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Care and Benefits for Veterans Strengthened by \$182 Billion VA Budget

WASHINGTON – In his [FY 2017 budget](#), President Obama is proposing \$182.3 billion for the Department of Veterans Affairs (VA). Funding will continue to support the largest transformation in VA history; expand access to timely, high-quality health care and benefits; and advance efforts to end homelessness among Veterans.

“VA has before it one of the greatest opportunities in its history to transform the way it cares for our Veterans who nobly served and sacrificed for our Nation,” said VA Secretary Robert A. McDonald. “As we work to become a more efficient, effective and responsive, Veteran-centric Department, we can’t do it alone; we need the help of Congress. This year, VA submitted over 100 legislative proposals, including 40 new proposals to better serve Veterans. Our goal is provide the best care to our Veterans while removing obstacles or barriers that prevent them from getting the care they deserve.”

Highlights from the President’s 2017 Budget request for VA

The FY 2017 budget includes \$78.7 billion in discretionary funding, largely for health care and \$103.6 billion for mandatory benefit programs such as disability compensation and pensions. The \$78.7 billion for discretionary spending is \$3.6 billion (4.9 percent) above the 2016 enacted level, including over \$3.6 billion in medical care collections from health insurers and Veteran copayments. The budget also requests \$70.0 billion, including collections, for the 2018 advance appropriations for medical care, an increase of \$1.5 billion and 2.1 percent above the 2017 medical care budget request. The request includes \$103.9 billion in 2018 mandatory advance appropriations for Compensation and Pensions, Readjustment Benefits and Veterans Insurance and Indemnities benefits programs in the Veterans Benefits Administration.

Health Care

With a medical care budget of \$68.6 billion, including collections, VA is positioned to continue expanding health care services to its millions of Veteran patients. Health care is being provided to over 922,000 Veterans who served in Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn/Operation Inherent Resolve (OIR) and Operation Freedom’s Sentinel (OFS). Major spending categories within the health care budget are:

- \$12.2 billion for care in the community;
- \$8.5 billion for long-term care;
- \$7.8 billion for mental health;
- \$1.6 billion for homeless Veterans;
- \$1.5 billion for Hepatitis-C treatments;
- \$725 million for Caregivers;
- \$601 million for spinal cord injuries; and
- \$284 million for traumatic brain injuries.

Expanding Access

The President’s Budget ensures that care and other benefits are available to Veterans when and where they need them. Among the programs that will expand access under the proposed budget are:

- \$12.2 billion for care in the community compared to \$10.5 billion in 2015, a 16 percent increase;
- \$1.2 billion in telehealth funding, which helps patients monitor chronic health care conditions and increases access to care, especially in rural and remote locations;
- \$515 million for health care services specifically designed for women, an increase of 8.5 percent over the present level;
- \$836 million for the activation of new and enhanced health care facilities;
- \$900 million for major and minor construction projects, including funding for seismic corrections, two new cemeteries, and two gravesite expansions; and
- \$171 million for improved customer service by providing an integrated services delivery platform.

Improving the Efficiency of Claims Processing

The President’s Budget provides for continued implementation of the Veterans Benefits Administration’s (VBA) robust Transformation Plan -- a series of people, process, and technology initiatives -- in 2017. This plan will continue to systematically improve the quality and efficiency of claims processing.

Major claims transformation initiatives in the budget invest \$323 million to bring leading-edge technology to claims processing, including:

- \$180 million (\$143 million in Information Technology and \$37 million in VBA) to enhance the electronic claims processing system – the Veterans Benefits Management System (VBMS); and
- \$143 million for Veterans Claims Intake Program (VCIP) to continue conversion of paper records, such as Veterans’ medical records, into electronic images and data in VBMS.

In addition, the President’s Budget supports increasing VBA’s workforce to address staffing needs so it can continue to improve the delivery of benefits to Veterans. As VBA continues to receive and complete more disability compensation rating claims, the volume of non-rating claims correspondingly increases. The request for \$54 million for 300 additional full-time equivalent employees (FTE) and claims processing support will allow VBA to provide more timely actions on non-rating claims.

Appeals Reform

The current appeals process is complicated and ineffective, and Veterans on average are waiting about 5 years for a final decision on an appeal that reaches the Board of Veterans' Appeals, with thousands waiting much longer. The 2017 Budget proposes a Simplified Appeals initiative – legislation and resources – to provide Veterans with a simple, fair, and streamlined appeals process in which they would receive a final appeals decision within one year from filing an appeal by 2021. The Budget requests \$156 million and 922 FTE for the Board, an increase of \$46 million and 242 FTE over 2016, as a down payment on a long-term, sustainable plan to improve services to Veterans.

Ending Veterans Homelessness

The Administration has made the ending of Veteran homelessness a national priority. The Budget requests \$1.6 billion for programs to prevent or reduce Veteran homelessness, including:

- \$300 million for Supportive Services for Veteran Families (SSVF) to promote housing stability;
- \$496 million for the HUD-VASH program, wherein VA provides case management services for at-risk Veterans and their families and HUD provides permanent housing through its Housing Choice Voucher program; and
- \$247 million in grant and per diem payments that support temporary housing provided by community-based organizations.

MyVA

The 2017 budget continues the largest Department-wide transformation in VA's history through the MyVA initiative, which is changing VA's culture, processes, and capabilities to put the needs, expectations and interests of Veterans and their families first. MyVA has developed five objectives fundamental to the transformation of VA: 1) improving the Veterans' experience; 2) improving the employee experience; 3) improving support service excellence; 4) establishing a culture of continuous performance improvement; and 5) enhancing strategic partnerships. To aid in this transformation, the Department established the Veterans Experience Office (VEO). The VEO will represent the voice of Veterans and their families in Departmental governance; design and implement customer-centric programs to make interactions with VA easier; and support VA's "mission owners" in carrying out MyVA improvements across the system.

Veterans Choice Act

The Veterans Choice Act provides \$5 billion to increase Veterans' access to health care by hiring more physicians and staff and improving the VA's physical infrastructure. It also provides \$10 billion through 2017 to establish a temporary program (the Veterans Choice Program) to improve access to health care by allowing eligible Veterans who meet certain wait-time or distance standards to use eligible health care providers outside of the VA system. In 2017, VA will use the Choice Act funds in concert with annual appropriations to meet VA staffing and infrastructure needs and expand non-VA care to Veterans who are eligible for the Veterans Choice Program. VA plans to spend \$1.4 billion in 2016 and \$853 million in 2017 to support more than 9,700 new medical care staff hired through the Choice Act; \$980 million in 2016 and \$116 million in 2017 to improve VA facilities.

Other Key Services for Veterans

- \$286 million to administer VA's system of 134 national cemeteries, including additional funding for operations of new cemeteries and the National Shrine program to raise and realign gravesites;
- \$4.3 billion for information technology (IT), including investments to strengthen cybersecurity, modernize Veterans' electronic health records, improve Veterans' access to benefits, and enhance the IT infrastructure; and
- \$125 million for state cemetery grants and state extended care grants.

Enhanced Oversight of VA's programs

- The 2017 budget requests an additional \$23 million and 100 FTE for the Office of Inspector General (OIG) to enhance oversight and assist the OIG in fulfilling its statutory mission and making recommendations that will help VA improve the care and services it provides.

VA operates the largest integrated health care system in the country; the tenth largest life insurance program in the Nation, with \$1.3 trillion in coverage; monthly disability compensation, pensions, and survivors benefits to 5.3 million beneficiaries; educational assistance or vocational rehabilitation benefits and services to nearly 1.2 million students; mortgage guaranties to over 2 million homeowners; and the largest cemetery system in the Nation.

Information about VA's 2017 budget submission and links to related documents may be found [here](#). Information about the President's budget may be found [here](#).

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