he had served in Vietnam, the IG report says. The report, released in mid-JAN, found similar problems with claims involving traumatic brain injuries. In addition to reviewing claims, investigators looked at the work stations of claims employees to determine if they were following strict rules to protect veterans' personal information, and they also looked at mail handling procedures. Problems were discovered in both areas, the report says. Thirty percent of the desks inspected contained information that should not have been left unsecured. Investigators found six boxes of unsecured returned mail, about 4,200 pieces in all, containing personal information on veterans. In response to the report, VA officials provided refresher training on handling personal information and stepped up inspections of work stations to make sure policies are followed. More training also is being arranged for claims processors, the report says. [Source: ArmyTimes Rick Maze article 20 Jan 2010 ++]

USERRA Update 10: Though active-duty guard members/reservists are covered by the Uniform Code of Military Justice and given active-duty benefits like basic pay, housing allowance and medical benefits, most take a 10% to 50% pay cut when mobilized. So any additional rights or protections from the federal government are helpful and often essential to reservists going on or coming off active duty. The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 is a federal law intended to ensure that persons who serve or have served in the Armed Forces, Reserves, National Guard or other uniformed services are not penalized or discriminated against based on past, present, or future military service. It provides following basic protections for reservists:

In the Courts

- Default judgments: Court can't enter a default judgment for failure to appear at trial or respond to a lawsuit during a period of active duty.
- Stay of Execution of Judgments: Court may stay execution of judgments, court actions, attachments and garnishments, unless guard members/reservist's ability to comply is not affected by service.
- Stay of proceedings: Court may stay civil court proceedings during a period of active duty plus 60 days.

Other Civil Situations

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- Foreclosure: Guard Members/Reservists are protected against mortgage foreclosures provided certain conditions are met.
- Installment Contracts: Guard Members/Reservists are protected from rescission or termination of contract for purchase of real or personal property if deposit is paid before service begins and ability to pay is "materially affected" by service.
- Interest Rates: Guard Members/Reservists can petition lenders (loan, credit card, mortgage) to drop rate to 6% for period of active duty.
- Life Insurance: Guard Members/Reservists are protected against lapse, termination and forfeiture for nonpayment of premiums for period of military service plus two years.
- Taxes: State of residence can tax military income and personal property, but collection of taxes may be deferred for period of active duty plus six months.
- Termination of Lease: (One of the most-used provisions of the Act.) Guard Members/Reservists may terminate lease for house or business if lease was entered before active duty and premises are occupied by member or dependents.

Leave

- Verbal notification is sufficient for reserve training and military missions.
- State missions, such as disaster relief, are not covered, though many states have similar laws of their own.

Employment

- Reservists may not be denied employment because of military status.
- Employers must reinstate Reservists to their jobs upon return with accrued seniority, promotions or pay raises they would have earned had they not left. For service of less than 31 days, Guard Members/Reservists must return to work at the beginning of the next regularly scheduled shift after travel home and an eight-hour rest period. For service of 31-180 days, Guard Members/Reservists must return no later than 14 days after release. For service of more than 180 days, reservists have up to 90 days to ask for their jobs back.
- Employers are not required to pay Guard Members/Reservists while they are gone, but Reservists may use vacation leave.
- Employers are required to keep health insurance available. For less than 31 days' service, insurance must stay in place. For more than 30 days, it may be continued, but reservists may have to pay up to 102% of the premium. Guard Members/Reservists not electing to continue coverage may resume it immediately upon return, with no waiting period or exclusions for pre-existing conditions.
- Guard Members/Reservists have protection against job termination for a minimum of six months.

Training

- Employers must train or retrain returning Reservists.
- Employers must accommodate those returning with disabilities due to service.

Employer/Reservist Disputes

- National Committee for Employer Support of the Guard and Reserve (ESGR), supported by the Defense Department, mediates disputes between reservists and employers. Some 4,500 volunteers making up 55 committees are available, and, according to the committee, able to mediate a solution in about 90% of the cases they handle.
- Veterans Employment and Training Service (VETS), part of the Department of Labor, handles cases that cannot be resolved by ESGR. It employs 120 investigators who have the authority to issue subpoenas, and

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if necessary, refer cases for consideration of representation. Service members are encouraged to contact ESGR first with employment-related issues.

- Soldiers' & Sailors' Civil Relief Act, in addition to USERRA, also protects military members of the military. The Soldier's and Sailors' Civil Relief Act was created in 1940 to postpone or suspend certain civil obligations with which military service could interfere.

For more information on your rights, contact: National Committee for Employer Support of the Guard and Reserve, 1555 Wilson Blvd., Ste. 200, Arlington, VA 22209-2405 Tel: 1(800)336-4590 or Veterans Employment and Training Service, U.S. Department of Labor, 200 Constitution Ave., NW Room S-1316, Washington, DC 20210 DOL website http://www.vfw.org/index.cfm?fa=news_magDtl&dtl=1&mid=940. [Source: EANGUS Minuteman Update 21 Jan 2010 ++]

Vet Jobs Update 13: On 9 NOV 09, OPM Director John Berry joined President Obama as he signed the Executive Order on the Employment of Veterans in the Federal Government, which established the Veterans Employment Initiative for the executive branch and the Council on Veterans Employment. The Executive Order underscores to Federal agencies the importance of recruiting and employing Veterans, and assisting transitioning service members seeking employment with the Federal Civil Service. The Council on Veterans Employment, consists of 24 Executive Branch agencies and is chaired by Secretary of Labor Hilda Solis and Secretary of Veterans Affairs Eric Shinseki; OPM Director Berry serves as the Vice Chair and Chief Operating Officer of the Council.

On 21 JAN, the Office of Personnel Management (OPM) announced the official launch of www.FedsHireVets.gov, a critical component of President Obama's Veterans Employment Initiative that will make it easier to find federal employment resources. This site helps Veterans, transitioning military service members, their families, HR professionals, and hiring managers to receive accurate and consistent information regarding Veterans employment in the Executive Branch. John Berry, Director of OPM, stated "FedsHireVets.gov will be a one-stop gateway to Veterans employment resources throughout the government. Our goal is to honor Veterans service by helping them find good Federal jobs when they lay the uniform down." Information on the site will help you understand veterans' preference, how Federal jobs are filled, and unique veteran appointing authorities designed to help you find a job. The Government invests several billion dollars in the training and development of military service personnel. At the end of Fiscal Year 2008, there were approximately 480,000 Veterans working within the Federal Executive Branch. [Source: OPM News Release 21 Jan 2010 ++]

Medicare Reimbursement Rates 2010 Update 03: A group of national organizations warned 21 JAN that if Congress doesn't intervene, a funding formula will trigger a 21% cut in reimbursements to doctors in the Medicare and Tricare programs on 1 MAR. That, the group said, will force doctors to drop out of the programs and make it tougher for elderly and military beneficiaries to get health care. Representatives of the groups -- AARP, the American Medical Association and the Military Officers Association of America -- appeared in a videoconference from five cities. Speaking at the Harbor's Edge retirement home in Norfolk VA, retired Navy Capt. Kathy Beasley said: "The last thing our troops in combat should have to worry about is whether a sick spouse or child can find a doctor to treat them." Beasley is deputy director of government relations for the military officers association (MOAA).

For about a decade, reimbursements in Medicare and Tricare have been governed by the Sustainable Growth Rate formula, which cuts payments when the economy contracts. Congress usually has stepped in to make up the

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difference when payment rates are set to drop. The groups said Washington needs to devise a permanent fix, though they didn't offer a specific alternative. "Congress has decided the formula," said Dr. Nancy Nielsen, a past president of the American Medical Association. "Congress has to fix the problem." The issue is separate from, but related to, the health-care reform bill in Washington, said Nielsen, who spoke in Washington. "People need the assurance that they can see a doctor of their choice," she said. Officials of AARP and the American Medical Association said they remain supportive of health care reform legislation. The MOAA has not taken a position on the bills but is monitoring issues that would affect its members, Beasley said. Bobbi Andrews, a Harbor's Edge resident who attended the videoconference, wasn't convinced. Health care professionals, like everyone else, should be expected to cut back, she said. "The hospitals and physicians are all making too much money." Another resident, retired Navy Capt. James Van Pelt, said he wasn't well-versed with payment rates. But he's noticed that "doctors are spending less time with their patients and a lot of money on clerical help." [Source: Virginian-Pilot article 22 Jan 2010 ++]

Medicare Reimbursement Rates 2010 Update 04: It appears that, once again, Congress will act at virtually the last minute to stop a 21% cut in Medicare and Tricare payments to doctors scheduled to take effect on 1 MAR. On 28 JAN the Senate amended and passed by a vote of 60-40, H. J. Res. 45, which would raise the debt ceiling by \$1.9 Trillion to a total of \$14.3 Trillion. Senators adopted an amendment by Sen. Reid that would codify the PAYGO principle. This amendment would allow:

- (1) Permanent extension without offsets of the middle class tax cuts enacted in 2001 and 2003.
- (2) A two year extension of current estate tax law, and
- (3) A two year extension of current Alternative Minimum Tax.
- (4) Most important to military retirees and Medicare beneficiaries is that Reid's amendment would extend by five years, the soon-to-expire moratorium on the Sustained Growth Rate (SGR) mandated cuts of 21 percent to Medicare/Tricare physician reimbursements which will otherwise take effect on 1 MAR 2010.

This extended moratorium of SGR mandated cuts should allow continued access to health care for military retirees and Medicare beneficiaries. If approved by the House of Representatives as expected next week, it would put an end (for a while, anyway) to annual threats that big Medicare/Tricare payment cuts would cause doctors to drop those programs' beneficiaries as patients. Previously, legislators had been considering yet another one-year "patch". But because the payment cuts compound each year, a one-year fix would have meant facing an even larger 26% cut for January 2011. The new legislation would buy Congress five years to come up with a permanent fix. Readers who would like to ensure their representatives vote favorably on this legislation are encouraged to go to [http://capwiz.com/usdr/issues/alert/?alertid=14630896&queueid=\[capwiz:queue_id\]](http://capwiz.com/usdr/issues/alert/?alertid=14630896&queueid=[capwiz:queue_id]) to review an editable message for forwarding to their legislators requesting their support. [Source: MOAA Leg Up & USDR Leg Alert 29 & 30 Jan 2010 ++]

TSP Update 26: For the second consecutive month 9 of the 10 Thrift Savings Plan funds posted gains in December. Overall all of the funds showed growth in 2009.

- The S Fund, which invests in small- and mid-size companies and tracks the Dow Jones Wilshire 4500 Index, had the largest gain in DEC after posting the biggest gains in NOV. The fund's value increased 6.57%. Since the beginning of 2009 the S Fund's value is still up 34.85%.
- The I Fund, invested in overseas companies, grew 1.43% in DEC and for the year is up 30.04%.
- The C Fund, which invests in common stocks of large companies on the Standard & Poor's 500 Index, grew 1.94% in DEC and is up 26.68% for the year.

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- The F Fund, which invests in fixed-income bonds, rose 0.25%, and is up 2.46 in 2009.
- The G fund, government securities, declined 1.55% from NOV but was up 5.99% overall for 2009.

All the life-cycle funds, which are designed to move participants from riskier to safer investment balances as they near retirement, had gains in DEC and for the year.

- The L 2040 Fund grew 2.12% in DEC and 25.19% for the year.
- The L 2030 Fund grew 1.85% in DEC and 22.48% for the year.
- The L 2020 Fund grew 1.50% in DEC and 19.14% for the year.
- The L 2010 Fund grew 0.70% in DEC and 10.03% for the year.
- The L Income Fund grew 0.59% in DEC and 8.57 % for the year.

[Source: My Federal Retirement 21 Jan 2010 ++]

VA Health Care Enrollment Update 02: Title 38 United States Code (U.S.C.) Section 1722(c) requires that on 1 JAN of each year, the Secretary of Veterans Affairs increase the means test (MT) threshold amounts by the same percentage the maximum rates of pension benefits were increased under 38 U.S.C. Section 5312(a) during the preceding calendar year. The Veterans Benefits Administration (VBA) has announced that there will be no increase in VA pension for 2010. Thus, there will be no increase in VA Means test thresholds in Calendar Year 2010. The following new Means Test (MT) Thresholds are effective 1 JAN 2010, through 31 DEC 2010:

- **Veterans with No Dependents:**
 - (a) Below MT Threshold: \$29,402.
 - (b) Above MT Threshold; \$29,403.
 - (c) Above MT Threshold by 10% or Less: \$32,342.
 - (d) Above MT Threshold by more than 10%: \$32,343.
 - (e) Above GMT (i.e. household income amount that is below the geographically-based income threshold for their resident location) Threshold by more or less than 10%: Calculate using GMT Threshold at GMT Web site www.va.gov/healtheligibility/library/pubs/gmtincomethresholds.
- **Veterans with One Dependent:**
 - (a) Below MT Threshold: \$35,284.
 - (b) Above MT Threshold: \$35,285.
 - (c) Above MT Threshold by 10% or Less: \$38,812.
 - (d) Above MT Threshold by more than 10%: \$38,813.
 - (e) Above GMT Threshold by more or less than 10%: Calculate using GMT Threshold at GMT Web site.
- **Veterans with Two Dependents:**
 - (a) Below MT Threshold: \$37,304.
 - (b) Above MT Threshold: \$37,305.
 - (c) Above MT Threshold by 10% or Less: \$41,034.
 - (d) Above MT Threshold by more than 10%: \$41,035.
 - (e) Above GMT Threshold by more or less than 10%: Calculate using GMT Threshold at GMT Web site.
- **Veterans with Three Dependents:**
 - (a) Below MT Threshold: \$39,324.
 - (b) Above MT Threshold: \$39,325.
 - (c) Above MT Threshold by 10% or Less: \$43,256.
 - (d) Above MT Threshold by more than 10%: \$43,257.
 - (e) Above GMT Threshold by more or less than 10%: Calculate using GMT Threshold at GMT Web site.

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- **Veterans with Four Dependents:**
 - (a) Below MT Threshold: \$41,344.
 - (b) Above MT Threshold: \$41,345.
 - (c) Above MT Threshold by 10% or Less: \$45,478.
 - (d) Above MT Threshold by more than 10%: \$45,479.
 - (e) Above GMT Threshold by more or less than 10%: Calculate using GMT Threshold at GMT Web site.
 - **Veterans with Five Dependents:**
 - (a) Below MT Threshold: \$43,364.
 - (b) Above MT Threshold: \$43,365.
 - (c) Above MT Threshold by 10% or Less: \$47,700.
 - (d) Above MT Threshold by more than 10%: \$47,701.
 - (e) Above GMT Threshold by more or less than 10%: Calculate using GMT Threshold at GMT Web site.
- Note:** Veterans with over Five Dependents add \$2,020 for each additional dependent.

Veterans who qualify under Title 38 U.S.C. 1710(e)(1)(D) as combat Veterans are not required to report their financial information for conditions potentially related to their combat service. However, unless otherwise exempted, combat Veterans must either provide their financial information or decline to provide their financial information and agree to make applicable co-payments for hospital and outpatient care that VA determines to have resulted from a cause other than their combat service. (NOTE: While income disclosure by a recently discharged combat Veteran is not a requirement, this disclosure may permit VA to determine if the Veteran is eligible for additional benefits such as beneficiary travel reimbursement, cost-free medication and/or cost-free outpatient or hospital care for services unrelated to combat). On 15 MAY 09, the Department of Veterans Affairs published a rule in the Federal Register which added additional sub-priorities within enrollment priority category 8. This rule became effective on 15 JUN 09, and required VA to begin enrolling Veterans into priority category 8 whose income exceeded VA's National or geographically-based income thresholds by 10% or less. [Source: VHA Directive 2009-072 dtd 29 Dec 09 ++]

VA Pension Update 01: Pension is a benefit paid to wartime veterans who have limited or no income, and who are age 65 or older, or, if under 65, who are permanently and totally disabled. For eligibility countable income includes income received by the veteran and his or her dependents, if any, from most sources. It includes earnings, disability and retirement payments, interest and dividends, and net income from farming or business. There is a presumption that all of a child's income is available to or for the veteran. VA may grant an exception in hardship cases. There is no set limit on how much net worth a veteran and his dependents can have, but net worth cannot be excessive. The decision as to whether a claimant's net worth is excessive depends on the facts of each individual case. Veterans who are more seriously disabled may qualify for Aid and Attendance or Housebound benefits. These are benefits that are paid in addition to the basic pension rate.

The base rate alone is used to determine if certain Veterans are subject to co-payments for Extended Care Services. The base rate plus increases for eligible dependents and for Aid and Attendance (A&A) and Housebound Benefits (HB) is used to determine if certain Veterans are exempt from co-payments for Outpatient Medication and to establish eligibility for Beneficiary Travel. Under the provisions of 38 U.S.C. Section 5312, the VA is required to increase the benefit rates and income limitations in the pension by the same percentage and effective date as increases in the benefit amounts payable under Title II of the Social Security Act. For 2010 there was no increase. Thus, the 2010 pension base rates remain the same as they were in 2009 which are:

- **Pension Only** - Single veteran with no dependents \$11,830; with one dependent \$15,493; add \$2,020 for each additional dependent.

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- **Pension Plus A&A Rate:** Single Veteran with no dependents \$19,736; with one dependent \$23,396; add \$2,020 for each additional dependent.
- **Pension Plus HB Rate:** Single Veteran with no dependents \$14,457; with one dependent \$18,120; add \$2,020 for each additional dependent.

[Source: VHA Directive 2009-072 dtd 29 Dec 09 ++]

Mobilized Reserve 26 JAN 2010: The Department of Defense announced the current number of reservists on active duty as of 26 JAN 2010. The net collective result is 7,704 more reservists mobilized than last reported in the for 29 DEC 09 Bulletin. At any given time, services may activate some units and individuals while deactivating others, making it possible for these figures to either increase or decrease. The total number currently on active duty from the Army National Guard and Army Reserve is 112,553; Navy Reserve, 6,988; Air National Guard and Air Force Reserve, 16,604; Marine Corps Reserve, 6,392; and the Coast Guard Reserve, 771. This brings the total National Guard and Reserve personnel who have been activated to 143,308, including both units and individual augmentees. A cumulative roster of all National Guard and Reserve personnel who are currently activated may be found at <http://www.defense.gov/news/Jan2010/d20100126ngr.pdf>. [Source: DoD News Release No. 72-10 dtd 27 Jan 2010 ++]

Tricare Social Media: Tricare is taking the plunge into social media to uncover what issues matter most to its beneficiaries around the world. Social media channels and networks like Twitter, Facebook, YouTube and Flickr continue to transform how healthcare information—and information in general—is consumed by the public. Rear Adm. Christine Hunter, deputy director of the Tricare Management Activity said, “Social media is changing the way we communicate. These powerful tools give us an opportunity to join the conversation surrounding Tricare and military health.” The ability to share healthcare information and receive feedback helps Tricare identify and address beneficiary concerns. Instead of deciding what information to share with beneficiaries, Tricare can ask for their input, identify what they want to know more about and respond accordingly. Recommendations from service members and their families have the potential to influence policy decisions and improve overall satisfaction with military healthcare. “We understand the value social media can bring to the organization, and we invite beneficiaries to talk to us about how we can improve their health care experience,” Hunter said.

Tricare is active on Twitter, Facebook, YouTube and Flickr, and is getting ready to launch a new media center Web page in MAR 2010. The media center will include Tricare news and links to Tricare’s social media channels. It will also allow beneficiaries to “share” benefit information with their friends and families online. Before launching the new media center Web page, Tricare wants to hear from the military men and women who use its benefits everyday. In the coming weeks Tricare will ask beneficiaries for feedback on the issues they want to know more about through Tricare’s Facebook, www.facebook.com/Tricare, or Twitter account at www.twitter.com/Tricare. Beneficiaries are also encouraged to visit www.tricare.mil/subscriptions to sign up for e-alerts about Tricare benefits and news. [Source: TMA Press Release No. 10-08 dtd 19 Jan 2010 ++]

PTSD Update 36: Minnesota researchers say they may know how to diagnose post-traumatic stress disorder much more reliably — a breakthrough that could help many Iraq and Afghanistan war veterans. However, the diagnosis comes through a magnetic imaging machine that costs in the millions and only exists now in 40 or so

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U.S. hospitals and research facilities. A scan that detects magnetic signatures in the brain that are unique to the disorder could nonetheless give psychiatrists a more reliable measuring stick for PTSD, which forces people to relive the emotions of traumatic events over and over. Doctors presently diagnose the disorder through interviews of patients and analysis of their symptoms. "We rely on circumstantial evidence or good faith or whatever," said Dr. Apostolos Georgopoulos, director of the brain sciences center at the Minneapolis VA Medical Center. "But there's no marker. There's not a test."

Researchers affiliated with the U.S. Department of Veterans Affairs and the University of Minnesota used an experimental scanner to analyze magnetic patterns in the brains of 74 people with PTSD and 250 healthy people. With 90% accuracy, the scans identified those with PTSD. The scans revealed brain functioning in PTSD patients that was separate and distinct from typical brain activity. That supports the theory that traumatic memory uses pathways in the brain separate from those of normal memory and thought. The scans also found these unique patterns of brain activity were more intense in people with the worst PTSD symptoms, which include flashbacks, recurring nightmares, anger and hypersensitivity. That raises the possibility of using imaging to evaluate the severity of the disorder, the effectiveness of treatment and the progress patients make toward recovery. For the military, which has seen rising PTSD rates among returnees from Iraq and Afghanistan, the imaging results could help determine when or if troops are fit for redeployment, the researchers said. "It is going to be fantastic when we want to look at recovery and treatment in a systematic way," said Brian Engdahl, a rehabilitation psychologist at the Minneapolis VA and a co-author of the study.

The limiting factor is the million-dollar cost of the so-called MEG scanner. (MEG stands for magnetoencephalography.) To pick up the faint magnetic signals in the brain, the scanner must work at ultra-low temperatures and be cooled with liquid helium. The VA, which funded the PTSD study, plans follow-up research with more patients as a next step toward making MEG available for clinical use. Engdahl said this study featured a variety of veterans, mostly from the Vietnam era but also from World War II and the conflicts in Iraq and Afghanistan. About half the PTSD cases emerged from combat-related trauma. Some patients who were scanned had recovered from their PTSD symptoms, yet they still showed faint levels of the unique brain activity associated with the disorder. That is consistent with existing knowledge of the disorder, Engdahl said. "You will never forget what you went through," he said. "Traumatic memory is forever." [Source: St. Paul Pioneer Press Jeremy Olson article 20 Jan 2010 ++]

PTSD Update 37: More than 4,300 Iraq and Afghanistan war veterans who were diagnosed in service as suffering from Post-Traumatic Stress Disorder, but got low military disability ratings, have won an agreement with the Department of Defense to upgrade those ratings retroactively to 50%. The higher rating will represent an important win for this group of veterans mentally scarred by war. It will mean, from date of discharge, eligibility for disability retirement and access to Tricare, the military's triple health insurance option, for the veterans, spouses and dependent children. Any out-of-pocket medical costs since discharge also could be paid retroactively, and these soon-to-be-designated disabled "retirees" will gain access to discounted shopping and recreational services on base. Sparking the agreement is a class action lawsuit brought by the National Veterans Legal Services Program (NVLSP) which contends that the services illegally denied retiree status and medical benefits for years to these veterans who were diagnosed with PTSD then separated as unfit for service. Service Physical Evaluation Boards (PEBs) would ignore the disability rating schedule used by the Department of Veterans Affairs, which requires a minimum 50% rating for PTSD victims, and routinely separate their members with ratings as low as 10%.

A board decision that keeps ratings below 30% lowers personnel costs. Instead of immediate annuity and lifetime Tricare coverage, veterans rated below 30% get only a lump sum severance pay. Judge George W. Miller of the U.S.

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Court of Federal Claims agreed to stay a final ruling in the case of Sabo, et al v. United States after Department of Defense agreed to cut a deal. Seven veterans were named as original plaintiffs in Sabo but the claims court expanded the scope of the lawsuit to a class action. Defense officials gave NVLSP the names of 4300 veterans who should be invited to apply to have their ratings reviewed and upgraded, but there could be more. Misty Sabo, wife of former Army Sgt. Michael Sabo, an original plaintiff, said she was “totally excited” to learn of the agreement this week. Five of their six children are disabled with bilateral cleft lip and palate, which creates hearing, dental and speech problems and requires multiple surgeries. Family medical bills, said Misty, are enormous. Michael Sabo, 31, had served in the Army more than a decade when he was diagnosed with PTSD after two tours in Iraq where he routinely went on patrols that exposed him to multiple explosions and live enemy fire.

After Sabo’s first 13-month tour in 2003-2004 he suffered recurring nightmares, severe headaches and mood swings. In the middle of his second tour, which again exposed him to explosions, mortar attacks and small arms fire, he returned home on emergency leave to care for his children while Misty underwent surgery. While home, in Fountain, Colo., near Fort Carson, Sabo nightmares, severe headaches and violent mood swings intensified and, the lawsuit contends, “severely impacted him and his family.” He sought medical help and was diagnosed with PTSD and Post-Concussive Syndrome. In FEB 08, the Army separated him as unfit with a 10% disability rating and a modest lump-sum severance. Misty said she was stunned that the Army rating was only 10% for a condition that ended his career and changed his life so dramatically. Though he is able to work, every day remains a struggle due to memory loss, headaches and nightmares. Misty said a doctor at Fort Carson finally prescribed proper medication for Michael after some terrible times. At the urging of a local advocate for veterans in Fort Carson area, Sabo agreed to have his name added to the NVLSP lawsuit being prepared. By OCT 08, under pressure from Congress, Department of Defense did revise its guidance to the services on rating PTSD to adhere to the VA rating schedule.

Meanwhile, Congress ordered Department of Defense to create a special board to review any service-generated disability ratings of 20% or less brought forth by veterans who were separated as medically unfit since Sept. 11, 2001. Thousands have applied to this panel, called the Physical Disability Board of Review. So why bring a class action lawsuit specifically on behalf service members separated for PTSD? Bart Stichman, co-executive director of NVLSP, said the deal with Department of Defense forced by the court will expedite the rating review process for these PTSD cases upon application, and will guarantee those 4300-plus veterans a rating upgrade to 50% for at least six months. After that, the case will be reviewed again and the disability rating confirmed, increased or reduced. A Class Action Opt-In Notice Form is being mailed to these veterans and must be returned either by fax or postmarked before 24 JUL 10. Veterans who don’t get a notice by mail but believe they might be eligible can get more information online at: www.ptsdlawsuit.com. The deal will not benefit tens of thousands of veterans diagnosed with PTSD over the last 30 years, only those discharged with a rating for PTSD of less than 50% after 17 DEC 02 and before 14 OCT 08. As the dates indicate, the deal doesn’t include even all PTSD veterans discharged since Sept. 11, 2001. That’s because the lawsuit was brought under the Tucker Act, which has a six-year statute of limitation from the date a complaint is filed against the government, which was in December 2008. [Source: Mil.com Tom Philpott article 30 Jan 2010 ++]

VA Claims Backlog Update 33: Florida veterans are urging Congress to shorten the backlog for disability claims and to eliminate an overlap in survivors' benefits. These were among the top concerns that advocacy groups will raise at a roundtable with the House Veterans' Affairs Committee. Florida is second only to California as a home for veterans, with 1.9 million, according to the U.S. Census. The issues are:

- **Disability Claim Backlog** - Rep. Jeff Miller (R-FL-01), a committee member, recently met with Veterans Affairs Secretary Eric Shinseki about the claim backlog that is surging with the Iraq and Afghanistan wars.

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"The disability-claims backlog has become a deteriorating issue for the Department of Veterans Affairs and is in need of much improvement," Miller said. The department's spending bill that Congress approved in DEC 09 included \$1.7 billion to hire 1,200 new claims processors, in an effort to reduce a backlog with nearly 397,000 claims pending, according to the Disabled American Veterans. But veterans seek more help for a system that has suffered for years. Claims grew by almost half between 2003 and 2006, when appeals averaged 657 days to resolve, according to the Governmental Accountability Office.

- **SBP/DIC** - The perennial dispute about survivor benefits, nicknamed the "widow's tax," bridges the departments of Veterans' Affairs and Defense. Basically, the government seeks to prevent spouses from double-dipping on retirement and disability benefits, but advocacy groups contend that veterans earned and deserve both benefits. Presently survivors of deceased retirees who have made monthly payments into the survivor Benefit Plan (SBP) and died as a result of their service connected disability have to forfeit dollar for dollar the benefit received under DIC. Nationwide, 320,975 spouses, children and parents of veterans received \$4.6 billion from DIC in 2008, according to the Congressional Research Service.
- **Medicare Cuts** - Veterans are wary of cuts in Medicare for the elderly and disabled that could ripple through the military health-care system Tricare for troops, their dependents and retirees. Because Tricare reimburses doctors the same as Medicare for services, the concern is that if Medicare payments go down, Tricare will also suffer. As payments go down, doctors could refuse to treat Medicare and Tricare patients. Even though national lobbyists note that Congress routinely reverses potential cuts in Medicare, the concern lingers.

[Source: Tallahassee.com Bart Jansen article 19 Jan 2010 ++]

VA VLER (Veterans Lifetime Electronic Record): President Barack Obama officially announced the lifetime record program in APR 09 to develop a comprehensive digital medical record (i.e. Veterans Lifetime Electronic Record) for every military service member. The VLER will contain information from both Defense Department health services and VA health services. The program is being implemented in three phases:

- A DOD/VA interagency office has been developing interoperability between DoD and VA medical record systems since 2007. In OCT 09 VA Chief Information Officer Roger Baker said the interoperability work has been completed.
- In the second phase, DOD and VA health records for about 15 million people will be made available for secure exchange with public and private organizations, including health care providers and insurers through the Nationwide Health Information Network (NHIN). The NHIN is a pilot project sponsored by the Health and Human Services Department to demonstrate national-level secure exchange of health data. The system currently is used by several federal agencies, state and local health agencies, and private providers and insurers. Baker said, "Moving the data to the NHIN is significant because it allows for exchange of medical information with private hospitals and doctors. For example, if a veteran receives treatment by a private doctor, eventually that record will be included in the lifetime record. A true lifetime virtual electronic record has to include the private sector."
- The third and final phase for the system will be developing protocols to securely provide the DOD-VA patient's medical information at the point of care. For example, if a veteran who goes to a private hospital, the goal is that the hospital doctor will be able to access all, or parts of, the veteran's health record. Establishing an exchange at the point of care that can make the medical information available, while still honoring the patient's privacy and consent agreements, securing classified information, and maintaining tight security, is a highly complex problem, he said.

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The VA and DOD published a sources sought notice on 12 JAN that seeks a health analyst willing to visit four to six communities to analyze how the information sharing is progressing. Responses were due by 26 JAN. The health data will be exchanged over the Health and Human Service Department's Nationwide Health Information Network. The VA and DOD began identifying communities for the project in DEC 09. One of the communities has been chosen, and four to six more will be chosen this year. Preference goes to communities with a significant share of care provided to the military and veterans, ability to demonstrate health information technology and exchange, and a high concentration of federal health programs. "The VLER Health Communities Initiative is the first necessary step for the implementation and refinement of VLER," states the notice. The communities will be evaluated on cost and quality outcomes, following a performance evaluation now under development. The evaluation plan will be provided to the contractor who will implement the plan in each community. The contractor may need to travel to one or more communities, and will need to evaluate the completeness of the data and the contribution of non-VA data, the notice said. The expected period of performance is to begin in APR 2010. The contract will have a single base year and two option years. [Source: Federal Computer Week Alice Lipowicz article 14 Jan 2010 ++]

VA VLER Update 01: As the federal government prepares to spend up to \$27 billion in stimulus funds to promote electronic health records (EHR), a health technology industry survey suggests that a number of hospitals, health clinics, and insurance firms are violating federal security rules on patient data and putting sensitive health information at risk. The NOV 09 survey by the health technology trade association Healthcare Information and Management Systems Society (HIMSS) found that one in four of the 196 health organizations that responded do not conduct a formal risk analysis to identify security gaps in electronic patient data. The survey results were first reported last last year, but widely overlooked is that failure to conduct a formal risk analysis is a violation of the Health Insurance Portability and Accountability Act (HIPAA), which became law in 1996. Performing a risk analysis is crucial to assuring that patient information does not fall into the wrong hands, experts say. "This is a fundamental activity," said Lisa Gallagher, senior director of privacy and security at HIMSS. "Everything they do [to mitigate the risk of a data breach] should be based on this security assessment." In addition to poor patient data controls, the HIMSS survey highlights other privacy failures by the medical industry: inadequate data security controls, cases of medical identity theft, and insufficient budgets for information security.

The prospect of data breaches is not merely a theoretical concern. In 2009, hospitals and insurance companies were plagued by high-profile losses of sensitive patient data. In November, the insurer Health Net announced that a portable hard drive containing medical claims of as many as 1.5 million members in Arizona, Connecticut, New Jersey, and New York had been lost or stolen. In OCT 09, a laptop containing social security numbers and other personal information of patients at the Children's Hospital of Philadelphia was stolen from a car parked at a hospital employee's home. Despite the recent cases — and the survey's findings of substantial lapses — no organization has ever been punished for violations of HIPAA's data risk analysis provision, which is overseen by the Department of Health and Human Services (HHS). Since 1996, the agency has received approximately ten complaints that noted possible failure to perform risk analysis or risk management, according to Susan McAndrew, deputy director for health information privacy at HHS's Office for Civil Rights; the civil rights office took over enforcement of HIPAA data security rules last July from the Centers for Medicare and Medicaid Services. None of the cases has resulted in penalties, which potentially range from \$100 to \$50,000 for a single violation and up to \$1.5 million a year for multiple violations.

McAndrew said the agency hasn't issued any fines because the goal of enforcement is to nudge doctors, hospitals, and insurers into compliance, not to punish them. "We have not needed to evoke a penalty scheme in order to get the corrective action," McAndrew said. However, the office has so far declined to make public the names of any medical entities that have been pushed into compliance. McAndrew said the health care information

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society's survey shows that the Office for Civil Rights needs to provide training on data security, but does not amount to a report card on the agency. "I don't think under any measure that you can say enforcement in this office is lax in terms of HIPAA," she said. "This is a top priority." But industry insiders characterize the situation differently. They say there have been few patient data security cases at HHS because the agency relies on media reports, complaints, and referrals from other agencies to learn of potential HIPAA rules violations, which has not generated a wide number of leads or investigations. "There has been some perception that organizations have under-resourced this since they view it as not being actively enforced," said Gallagher of the health care information society. "The HIPAA police are not coming around." [Source: The Center for Public Integrity Joe Eaton article 19 Jan 2010 ++]

DFAS Retiree Pay Statement Update 01: On 28 DEC 09, the Document Automation & Production Service (DAPS) printed Concurrent Retirement and Disability Pay annual increases information to military retirees on behalf of the Defense Finance and Accounting Service (DFAS). The statements were subsequently mailed to retirees by a DFAS vendor beginning 6 JAN 2010. During the printing of one file containing the statements, the document duplicating system malfunctioned. The malfunction was fixed, but upon restarting the printing run the data streams, with information for the front and back of the statement forms, were no longer synchronized correctly. As a result, approximately 18,000 recipients of the statements in the Norfolk, Virginia area received letters containing another retiree's data on Page 2 of their form. The other retiree was not fully identified on the Page 2 but the information included data such as allotment type (insurance, savings bonds, etc.) the name of the payee (bank name, insurance company name, etc.) and the amount of the allotment.

There is no indication that anyone other than the intended recipients received privacy data such as Social Security Numbers, bank account numbers or phone numbers. Recipients of the misprinted statements will be asked to destroy the erroneous statements and corrected forms will be reissued. Maintaining the privacy of customers is of the utmost importance to DAPS and DFAS who proudly serve our nation's military personnel. Both organizations regret the error and will work to ensure quality control procedures are improved and followed. Retirees that have any questions regarding their accounts should contact DFAS at 1(800) 321-1080. [Source: DFAS Press Release 0110-002 dtd 13 Jan 2010 ++]

VA Graveliner Allowance: Public Law 104-275 was enacted on 9 OCT 96 which allows the Department of Veterans Affairs (VA) to provide a monetary allowance towards the private purchase of an outer burial receptacle to encase the casket for use in a VA national cemetery. Under VA regulation (38 CFR 38.629), the allowance is equal to the average cost of Government-furnished graveliners less any administrative costs to VA. The law provides a veteran's survivors with the option of selecting a Government-furnished graveliner for use in a VA national cemetery where such use is authorized. The average cost of Government-furnished graveliners is determined by taking VA's total cost during a fiscal year for single-depth graveliners that were procured for placement at the time of interment and dividing it by the total number of such graveliners procured by VA during that fiscal year. The calculation excludes both graveliners procured and pre-placed in gravesites as part of cemetery gravesite development projects and all double-depth graveliners. Using this method of computation, the average cost was determined to be \$264.00 for fiscal year 2009. The administrative costs incurred by VA consist of those costs that relate to processing and paying an allowance in lieu of the Government-furnished graveliner. These costs have been determined to be \$9.00 for calendar year 2010. Thus, the allowance payable for qualifying interments occurring during calendar year 2010 is \$255.00. [Source: Federal Register: 11 Jan 2010 (Volume 75, Number 6)] Notices Page 1454 ++]

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Medicare Rates 2010 Update 03: The Medicare Part B Premium Costs have been established for 2010. The Part B premium is increased each year, if necessary, to fund about 25% of the projected cost of Part B. In 2010, most people will continue to pay the 2009 Part B premium of \$96.40 even though the 2010 standard monthly premium is \$110.50. Some people will pay the \$110.50, or more for Part B. The scheduled 2010 categories for Medicare Part B premiums are:

1. Social Security Recipients NO CHANGE in Premiums for most recipients. Most people have their Part B premiums deducted from their monthly Social Security Benefit Check. Since there was no Cost of Living Increase for 2010 their benefits will not increase. The Social Security Act protects most people from having a decrease in their Social Security benefits from one year to the next because of an increase in the Part B premium. This means that for most people who have the Part B premium deducted from their Social Security benefit check that they will continue to pay the \$96.40 each month.

2. People who get Part B beginning January 1, 2010 or later will pay the increased premium of \$110.50 BUT may pay more based on their income. Medicare goes back 2 years as a matter of policy so this will be your yearly Adjusted Gross Income (AGI) in 2008. Thus payers Medicare Part B will have the following monthly premiums obligation as indicated at www.medicare.gov/Publications/Pubs/pdf/11444.pdf :

- \$154.70 on single AGI of \$85,001 - \$107,000 or joint return of \$170,001 - \$214,000.
- \$221.00 on single return of \$107,001 - \$160,000 or joint return of \$214,001 - \$320,000.
- \$287.30 on single return of \$160,001 - \$214,000 or joint return of \$320,001 - \$428,000.
- \$353.60 on single return above \$214,000 or joint return above \$428,000 .
- People who have Part B but don't get Social Security benefits will pay the increased Part B premium.
- States that pay the Part B premium on behalf of people with Medicaid will pay the increased Part B premium.

The Non Commissioned Officers Association and others are urging veterans to write their Senators and share the perspective that there should not be a Medicare Part B Premium increase in 2010 for any individual eligible for the Medicare Program based on the reality that there was no COLA increase for 2010. The House has already approved legislation, H.R. 3631 to provide for the application of a consistent Medicare Part B Premium for all Medicare beneficiaries in a budget neutral manner in 2010. Ask your Senators to vote to pass H.R. 3631. To facilitate this go to [http://capwiz.com/ncoausa/issues/alert/?alertid=14557751&queueid=\[capwiz:queue_id\]](http://capwiz.com/ncoausa/issues/alert/?alertid=14557751&queueid=[capwiz:queue_id]) and review an editable message that can be automatically forwarded to your Senators. [Source: NCOA Legislative Alert 14 Jan 2010 ++]

Health Care Reform Update 22: Among other similar claims, a column in the Wall Street Journal in mid-JAN by former Senate Majority Leader (and Republican Presidential nominee) Bob Dole asserted that the Senate-passed national health reform bill would tax Tricare for military families when delivered by a private-sector plan. A White House blog post at <http://www.whitehouse.gov/blog/2010/01/13/reality-check-tricare-and-our-veterans-have-nothing-worry-about-health-reform> strongly refuted this claim, asserting, "There is absolutely nothing in health reform that will affect Tricare beneficiaries." To clarify further, there are two types of taxes at issue in the Senate health bill.

- One is an excise tax on individuals who have high-cost plans (the so-called "Cadillac tax"). The legislative language of the Senate bill specifically excludes Tricare, TFL, and VA coverage from this tax.

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- The other tax is an insurance provider fee that would be levied on all insurance companies in America, proportional to their share of the covered population. It appears that the Dole column was talking about the latter tax.

As the WSJ column acknowledged, the proposed legislation would exempt all government entities from the tax. MOAA contacted the Senate Finance Committee staff to reconfirm their understanding of exactly how the plan would work for care delivered through Tricare's civilian contractors. They were assured (again) that the non-partisan House/Senate Joint Tax Committee has indeed issued a ruling that this tax would not apply to Tricare contractors since, under the new contracts, the contractors are not underwriting coverage, but only administering the government program. One can accept this at face value, but also recognize that no one can ever guarantee that proposed legislation won't be changed or interpreted ultimately in a different way than expected. This is why MOAA continues to ask veterans to use their Action alert at <http://capwiz.com/moaa/issues/alert/?alertid=14513626&type=CO> to urge their legislators to ensure military and VA health benefits are explicitly protected, and not subject to any taxation, in whatever health care legislation Congress may consider. To date, veterans have generated nearly 80,000 messages to Congress on this topic.

Not part of the Health Care Reform bills are two issues that will also impact Tricare users, the scheduled cuts in Medicare payment levels for Physicians and the Deficit. The present law requires yearly cuts in the Medicare payment levels for doctors however year after year those cuts have been delayed. So now we have reached the point that the present statute calls for a 21% cut. If this is put into effect, no one knows how many doctors would stop taking Medicare and Tricare all together. Certainly many doctors would likely stop accepting NEW Medicare and Tricare patients. It is, obviously of special concern to anyone with TFL because Medicare is first payer to Tricare for Life. However, it is a serious concern to everyone who is a Tricare beneficiary since Tricare payments rates are initially set by Medicare rates. While the health care reform bill is everyone's focus we should all remember that the more dramatic danger for military retirees' benefits is the huge deficit we see on the horizon. With the projected deficit everyone (especially the Department of Defense) will be looking for places to cut costs or raise fees (practically the same thing) Co-pays and deductibles, enrollment fees, etc. will all be in play. This is important to remember and to gear up to contact your members of Congress and the White House when necessary. [Source: MOAA Leg Up & TREA Washington Update 5 Jan 2010 ++]

Health Care Reform Update 23: As House and Senate Democrats negotiate a final compromise national health care reform bill, military people across the nation -- and their advocates in Washington D.C. -- remain vigilant for side effects. The Obama administration and Democratic congressional leaders have tried to reassure military members, retirees and veterans that national health care reform won't negatively impact them -- in fact will help veterans. Democrats contend that if the Senate-passed Patient Protection and Affordable Care Act (HR 3590) becomes law, many of 16 million veterans not enrolled in VA health care "will have access to quality, affordable health insurance choices through [new] health insurance Exchanges...and may be eligible for premium tax credits and cost-sharing reductions as well." A two-page list of reassurances from the Senate Finance Committee can be read online at: <http://dpc.senate.gov/healthreformbill/healthbill51.pdf>. Many military retirees and veterans don't believe it. Their skepticism is reinforced by statements from Republicans who oppose the president's health initiative, and by scary e-mails including one from a retired brigadier general who wrongly asserts that the Congressional Budget Office (CBO) already has drafted a bill to eliminate Tricare for Life. **It has not.**

Scott Brown, who has won the U.S. Senate seat for Massachusetts that Ted Kennedy filled until his death last year, claims Tricare is at risk. A lieutenant colonel in the National Guard, Brown hasn't explained his worry in detail but he expressed it again last in early JAN on a Fox News program. "If you hear a politician telling voters that

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health reform will hurt Tricare, don't believe him," said Matt Flavin, White House director of veterans and wounded warrior policy, on the White House Blog 13 JAN. "If you rely on Tricare, you have nothing to worry about." The House-passed Affordable Health Care for America Act (HR 3962) states in Section 311 that **nothing** in the bill "shall be construed as affecting" authority of the Defense or Veterans Affairs department to provide Tricare or VA health care. The final compromise is almost certain to include this language to protecting Tricare and veterans' health care, Capitol Hill sources said. They will be protected from any excise tax that Senate Democrats want to levy on so-called "Cadillac" health insurance. However, concerns from veteran associations include:

- **FRA:** Behind the anxiety of many older retirees is memory of a broken promise over free health care for life, said Joe Barnes, national executive director of the Fleet Reserve Association. That, combined with the endless loop of misinformation on the internet, has deepened concerns, Barnes said.
- **TMC:** Bob Washington, co-chair of the health care committee of The Military Coalition, an umbrella group of service associations, also points to the false report involving CBO. Many older retirees also fear for their Tricare for Life benefits from the spectacle of lawmakers each year having to block an automatic cut in Medicare doctor fees ordered by an earlier Congress. More anxiety arises because Democrats say they pay for health reform with billions of dollars in Medicare savings, something Republicans contend will put Medicare at risk though most military associations disagree.
- **NMFA:** Joyce Raezer, executive director of the National Military Family Association, believes legitimate concerns do remain for the military community. They flow from the plans' promise to make affordable health insurance available to 31 million Americans who currently are uninsured. Health reform plans would create health insurance exchanges from which individuals and small business will buy coverage. Raezer wants to know what will happen if participating insurance companies try to entice physicians to be part of these plans by paying fees higher than Medicare allows. Tricare fees, by law, are tied to Medicare reimbursement rates. So Raezer worries that Tricare beneficiaries will see access to civilian providers tighten, particularly access to family physicians who serve as gatekeepers to specialty care. Some primary care doctors already set limits on the number of Tricare and Medicare patient they take on, she said. "What's going to happen if reimbursements don't change for Tricare? Are we're going to continue to depend on patriotic doctors to take Tricare beneficiaries when all of these other people are jostling for care?" She urges the military community needs to remain wary. "Folks hear that the legislation isn't touching Tricare, isn't involving VA, and they say, 'Okay, we're safe,'" Raezer said. "I'm relieved that members of Congress don't want to [pull] Tricare benefits into all of this [and will] let DoD run its health care program...But I don't think that's enough for us to say 'Don't worry.' We still have to watch for unintended consequences."

Told of Raezer's concern, a Democratic aide to the Senate Finance Committee said the Senate bill does include a 10% increase in Medicare fees for primary care physicians. Also, she said, insurance exchanges won't compete for providers any differently than insurers do now. A House staff member who works with Tricare agreed. Insurers, he said, won't compete by "ratcheting up rates for doctors." Most companies already have large physician networks. The competition will occur in knocking down doctor reimbursements to keep beneficiary premiums low. "It's going to be almost a race to the bottom," he said. "These companies are going to offer the cheapest packages possible. That's how you're going to get these [31 million] people into insurance." They "aren't going to be looking at plans saying, 'This one has 220 doctors in my area but this one has 235.' No. They're going to say, 'This one is \$5 a month cheaper. I'll take it.'" Some civilian physicians do turn Medicare and Tricare patients away because of reimbursement levels, he said. But other doctors prefer Tricare because it pays most claims fast, "typically within 36 hours of when a claim is submitted versus 240 days for your average health insurance company." [Source: Military.com Tom Philpott article 14 Jan 2010 ++]

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Health Care Reform Update 24: House leaders plan to bring small-scale health care legislation to the floor before the chamber leaves for its Presidents Day recess on 11 FEB, aides to Speaker Nancy Pelosi said 28 JAN. The legislation, which may consist of more than one bill, will include proposals that can win quick majority approval. But they would not be a substitute for the broad health care overhaul, which has stalled in prolonged negotiations between top House and Senate Democrats. Pelosi (D-CA) reiterated her position that the big bill, which was sidetracked last week after Republican Scott P. Brown's victory in a Massachusetts special Senate election stripped Democrats of their 60-vote margin in the Senate, will eventually pass. "We must pass health care reform," she said. "The problem is still there . . . We can't sustain the current system." "Some things we can do on the side," Pelosi added. "But it's not a substitute for comprehensive reform." Pelosi has said she doesn't have the votes to simply pass the Senate bill and send it on to President Obama. She said that negotiations will continue to find a compromise, but she wouldn't give a timetable for reaching a deal. She also would not say whether Democrats would use the budget reconciliation process to advance the lion's share of a health care overhaul. That process bars filibusters, requiring only 51 votes to move through the Senate. But measures moved under reconciliation cannot include policy provisions unrelated to revenues and entitlement program expenditures. The simplest option for Democrats to complete the stalled health care overhaul would be for the House to send President Obama the version passed by the Senate on Christmas Eve, and then to use the reconciliation process to pass a second bill that incorporates House-Senate compromises on all issues that could be dealt with through that process. So far, House Democrats have been unwilling to pursue that course. And with no final agreement on the parameters of a compromise version of the overhaul, neither Obama nor party leaders are demanding that they do so. [Source: CQ TODAY Midday Update 28 Jan 2010 ++]

Utah Veterans Homes Update 01: Veterans advocates will push Utah lawmakers to fund at least one more nursing home, now that the state can seek nearly \$13 million in federal funding as reimbursement for the George E. Wahlen Ogden Veterans Home that opened in Ogden in November. This project was more than six years in the making. The state paid for the facility up front to get the job done but anticipated two-thirds reimbursement from the federal government. To win support for the bill that seeded the construction of the Ogden home, legislators who supported it agreed no additional homes would be funded until the federal government paid up. Stimulus funds routed to federal construction budgets sped up that timetable -- on 13 JAN, the state received a letter from Secretary of Veterans Affairs Eric Shinseki indicating it can now submit claims for reimbursement. The reimbursement had been promised, but Utah's homes were low on the Department of Veterans Affairs priority list. Advocates anticipated it might be several years before they could secure state funding for homes needed in Washington, Utah and Tooele counties.

By law, the federal reimbursement dollars will go back into Utah's general fund. But Rep. Curtis Oda (R-Clearfield) wants to use the money to immediately seed the construction of another home. Oda said he might drop a non-binding resolution he has sponsored expressing support for such a plan in favor of legislation that actually directs the money to construction. His only concern is that fellow legislators might decide the money could be used elsewhere. The Ogden home brought to 200 the number of beds available for veterans in the state, including an 80-bed facility in Salt Lake City. But that's not even half of what the federal government has rated the state as needing, and many times less than advocates say is needed. Oda noted, for instance, that Idaho has fewer veterans than Utah but has one more home. Yet it took four years to get the state Senate to agree to pre-fund the Ogden home, so supporters aren't claiming victory just yet. Sen. Pete Knudson (R-Brigham City), a former Army officer who sponsored the Ogden funding bill that passed the Senate last year, said he would take "a good hard look" at the option of reinvesting the federal money in another veterans home. But he said veterans advocates "have got some salesmanship to do to a certain extent because of the current budget situation." [Source: The Salt Lake Tribune Matthew LaPlante article 15 Jan 2010 ++]

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Military Stolen Valor Update 14: A 69-year-old San Diego County man has pleaded guilty to a federal charge for posing as a decorated Marine major general. David Weber entered the plea 14 JAN to a misdemeanor charge of making false claims about military decorations or medals. Weber, who has prostate cancer and Parkinson's disease, is expected to be sentenced to a year of probation. Authorities say Weber had been a Marine staff sergeant but he claimed to be a retired major general last November at a Veterans of Foreign Wars party in Ramona. Prosecutors say he wore a full dress uniform with five Legion of Merit medals, two Purple Hearts and a Distinguished Service Cross. Weber, posing as the highest-ranking officer, got the first piece of cake at the party, which honored the birthday of the Corps. [Source: NavyTimes AP article 14 Jan 2010 ++]

Tricare Gray Area Retirees Update 03: To get an update from Congress on the implementation date of Tricare for Gray Area Retirees, the National Guard Association of the United States (NGAUS) met with legislative assistants for Sen. Ben Nelson (D-NE) and Rep. Robert Latta R-OH), the two senators who led the effort to authorize the coverage in the 2010 National Defense Authorization Act (NDAA). The legislative assistants indicated that the monthly premium for Tricare coverage was still being determined by the Defense Department. They did not expect the coverage to be available until 1 OCT. Tricare Management Activity had reported last month that the coverage would not be available for another 11 to 18 months because pricing for the coverage had yet to be determined. Congress was able to include Tricare for Gray Area retiree coverage in the 2010 NDAA because it was reported as cost neutral to the government. The new law requires beneficiaries to pay the full cost for Tricare Standard coverage incurred by DoD, with the monthly premium to be equal to the cost of coverage that the defense secretary determines on "an appropriate actuarial basis." The secretary, through his staff, has been engaged for the last two months in an extended process to determine that cost of coverage.

When the bill was passed, the hope was that the price for the Tricare Standard coverage for this new group would be in the range of the full cost of Tricare Reserve Select (TRS) to the DoD. However, it appears that the pricing formula will most likely produce a cost higher than the base cost of TRS because of the older demographics of the covered group of Gray Area retirees. How much higher the monthly premium will be is unknown, but NGAUS would like to find out as soon as possible or at least monitor the process to make sure the pricing mechanism is fair. As you may recall, Congress had to correct the initial overpricing of Tricare Reserve Select premiums in 2008 after the Government Accountability Office reported a significant pricing error. Unfortunately, DoD is not making its premium pricing determination process transparent to Congress or the public. [Source: NGAUS Leg Up 15 Jan 2010 ++]

Enlistment Update 08: The United States Military does not condone the illegal or improper use of drugs or alcohol. All applicants for enlistment are carefully screened concerning drug and alcohol involvement. As a minimum, you can expect the recruiter to ask:

- a. "Have you ever used drugs?"
- b. "Have you been charged with or convicted of a drug or drug related offense?"
- c. "Have you ever been psychologically or physically dependent upon any drug or alcohol?"
- d. "Have you ever trafficked, sold, or traded in illegal drugs for profit?"

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If the answer to the last two questions is "yes," then you can expect to be ineligible for enlistment. If the answer to the first two questions is yes, then you can expect to have to complete a drug abuse screening form, detailing the specific circumstances of your drug usage. The military service will then make a determination as to whether or not your previous drug usage is a bar to service in that particular branch of the military. In most cases, a person who experimented with "non-hard" drugs in the past will be allowed to enlist. Anything more than experimentation may very well be a bar to enlistment. An "experimenter" is defined as:

.."one who has illegally, wrongfully, or improperly used any narcotic substance, marijuana, or dangerous drug, for reasons of curiosity, peer pressure, or other similar reason. The exact number of times drugs were used, is not necessarily as important as determining the category of use and the impact of the drug use on the user's lifestyle, the intent of the user, the circumstances of use, and the psychological makeup of the user. An individual whose drug experimentation/use has resulted in some form of medical, psychiatric, or psychological treatment; a conviction or adverse juvenile adjudication; or loss of employment does not fall within the limits of this category. For administrative purposes, determination of the category should be within the judgment of either the district or recruiting station commanding officer, aided by medical, legal, and moral advice, with information as available from investigative sources."

While not a "hard and fast" rule, one can expect that any admitted use of marijuana over 15 or so times, or any admitted use of "hard drugs," will be disqualifying, and require a waiver. In any case:

1. Dependency on illegal drugs is disqualifying.
2. Any history of drug use is potentially disqualifying.
3. Any history of dependency on alcohol is disqualifying.

Even if enlistment is authorized, many sensitive military jobs will be closed to individuals who have any past association with illegal drug or alcohol use. In the Air Force, anyone who admits to smoking marijuana less than 15 times does not require a waiver. More than 15 times, but less than 25 requires a Drug Eligibility Determination (basically, a trained Drug & Alcohol Specialist will examine the exact circumstances of the use). An approved Drug Eligibility Determination is not the same thing as a "waiver," in that it will not preclude enlistment in most Air Force Jobs. 25 or more uses of Marijuana in a lifetime is disqualifying, and requires a waiver. As a minimum, recruits will undergo a urinalysis test, when at the Military Entrance Processing Station, (MEPs) for their initial processing, and again when reporting for basic training. [Source: About.com: U.S. Military Rod Powers article 19 Sep 09 ++]

Medicare Fraud Update 31:

- **Detroit MI** - The Detroit area has emerged as a national "hot spot" for health care fraud, with 84 people indicted on charges of bilking the system of \$85 million in the last eight months, officials say. Those numbers include two physicians and 11 other people arrested in a 14 JAN sweep, accused of billing Medicare for \$14.5 million in services that were never provided. High, and in some cases chronic, unemployment means Detroit is rife with people willing to give up their Medicare billing numbers for \$50 to \$100 or perhaps a free painkiller prescription, officials say. In the latest case, two physicians -- one licensed and one not -- are accused of working with home health care companies, two adult foster care home owners and others to fraudulently bill for home health services. The foster care operators are accused of providing their residents' Medicare billing numbers in exchange for kickbacks. Of the 84 people indicted, 33 have pleaded guilty and some are facing lengthy prison sentences under federal sentencing guidelines. Federal officials are also using forfeiture laws to recover money bilked from the system.
- **Miami FL** - Since 2004, a Miami psychiatrist has prescribed almost 14 million pills to Medicaid patients at a cost to taxpayers of \$43 million, a state agency says. Fernando Mendez-Villamil would have had to issue

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4,000 prescriptions a month, or 1,000 a week, to keep up that pace, according to the report released this week by the Agency for Health Care Administration. Altogether in the six years from 2004-09, he issued nearly 285,000 prescriptions, the AHCA report showed. The mental health drugs that he frequently prescribes are expensive even at the online Drugstore.com: Zyprexa, about \$842 a month for 30 days; Abilify, \$634; and Seroquel, \$430. The agency referred a complaint about Mendez-Villamil to the Attorney General's Medicaid Fraud Control Unit in 2007, a timeline shows, and a spokeswoman for that office said the investigation is still ongoing. Sen. Don Gaetz, chairman of the health regulation committee, said Mendez-Villamil "appears to be taking advantage of the taxpayers of Florida and draining money away from legitimate patients. He should be the poster boy for tougher enforcement actions."

- **Towson MD** - Maryland's top cardiac-care hospital is in a soup after a federal investigation established an insurance fraud going on. Several patients had coronary stents implanted in their arteries that were actually not needed. For reimbursing the procedure cost that can cost \$10,000 or more from Medicare or private insurers it is necessary to have at least 70% blockage. If a patient reports 50% or less blockage then he can not get the amount reimbursed. The stents were received by about 369 patients at the St. Joseph Medical Center. A majority of these patients were informed that their arteries were severely blocked.
- **Brevard County FL** - Following up on a whistleblower's complaint, the federal government spent more than a year investigating billing practices and medical records of Melbourne Internal Medicine Associates' cancer treatment center. The government filed its complaint in federal court in October and lawyers asked for extra time to finalize a settlement agreement with MIMA. The terms of the settlement are not known. The government is seeking to recover losses from false Medicare claims submitted "as a result of the sustained fraudulent course of conduct of MIMA and Dr. Todd Scarbrough, the former medical director of its cancer center. The government alleges the cancer center had "defrauded Medicare and Tricare through various schemes designed to improperly inflate the claims that MIMA submitted on behalf of (the cancer center) to Medicare." The investigation started with allegations made by Fred Fangman, the former director of radiation oncology at MIMA Cancer Center, in a whistleblower complaint in JUL 08. Fangman claimed Scarbrough filed thousands of false claims -- worth at least \$8 million and perhaps more -- in unnecessary radiation procedures from the time the cancer center opened in 2003 through 2008.
- **Troy MI** - Physician Toe Myint was convicted 22 JAN by a Detroit jury of conspiracy to commit health care fraud in a \$4.2 million Medicare Fraud scheme. The conspiracy count carries a maximum prison sentence of 10 years. Prior to trial, 10 of Dr. Myint's co-conspirator defendants pleaded guilty to a variety of Medicare fraud related charges. Evidence at trial showed that Dr. Myint was the physician at Sacred Hope Center, a Southfield, Mich., clinic that purported to specialize in providing infusion therapy to Medicare beneficiaries. Evidence established that Dr. Myint ordered medications for patients that he knew were not needed. Specifically, Dr. Myint signed patient files ordering infusions and injections of corticosteroids and other medications, despite being aware that the patients did not need the drugs and that Medicare was being billed for the drugs. Patients were not referred to Sacred Hope Center or Dr. Myint by their real physicians for any legitimate purpose, but rather were recruited to come to the clinic through the payment of kickbacks.
- **Houston TX** - Valley Medical Foot Care owner Franklin Beltre appeared before a federal U.S. District Court Judge Randy Crane in McAllen on Wednesday morning. The 39-year-old podiatrist admitted to submitting false and fraudulent claims to Medicare and Medicaid. Beltre billed Medicare and Medicaid for services performed while he was vacationing outside of Texas. Prosecutors said the services were actually performed by Manuela K. Alana, a 40-year-old unlicensed podiatrist working for him. Court records show that Beltre filed more than \$536,000 dollars worth of false claims were submitted since AUG 04. Alana pleaded guilty in her case in DEC 09 and is scheduled to be sentenced on 9 MAR. Both Alana and Beltre have been permitted to remain on bond until their sentencing.
- **Miami FL** - Michel De Jesus Huarteman who used his chain of Medicare clinics to commit fraud and exported the business to other Southern states was sentenced 27 JAN in federal court to 22 years in prison.

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The local organization which submitted about \$100 million in bogus Medicare bills for HIV therapy and other services -- expanded to Georgia, Louisiana, North Carolina and South Carolina by using empty storefronts and post office boxes. Huarte and his associates, who pleaded guilty to conspiracy and other fraud charges last year, collected about \$25 million from the federal healthcare program for the elderly and disabled, the indictment says. Lesser sentences were imposed on Huarte's co-defendants: Alyd Dazza, 15 years; Ricco Dazza, 10 years; Dayron Porrata, seven years; Monika Blacio, 6 ½ years; and Wally Proenza, 1 ½ years. The seventh defendant, Vicente Gonzalez, is set for sentencing 1 FEB.

[Source: Fraud News Daily reports 16-31 Jan 2010 ++]

Medicaid Fraud Update 07:

- **Lockport NY** - A Niagara County Court jury Tuesday night convicted two Erie County women of committing two felonies in their effort to collect Medicaid benefits for a Lewiston man who failed to pay a hospital bill. Deborah A. Kantor, 55, and Amy L. Gardner, 31, of the Town of Tonawanda, and Kantor's company, HIS Holdings, were found guilty of first-degree offering a false instrument for filing and attempted third-degree grand larceny. They were charged with trying to get the Niagara County Social Services Department to pay \$5,379 in bills from Niagara Falls Memorial Medical Center in 2006 by filling out a form with a false address for the patient. His claim was denied by the county. Kantor and HIS face an upcoming trial on charges of bribing a Social Services caseworker to obtain Medicaid information numbers of clients.
- **Trenton NJ** - Two pharmacy technicians pleaded guilty to participating in a scheme in which pharmacy owners and employees bought completed prescription forms for HIV/AIDS drugs from indigent patients so Medicaid could be billed for drugs that were never actually dispensed. Each pleaded guilty on 20 JAN to third-degree Medicaid fraud. They admitted that between 11 MAY 06 and 15 OCT 08, they paid Medicaid beneficiaries for prescriptions and subsequently billed the Medicaid Program. The crime of third-degree Medicaid fraud carries a maximum sentence of three years in state prison and a criminal fine of \$10,000. The defendants were charged as a result of Operation PharmScam, an ongoing investigation targeting Medicaid fraud that began in 2008. On 26 OCT 09, a total of 10 defendants were indicted as a result of the investigation into Pharmacy of America and other pharmacies that were buying prescriptions from patients and billing the Medicaid Program for medicines that were never dispensed.
- **Sherman TX** - Two Dallas County men were arrested 6 JAN in a health care fraud scheme in the Eastern District of Texas. Brandon Allen Ray, 30, on charges of health care fraud, conspiracy and embezzlement in connection with health care. Stewart Powers, 56, on charges of conspiracy and embezzlement in connection with health care. According to the indictment, from 2005 to 2007, Ray, a registered nurse, is alleged to have billed Medicaid \$280,550 for private-duty nursing services he did not actually provide to an invalid patient. Additionally, from 2005 to 2006, Ray was employed as a part time registered nurse for Senior Health Services, Inc., d/b/a Community Specialty Hospital and Powers was the Chief Executive Officer of the hospital. During this time, Ray and Powers are alleged to have conspired to embezzle funds from the hospital in a scheme which involved Ray submitting false work-and-time records to the hospital for payment and Powers approving the false records and directing hospital personnel to process time cards and write payroll checks. The loss to the hospital is estimated to be \$54,000. If convicted, they each face up to 10 years in federal prison.
- **Westfield NJ**: Kevin Clark, 53, the pastor of Bethel Baptist Church in Westfield, pleaded guilty 25 JAN to third-degree Medicaid fraud and third-degree tampering with public records. Third-degree crimes carry a maximum sentence of five years in state prison a fine of up to \$15,000. Clark admitted that on 17 NOV 04, he knowingly and falsely completed, signed and submitted a Medicaid application on behalf of an elderly parishioner. The Medicaid application required Clark to list the sale of all real property by the parishioner

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and any cash given away by the parishioner within the past three years. Clark admitted that he failed to list on the Medicaid application that the parishioner had sold a parcel of real property for \$183,038. He further admitted that cash from the sale of the real property was given to him.

[Source: Fraud News Daily reports 16-31 Jan 2010 ++]

Military History Anniversaries:

- Feb 01 1848 - Mexican-American War: The Treaty of Guadalupe Hidalgo is signed.
- Feb 01 1909 - U.S. troops leave Cuba after installing Jose Miguel Gomez as president.
- Feb 01 1943 - WWII: The last German forces surrender to the Soviets after the Battle of Stalingrad.
- Feb 01 1945 - WWII: U.S. Rangers and Filipino guerrillas rescue 513 American survivors of the Bataan Death March.
- Feb 01 1968 - Vietnam: U.S. troops drive the North Vietnamese out of Tan Son Nhut airport in Saigon.
- Feb 02 1848 - The Treaty of Guadeloupe Hidalgo formally ends the Mexican War.
- Feb 03 1904 - Colombian troops clash with U.S. Marines in Panama.
- Feb 03 1917 - WWII: The U.S. breaks off diplomatic relations with Germany a day after the former announced a new policy of unrestricted submarine warfare.
- Feb 03 1944 - WWII: Beginning of the German Army offensive against the Anzio bridgehead in Italy.
- Feb 03 1944 - WWII: United States troops capture the Marshall Islands.
- Feb 03 1944 - WWII: The United States shells the Japanese homeland for the first time at Kurile Islands.
- Feb 03 1945 - WWII: As part of Operation Thunderclap, 1,000 B-17's of the Eighth Air Force bomb Berlin.
- Feb 03 1945 - WWII: Sinking of allied troop ship Dorchester results in Congress declaring this as Four Chaplains Day.
- Feb 04 1899 - The Philippine-American War begins.
- Feb 04 1941 - WWII: The United Service Organization (USO) is created to entertain American troops.
- Feb 04 1945 - WWII: American, British and Soviet leaders meet in Yalta to discuss the war aims.
- Feb 04 1957 - The first nuclear-powered submarine, the USS Nautilus (SSN-571), logs its 60,000th nautical mile.
- Feb 05 1918 - WWI: Stephen W. Thompson shot down a German airplane. It was the first aerial victory.
- Feb 05 1945 - WWII: General Douglas MacArthur returns to Manila.
- Feb 05 1958 - A hydrogen bomb known as the Tybee Bomb is lost by the US Air Force off the coast of Savannah, Georgia, never to be recovered.
- Feb 05 1968 - Vietnam War: Battle of Khe Sanh begins.
- Feb 06 1862 - Civil War: Ulysses S. Grant gives the United States its first victory of the war, by capturing Fort Henry, Tennessee, known as the Battle of Fort Henry.
- Feb 06 1899 - Spanish-American War: The Treaty of Paris (1898), a peace treaty between the United States and Spain, is ratified by the United States Senate.
- Feb 06 1922 - The Washington Naval Treaty was signed in Washington, DC, limiting the naval armaments of United States, Britain, Japan, France, and Italy.
- Feb 06 1945 - WWII: MacArthur reports the fall of Manila, and the liberation of 5,000 prisoners
- Feb 07 1968 - Vietnam: North Vietnamese use 11 Soviet-built light tanks to overrun the U.S. Special Forces camp at Lang Vei at the end of an 18-hour long siege.
- Feb 08 1971 - Vietnam: South Vietnamese ground forces, backed by American air power, begin Operation Lam Son 719, a 17,000 man incursion into Laos that ends three weeks later in a disaster.
- Feb 09 1775- Revolutionary War: British Parliament declares Massachusetts in rebellion.

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- Feb 09 1943 - WWII: Allied authorities declare Guadalcanal secure after Imperial Japan evacuates its remaining forces from the island, ending the Battle of Guadalcanal.
- Feb 09 1965 - Vietnam: The first United States combat troops are sent to South Vietnam.
- Feb 10 1763 - French and Indian War: The 1763 Treaty of Paris ends the war and France cedes Quebec to Great Britain.
- Feb 10 1954 - President Dwight Eisenhower warns against United States intervention in Vietnam.
- Feb 11 1938 - Japan refuses to reveal naval data requested by the U.S. and Britain.
- Feb 11 1942 - WWII: The Battle of Bukit Timah is fought in Singapore.
- Feb 11 1943 - WWII: General Dwight Eisenhower is selected to command the allied armies in Europe.
- Feb 11 1973 - Vietnam: First release of American prisoners of war from Vietnam takes place.
- Feb 12 1946 - WWII: Operation Deadlight ends after scuttling 121 of 154 captured U-boats.
- Feb 12 1951 - Korea: U.N. forces push north across the 38th parallel for the second time
- Feb 13 1991 - Gulf War: Two laser-guided "smart bombs" destroy a bunker in Baghdad. It was being used as a military communications outpost and unknown to allied forces, as a shelter for Iraqi civilians.
- Feb 14 1945 - WWII: 800 Allied aircraft firebomb the German city of Dresden. Smaller follow-up bombing raids last until April with a total death toll of between 35,000 to 130,000 civilians
- Feb 14 1979 - Armed guerrillas attack the U.S. embassy in Tehran.
- Feb 15 1898 - U.S. battleship Maine mysteriously blows up in Havana Harbor, Cuba killing more than 260 crew members and bringing the United States closer to war with Spain.
- Feb 15 1943 – WWII: The Germans break the American Army's lines at the Fanid-Sened Sector in Tunisia, North Africa.
- Feb 15 1967 – Vietnam: Thirteen U.S. helicopters are shot down in one day in Vietnam

[Source: Various Jan 2010 ++]

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Tax Deduction Wisdom Update 01: Many taxpayers take the standard deduction rather than itemizing their tax deductions, even though some taxpayers with mortgages or home equity loans could have saved money by itemizing. Consider how well you will do with itemized deductions in the following areas:

Property Tax

- For those that do not itemize the standard deduction amount is increased by \$500 (\$1,000 for married couples filing jointly) if they paid at least that much in property taxes during the year. This break allows those who do not itemize to get some tax benefit for the property taxes they pay.
- Many lenders provide a year-end tax summary that includes any real estate taxes and insurance paid through escrow accounts. The real estate taxes are deductible, but homeowner's insurance and homeowner's association fees are not. If your real estate taxes aren't paid through an escrow account, review your property tax bills and cancelled checks and add up what you paid. You can't deduct any penalties you paid for late payment of property taxes; you can only deduct the actual taxes assessed and paid.

Interest/Points

- If you have a mortgage or home equity loan on your home, fill out Schedule A to see if your itemized tax deductions are larger than the standard tax deduction to which you're entitled. In January, your mortgage lender should provide the amount of mortgage interest you paid during the previous year. Look for Form 1098, Mortgage Interest Statement. If you paid points as part of the financing for your

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home, the points will also be shown on that form. Mortgage lenders sometimes attach Form 1098 to your December or January mortgage bill.

- A quick rule of thumb: Compare your mortgage interest (plus any points paid on the purchase of your residence) with your standard deduction. If you have refinanced your mortgage, points on the refinancing are deducted gradually over the life of the loan—1/30th a year on a 30-year mortgage, for example. Don't forget to add each year's share to your deductions. For more information, consult IRS Publication 936: Home Mortgage Interest Deduction.
- If the interest you paid on your mortgage is larger than your standard tax deduction, you definitely benefit by itemizing -- and all the rest of your deductible expenses (including real estate taxes, state and local income taxes, and charitable donations) are frosting on the cake.

Homeowners Insurance - If you closed on a home mortgage in 2009 and had to pay Private Mortgage Insurance (PMI), the premiums you paid in 2009 can be deducted if your adjusted gross income falls below a certain level. This write-off phases out as income rises between \$100,000 and \$110,000 (except on married filing separate returns, for which the phase out zone is \$50,000 to \$55,000). If you're paying PMI on a mortgage issued before 2008, you're out of luck on this one. This deduction, which applies only to mortgages used to purchase a home (rather than refinance), is effective through December 31, 2010.

[Source: Military.com Taxes Jan 2010 ++]

Tax Burden for Maryland Retirees: Many people planning to retire use the presence or absence of a state income tax as a litmus test for a retirement destination. This is a serious miscalculation since higher sales and property taxes can more than offset the lack of a state income tax. The lack of a state income tax doesn't necessarily ensure a low total tax burden. Following are the taxes you can expect to pay if you retire in Maryland:

State Sales Tax: 6.0% (food, prescription and non-prescription drugs exempt)

Fuel & Cigarette Tax:

- **Gasoline Tax:** 23.5 cents/gallon
- **Diesel Fuel Tax:** 24.3 cents/gallon
- **Cigarette Tax:** \$2.00/pack of 20

Personal Income Taxes

Tax Rate Range: Low - 2%; High - 6.25%; Maryland's 23 counties and Baltimore City may levy an income tax ranging from 1.25% to 3.15% of taxable income. For local rates refer to

<http://individuals.marylandtaxes.com/incometax/localtax.asp>

Income Brackets: 8 (Lowest - \$1,000; Highest - \$1,000,000). For joint returns, the taxes are twice the tax imposed on half the income.

Personal Exemptions: Single - \$3,200; Married - \$6,400; Dependents - \$3,200.

Additional Exemptions: 65 or older - \$1,000 each additional dependent.

Standard Deduction: \$1,500 or 15% of Maryland adjusted gross income to maximum of \$3,000 for single returns; \$2,000 to \$4,000 for married filing jointly.

Additional Deductions: (2009) Single or head of household over 65 - \$1,250; One spouse over 65 - \$950; Both over 65 - \$1,900; If over 65 and blind - add \$2,500.

Medical/Dental Deduction: Federal amount. If you purchase a long-term care insurance contract for yourself or certain members of your family, you may be eligible for a credit of up to \$500 for each insured. To qualify for the

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credit, the insured must be all of the following: A spouse, parent, stepparent, child or stepchild; A Maryland resident; Not covered by long-term care insurance before July 1, 2000. For tax year 2008, you can claim a credit equal to the premiums paid, up to a maximum of \$290 for each insured person 40 years of age or younger, and up to a maximum of \$500 for each insured person 41 or older.

Federal Income Tax Deduction: None.

Retirement Income Taxes: Social Security and Railroad Retirement income are not taxed. If you are 65 or older or totally disabled (or your spouse is totally disabled), you may qualify for Maryland's maximum pension exclusion of \$23,600 under certain conditions. If you're eligible, you may be able to subtract some of your taxable pension and retirement annuity income from your federal adjusted gross income. Out-of-state government pensions do not qualify for the exemption. For details refer to <http://individuals.marylandtaxes.com/seniors/default.asp>.

Retired Military Pay: If you are a retired member of the military, you may be able to subtract up to \$5,000 of your military retirement income from your federal adjusted gross income before determining your Maryland tax for tax year 2008. This benefit is now applied to qualifying individuals who retired before July 1, 1991. To qualify, you must have been a member of an active or reserve component of the U.S. armed forces, a member of the Maryland National Guard, or you must have retired from active duty with the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey. For details refer to <http://individuals.marylandtaxes.com/incometax/military/retirement.asp>.

Military Disability Retired Pay: Retirees who entered the military before Sept. 24, 1975, and members receiving disability retirements based on combat injuries or who could receive disability payments from the VA are covered by laws giving disability broad exemption from federal income tax. Most military retired pay based on service-related disabilities also is free from federal income tax, but there is no guarantee of total protection.

VA Disability Dependency and Indemnity Compensation: VA benefits are not taxable because they generally are for disabilities and are not subject to federal or state taxes.

Military SBP/SSBP/RCSBP/RSFPP: Generally subject to state taxes for those states with income tax. Check with state department of revenue office.

Property Taxes

- Real property is valued at its full cash value. Property tax rate, found at www.dat.state.md.us/sdatweb/taxrate.html, vary widely. No restrictions or limitations on property taxes are imposed by the state, meaning cities and counties can set tax rates at the level they deem necessary to fund governmental services. These rates can increase, decrease or remain the same from year to year.
- The Homeowners' Property Tax Credit Program allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. In other words, it sets a limit on the amount of property taxes any homeowner must pay based upon his or her income. The plan was called circuit breaker because it shut off the property tax at a certain point just like an electric circuit breaker shuts off the current when the circuit becomes overloaded. It provides annual property tax credits to homeowners who qualify by reason of income. It has no relationship to age. To be eligible, a person must own their property, live in it for at least six months a year, and have a net worth, not including the value of the property on which you are seeking the credit, of less than \$300,000.
- A property tax deferral program allows property owners 65 or over to defer the increase in their property tax bill. Local governments must approve the program. The deferred taxes become a lien on the property and must be repaid when the property is transferred. A Renters' Tax Credit program provides up to \$750 a year for those age 60 and over or 100% disabled if they qualify on the basis of income.
- For details on property taxes refer to <http://individuals.marylandtaxes.com/property/default.asp> or call 410-767-1184.

Inheritance and Estate Taxes

Maryland collects an inheritance tax. Property passing to a spouse, child or other lineal descendent, spouse of a

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child or other lineal descendant, parent, grandparent or sibling, is exempt from taxation. Property passing to other individuals is subject to a 10% tax rate. Currently, a Maryland estate tax return must be filed if the decedent's federal gross estate, plus adjusted taxable gifts, is \$1,000,000 or greater, and the decedent was either a resident of Maryland at the time of death or a nonresident who owned real or tangible personal property in Maryland. The tax rate is limited to 16 percent of the amount that the estate value exceeds \$1,000,000. Law changes enacted in 2006 affected the estate tax calculation, filing requirements, extension requests and interest and penalties. The estate tax is limited to federal estate tax collection. Refer to <http://individuals.marylandtaxes.com/estatetax/inherit.asp> for more information on inheritance taxes. Refer to <http://individuals.marylandtaxes.com/estatetax/default.asp> for estate tax information,

For further information on Maryland taxes in general, visit the Maryland Comptroller of the Treasury site at www.comp.state.md.us. [Source: www.retirementliving.com Jan 2010 ++]

Veteran Legislation Status 28 JAN 2010: For or a listing of Congressional bills of interest to the veteran community that have been introduced in the 111th Congress refer to the Bulletin's Veteran Legislation attachment. Support of these bills through cosponsorship by other legislators is critical if they are ever going to move through the legislative process for a floor vote to become law. A good indication on that likelihood is the number of cosponsors who have signed onto the bill. Any number of members may cosponsor a bill in the House or Senate. At <http://thomas.loc.gov> you can review a copy of each bill's content, determine its current status, the committee it has been assigned to, and if your legislator is a sponsor or cosponsor of it. To determine what bills, amendments your representative has sponsored, cosponsored, or dropped sponsorship on refer to <http://thomas.loc.gov/bss/d111/sponlst.html>.

Grassroots lobbying is perhaps the most effective way to let your Representative and Senators know your opinion. Whether you are calling into a local or Washington, D.C. office; sending a letter or e-mail; signing a petition; or making a personal visit, Members of Congress are the most receptive and open to suggestions from their constituents. The key to increasing cosponsorship on veteran related bills and subsequent passage into law is letting legislators know of veteran's feelings on issues. You can reach their Washington office via the Capital Operator direct at (866) 272-6622, (800) 828-0498, or (866) 340-9281 to express your views. Otherwise, you can locate on <http://thomas.loc.gov> your legislator's phone number, mailing address, or email/website to communicate with a message or letter of your own making. Refer to http://www.thecapitol.net/FAQ/cong_schedule.html for dates that you can access your legislators on their home turf. [Source: RAO Bulletin Attachment 28 Jan 2010 ++]

Have You Heard? How to give a pet a pill

Cats

- Pick up cat and cradle it in the crook of your left arm as if holding a baby. Position right forefinger and thumb on either side of cat's mouth and gently apply pressure to cheeks while holding pill in right hand. As cat opens mouth, pop pill into mouth. Allow cat to close mouth and swallow.
- Retrieve pill from floor and cat from behind sofa. Cradle cat in left arm and repeat process.
- Retrieve cat from bedroom, and throw soggy pill away.
- Take new pill from foil wrap, cradle cat in left arm, holding rear paws tightly with left hand. Force jaws open and push pill to back of mouth with right forefinger. Hold mouth shut for a count of ten.
- Retrieve pill from goldfish bowl and cat from top of wardrobe. Call spouse from garden.

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- Kneel on floor with cat wedged firmly between knees, hold front and rear paws. Ignore low growls emitted by cat. Get spouse to hold head firmly with one hand while forcing wooden ruler into mouth Drop pill down ruler and rub cat's throat vigorously.
- Retrieve cat from curtain rail, get another pill from foil wrap. Make note to buy new ruler and repair curtains. Carefully sweep shattered figurines and vases from hearth and set to one side for gluing later.
- Wrap cat in large towel and get spouse to lie on cat with head just visible from below armpit. Put pill in end of drinking straw, force mouth open with pencil and blow down drinking straw.
- Check label to make sure pill not harmful to humans, drink 1 beer to take taste away. Apply Band-Aid to spouse's forearm and remove blood from carpet with cold water and soap.
- Retrieve cat from neighbor's shed. Get another pill. Open another beer. Place cat in cupboard, and close door on to neck, to leave head showing. Force mouth open with dessert spoon. Flick pill down throat with elastic band.
- Fetch screwdriver from garage and put cupboard door back on hinges. Drink beer. Fetch bottle of scotch. Pour shot, drink. Apply cold compress to cheek and check records for date of last tetanus shot. Apply whiskey compress to cheek to disinfect. Toss back another shot. Throw Tee shirt away and fetch new one from bedroom.
- Call fire department to retrieve the damn cat from across the road. Apologize to neighbor who crashed into fence while swerving to avoid cat. Take last pill from foil wrap.
- Tie the little bastard's front paws to rear paws with garden twine and bind tightly to leg of dining table, find heavy-duty pruning gloves from shed. Push pill into mouth followed by large piece of filet steak. Be rough about it. Hold head vertically and pour 2 pints of water down throat to wash pill down.
- Consume remainder of scotch. Get spouse to drive you to the emergency room, sit quietly while doctor stitches fingers and forearm and removes pill remnants from right eye. Call furniture shop on way home to order new table.
- Arrange for SPCA to come collect this mutant cat from hell and call the local pet shop to see if they have any hamsters.
- Accidentally drop pill on floor. Watch cat pounce on the pill and devour it.

Dogs

- Wrap it in bacon.
- Toss it in the air.