

LEGISLATIVE CHATS

EPISODE 3: THE PRESIDENT'S BUDGET

00:02

Hello everyone, my name is Morgan Brown and I am the National Legislative Director for Paralyzed Veterans of America.

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Today we're going to talk about the Administration's recent budget request to Congress, as it pertains to the VA and its ability to deliver health care and benefits for millions of veterans.

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As is the typical in the transition year following the presidential election, the new Administration did not present its federal budget request in early February.

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Instead, they provided a high level summary in early April before submitting its full budget request to Congress on May 27.

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The Administration requested a total of \$269.9 billion for the Department of Veterans Affairs in the coming year, which was about 10% more than this year in enacted levels.

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breaking it down a bit further their request includes \$170, 17.2 billion in discretionary funding and resources for health care, benefits and national cemeteries, this is an increase of 9.7 billion, or to put it in another way about 9% more in this area.

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They also asked for nearly \$153 billion in mandatory funding for VA benefits programs like disability compensation, pension, readjustment benefits, housing and insurance. If approved this would be slightly more than a 10% increase in this area as well.

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Overall, the Administration's budget request for fiscal year 2022 when combined with appropriated funding from the American Rescue Plan.

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Available funding from the recurring expenses transformational fund and proposed American Jobs Plan would fully fund veteran's program benefits and services for the first time in a generation.

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The fiscal 2023 medical care advanced appropriations request includes a discretionary funding request of \$115.5 billion.

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And the mandatory advanced appropriations request is \$156.6 billion, which goes towards veterans benefit programs.

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For more than 30 years, the Independent Budget Veterans Service Organizations, which include Disabled American Veterans.

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Paralyzed Veterans of America and the Veterans of Foreign Wars of the United States have worked to develop and present concrete recommendations.

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To ensure that the Department of Veterans Affairs remains fully funded and capable of carrying out its mission to serve veterans and their families, both now and in the future.

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In early February, the IB released its own budget recommendations for fiscal years 2022 and 2023 for the department.

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As is often the case, the IB's numbers differ slightly from the Administration proposal, but this time around those differences are much smaller than previous years' requests.

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Today I am accompanied by PVA Associate Legislative Director Roscoe Butler and together we're going to highlight some of the key healthcare fingers and provisions of the Administration's budget request.

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Where possible, we'll always also compare the Administration's request to the IB recommendations. So, let's begin by talking about some top line numbers. Roscoe, given its importance to our members, what can you tell us about the Administration's funding request for VA health care programs?

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Roscoe Butler

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Thanks, Morgan, and hello everyone. So, for medical services, which includes clinical staff salaries, pharmacy, prosthetics, beneficiary travel, and medical equipment.



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The Administration requested \$58.9 billion which when combined with \$9.6 billion of obligated balances from previously approved COVID relief packages totaled \$68.5 billion for medical services, and this is the largest increase for medical services.

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For some time.

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The IB also recommended slightly less for medical services, so we are pleased with the additional funding the Administration is proposing.

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For community care, VA requested \$23.4 billion in fiscal year 2022 and here again the IB recommended less, but the additional funding will be welcome if Congress approves that amount.

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Morgan Brown

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Thanks, Roscoe.

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Of course, proper funding for prosthetics is crucial for our members. How does the Administration's request compare to the IB's recommendations?

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Roscoe Butler

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Well, Morgan, the Administration requested \$4.9 billion for prosthetic and sensory aids in the coming year.

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However, the IBVSOs believe there will be significant differed care and pent up demand that manifest in FY 2020.

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However, we also anticipate a significant carry over of FY 2021 funding, so we did not call for additional funding in the coming year.

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Instead, we are urging VA and Congress to carefully monitor this account to determine if supplemental appropriations may be required to meet any increase in demand.

Morgan Brown

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Thanks, Roscoe. I understand there may be also a significant boost in funding for VA medical and prosthetics research. Could you talk a little bit about that, and how it would impact our members.

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Roscoe Butler

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Yes, for medical and prosthetic research VA requested \$88.2 million in FY 2022,

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Which is an 8% increase for this year.

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According to VA this additional funding will improve traumatic brain injury research and help the department better understand the effects of toxic exposure

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On VHA long-term care outcomes. We believe these additional funds could also be used to fund research and education in the search of a cure and improve care for individuals with paralysis and ALS.

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Morgan Brown

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OK, so moving on to a different area, how about funding for the VA caregiver program. Would it receive increased funding to support the ongoing expansion of that Program?

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Roscoe Butler

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Yes, the Administration request included \$1.4 billion of funding for VA's Program of Comprehensive Assistance for Family Caregivers.

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And if this amount is approved, it would be \$350 million more than current year's spending for this program.

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We believe this extra funding will support new veterans applying to the expanded program as well as the training of over 1900 field-based staff dedicated to the management of the Caregivers Program.



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The Caregivers Program has already expanded to approximately 1800 staff, which will help ensure veterans and caregivers receive timely, accurate assessment and eligibility determinations, as well as improved customer experiences.

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Morgan Brown

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OK, so the staffing at VA facilities, especially spinal cord centers and SCI long-term care facilities remains a top concern for PVA as well. What, if anything, can you tell us about the Administration's budget request as it pertains to staffing.

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Roscoe Butler

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You know staffing has been an issue for VA for some time, as you know, the VA has had difficulty filling positions within the department for many years, and now that the.

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pandemic is waning we anticipate the number of retirements will increase by years in.

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For medical staffing, VA's budget request for 360,847 full-time employees in fiscal year 2022 at a cost of about \$41 billion. However, it is unclear how many of these positions are related to SCI care, but we should have a better picture once the final budget is approved.

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Morgan Brown

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Thanks, Roscoe. I understand the Administration is proposing significant funding for VA IT programs. Would any of that money be used for VA's medical systems and programs.

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Roscoe Butler

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Absolutely, we plan to use, VA plans to use \$820 million in the newly created transformational.

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Funds for information technology and minor construction projects. The transformational funds may also be used for facility infrastructure improvements.

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Including non-recurring maintenance at existing hospitals and clinics of the Veterans Health Administration, as well as for information technology systems improvements and sustainment.

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As you know, on June 5, 2017, VA awarded a 10-year contract to develop the department's next generation electronic health record system to Cerner.

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The EHRM project has its own line within VA's appropriations appropriation to cover the cost of the \$10 billion software contract with Cerner.

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Over the course of the 10-year period of performance as well as \$4.3 billion for IT infrastructure and \$1.7 billion for program management totaling just over \$16 billion.

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Morgan Brown

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So, I know there have been several starts and stops with the rollout of the electronic health record modernization product. What's the status of the project and how much money does the Administration plan to allocate for this effort in the new fiscal year.

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Roscoe Butler

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First and foremost, the VA budget request for FY 2022 was for \$2.7 billion.

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On October 27, 2020, the Department of Veterans Affairs began using its new electronic record system at selected VA facilities in the Pacific Northwest and Las Vegas marking the beginning of a transformation and how VA will deliver care to veterans.

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On May 25, 2021, the VA Office of Inspector General reported that a pair of VA's formal cost estimates for physical infrastructure upgrades.

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Necessary for implementation of the new electronic health system was not reliable.

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Statistical projections made by the VA OIG audit team suggested that VA's two formal estimates for physical infrastructure costs, dated June 2018 and November 2019.

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May be under estimated by as much as \$1 billion and \$2.6 billion respectively. These findings could have a significant impact on the overall budget.

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For now, VA has paused the rollout of the new EHR until the Agency completes a strategic review of the project and reports the results to Congress.

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However, the IBVSOs recommended a slightly higher amount of \$3 billion, of which approximately \$1.5 billion would go to the Cerner contract, which includes it an increase of \$300 million due to the expanded scope of work.

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\$1.2 billion would go toward VA's infrastructure upgrades, network equipment, and other IT infrastructure upgrades at locations, making the conversion to the Cerner's EHR.

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Morgan Brown

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Right. Thank you, Roscoe. Are there any other health care related provisions of the Administration's budget proposal, that you did not cover?

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Roscoe Butler

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Well, Morgan, while VA has made strides to increase and rebalancing use of non-institutional services and support, we believe there is an increased need for home and community-based services, VA home and community.

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Based services, which includes home base primary care, medical foster homes, adult day health care, skilled home health care, homemaker or home health care, respite care, and veterans directed care.

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While all of these programs are offered by VA or through a VA community provider.

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We are concerned that VA does not have authority to cover the medical foster home care payments. Therefore, the care provided through the program is at the expense of the veteran.

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And his family, his or her family or legal representative. A medical foster home can serve as an alternative to a nursing home.

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And it may be appropriate for veterans who require nursing home care, but prefer a non-institutional setting with fewer residents.

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That is why PVA will continue to urge Congress and lawmakers to pass legislation authorizing VA to pay for veteran's placements into a medical foster home and the program is appropriately funded.

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Morgan Brown

15:29

Alright, well, thank you, Roscoe, and thank you everyone else for listening to this chat on VA funding requests in the Administration's fiscal year 2022 budget proposal.