



*(October 28, 2015)*

In order to further improve the lines of communication and to respond to the concerns between the National VA Council and you our members, I have established a National VA Council Briefing. This NVAC Briefing will bring you the latest news and developments within DVA and provide you with the current status of issues this Council is currently addressing. I believe that this NVAC Briefing will greatly enhance the way in which we communicate and the way in which we share new information, keeping you better informed.

**Alma L. Lee**  
National VA Council, President

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**In This Briefing: Boehner budget deal protects Medicare B**  
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House Speaker John Boehner (R-Ohio) announced a two-year budget deal on Oct. 27 that would include funding to cap premium increases to \$123 a month for 16 million Medicare Part B beneficiaries.(Photo: Molly Riley/AFP)

John Boehner’s two-year budget deal has the potential to move Congress past its continual budget cliffhangers, but also buried within it is coverage to shield federal retirees from higher health premiums.

The budget deal provides that Medicare Part B beneficiaries not covered by Social Security will only see premiums rise to \$123 a month, as opposed to the \$159.30 a month projected for 2016.

**Related:** [Read the budget bill](#)

National Treasury Employees Union president Tony Reardon praised the deal’s protection of federal retirees.

“NTEU is relieved that this budget deal addresses funding issues without requiring the federal workforce to make additional sacrifices,” Reardon said, in a statement. “While the legislation includes spending cuts or offsets in exchange for increasing sequester spending levels, those offsets do not directly affect federal pay or benefits.”

Richard Thissen, president of the National Association of Active and Retired Federal Employees, also approved of the deal, but noted that even with the loan payments, 30 percent of beneficiaries are still covering costs that those receiving Social Security don't have to.

"While I believe this is a good compromise for the 2016 premiums, Congress and the administration must fix this situation once and for all," Thissen said, in a statement. "Millions of individuals should not have to live with this type of financial uncertainty just because their Medicare premiums do not come from Social Security."

The Medicare Part B controversy began with the Oct. 15 announcement that there would be no cost-of-living adjustment increase for 2016, which would leave many retirees with increased healthcare premiums, but no COLA to compensate them.

For 70 percent of beneficiaries, the increased costs would be capped by what is called the hold harmless provision, which allows them to deduct the higher premium cost directly from their Social Security benefits.

The remaining 30 percent of beneficiaries were projected to see their premiums skyrocket, up 50 percent in 2016. This would affect 16 million beneficiaries, including 1.6 million in the Civil Service Retirement System.

Boehner's deal, the Bipartisan Budget Act of 2015, would make up the difference with a loan from the Treasury to the Supplemental Medical Insurance Trust Fund to keep premiums down to \$120 a month for the beneficiaries not held harmless.

The loan would be paid back with \$3 a month repayment tacked on to the premiums of beneficiaries not held harmless. Higher income beneficiaries would pay more than \$3, depending on their income bracket.

If there is no COLA increase for 2017, the new provision would apply again.

The budget deal is expected to get a vote before Boehner steps down as speaker on Friday.