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Veterans' Medical Care: FY2015 Appropriations

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Summary

The Department of Veterans Affairs (VA) provides benefits to veterans who meet certain eligibility criteria. Benefits to veterans range from disability compensation and pensions to hospital and medical care. The VA provides these benefits through three major operating units: the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA). This report focuses on funding for the VHA. The VHA is primarily a direct service provider of primary care, specialized care, and related medical and social support services to veterans through the nation's largest integrated health care system. Eligibility for VA health care is based primarily on previous military service, disability, and income.

The President's FY2015 budget request was submitted to Congress on March 4, 2014. The President's budget requested \$158.6 billion in budget authority for the VA as a whole. This included \$93.5 billion in mandatory funding and \$65.1 billion in discretionary funding. For FY2015, the Administration requested \$56.6 billion for VHA. This included \$45.4 billion for the medical services account, \$5.9 billion for the medical support and compliance account, \$4.7 billion for the medical facilities account, and nearly \$589 million for the medical and prosthetic research account. Furthermore, as required by the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), the President's budget requested \$58.6 billion in advance appropriations for the three medical care accounts (medical services, medical support and compliance, and medical facilities) for FY2016.

On April 3, 2014, the House Military Construction and Veterans Affairs Subcommittee approved its version of a Military Construction and Veterans Affairs and Related Agencies Appropriations bill for FY2015 (MILCON-VA Appropriations bill). The full House Appropriations Committee approved a draft measure by voice vote on April 9, 2014, and the House passed the MILCON-VA Appropriations bill for FY2015 (H.R. 4486; H.Rept. 113-416) on April 30, 2014. The House-passed version of the MILCON-VA Appropriations bill for FY2015 proposed a total of \$158.2 billion for the VA as whole. For FY2015, H.R. 4486 proposed \$56.2 billion for VHA. On May 20, 2014, the Senate Military Construction, Veterans Affairs, and Related Agencies Subcommittee marked up its version of the MILCON-VA Appropriations bill for FY2015. The full Senate Appropriations Committee approved the measure (H.R. 4486 ; S.Rept. 113-174) on May 22. The committee-approved bill proposed \$158.6 billion for the VA as a whole. For FY2015, H.R. 4486 (S.Rept. 113-174) proposed \$56.4 billion for VHA.

A MILCON-VA Appropriations bill funding most of the VA (excluding the three medical care accounts: medical services, medical support and compliance, and medical facilities), was not enacted prior to the beginning of FY2015, and Congress passed several continuing appropriations resolutions (CRs) to fund the VA. The President signed the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235) on December 16, 2014. Division I of P.L. 113-235 contained the FY2015 MILCON-VA Appropriations Act. The act provides appropriations totaling \$159.1 billion for FY2015 for the functions of the VA as a whole and \$56.4 billion for VHA. The MILCON-VA Appropriations Act, 2015 includes \$58.6 billion in advance FY2016 funding for the medical services, medical support and compliance, and medical facilities accounts. P.L. 113-235 also amended 38 U.S.C §117. Beginning with the FY2016 MILCON-VA Appropriations bill, compensation and pensions, readjustment benefits, and veterans insurance and indemnities accounts will be provided advance appropriations for FY2017 together with the three health accounts.

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Introduction

The Department of Veterans Affairs (VA) provides a range of benefits and services to veterans¹ who meet certain eligibility rules; these benefits include medical care, disability compensation and pensions,² education,³ vocational rehabilitation and employment services,⁴ assistance to homeless veterans,⁵ home loan guarantees,⁶ administration of life insurance as well as traumatic injury protection insurance for servicemembers,⁷ and death benefits that cover burial expenses.⁸

The VA carries out its programs nationwide through three administrations and the Board of Veterans Appeals (BVA).⁹ The Veterans Benefits Administration (VBA) is responsible for, among other things, providing compensation, pensions, and education assistance. The National Cemetery Administration (NCA)¹⁰ is responsible for maintaining national veterans' cemeteries; providing grants to states for establishing, expanding, or improving state veterans' cemeteries; and providing headstones and markers for the graves of eligible persons, among other things.

The Veterans Health Administration (VHA) is responsible for health care services and medical and prosthetic research programs.¹¹ The VHA is primarily a direct service provider of primary care, specialized care, and related medical and social support services to veterans through the nation's largest integrated health care system. Inpatient and outpatient care are also provided in the private sector to eligible dependents of veterans under the Civilian Health and Medical

¹ In general, payments of benefits made to, or on account of, a beneficiary under any law administered by the VA are exempt from federal taxation. Furthermore, benefits are exempt, in most cases, from "attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary" (38 U.S.C. §5301(a)(1)).

² For a detailed description of disability compensation and pension programs, see CRS Report R42324, *Who is a "Veteran"?—Basic Eligibility for Veterans' Benefits*, by (name redacted); CRS Report RL34626, *Veterans' Benefits: Disabled Veterans*, by (name redacted) et al.; and CRS Report RS22804, *Veterans' Benefits: Pension Benefit Programs*, by (name redacted) and (name redacted).

³ For a discussion of education benefits see, CRS Report R42785, *GI Bills Enacted Prior to 2008 and Related Veterans' Educational Assistance Programs: A Primer*, by (name redacted); and CRS Report R42755, *The Post-9/11 Veterans Educational Assistance Act of 2008 (Post-9/11 GI Bill): Primer and Issues*, by (name redacted).

⁴ For details on VA's vocational rehabilitation and employment see, CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by (name redacted); and CRS Report R42790, *Employment for Veterans: Trends and Programs*, coordinated by (name redacted).

⁵ For detailed information on homeless veterans programs see, CRS Report RL34024, *Veterans and Homelessness*, by (name redacted).

⁶ For details on guaranteed loans, direct loans, and specially adapted housing grants see, CRS Report R42504, *VA Housing: Guaranteed Loans, Direct Loans, and Specially Adapted Housing Grants*, by (name redacted).

⁷ For details on insurance programs see, CRS Report R41435, *Veterans' Benefits: Current Life Insurance Programs*, by (name redacted).

⁸ For details on death benefits, see CRS Report R41386, *Veterans' Benefits: Burial Benefits and National Cemeteries*, by (name redacted).

⁹ The BVA is part of the Department of Veterans Affairs, located in Washington, DC, and makes the final determination on an appeal within the VA. The BVA reviews all appeals for entitlement to veterans' benefits, including claims for service connection, increased disability ratings, pension, insurance benefits, educational benefits, home loan guaranties, vocational rehabilitation, dependency and indemnity compensation, health care services, and fiduciary matters. For more information see CRS Report R42609, *Overview of the Appeal Process for Veterans' Claims*, by (name redacted).

¹⁰ Established by the National Cemeteries Act of 1973 (P.L. 93-43).

¹¹ 38 U.S.C. §7301 and 38 U.S.C. §7303.

Program of the Department of Veterans Affairs (CHAMPVA).¹² The VHA is also a provider of health care education and training for physician residents and other health care trainees.¹³ The other statutory missions of VHA are to serve as a contingency backup to the Department of Defense (DOD) medical system during a national security emergency,¹⁴ and to provide support to the National Disaster Medical System and the Department of Health and Human Services as necessary.¹⁵

In general, eligibility for VA health care is based on previous military service,¹⁶ presence of service-connected disabilities,¹⁷ and/or other factors.¹⁸ Veterans generally must enroll in the VA health care system to receive medical care. Once enrolled, veterans are assigned to one of eight categories (see **Appendix A**).¹⁹ It should be noted that in any given year, not all enrolled veterans obtain their health care services from the VA. While some veterans may rely solely on the VA for their care, others may receive the majority of their health care services from other sources, such as Medicare, Medicaid, private health insurance, and the military health system (TRICARE).²⁰ VA-enrolled veterans do not pay premiums or enrollment fees to receive care from the VA; however, they may incur out-of-pocket costs for VA care related to conditions that are not service-connected.²¹

The Veterans Access, Choice and Accountability Act of 2014 (Choice Act)

In response to the crisis of access to medical care at many VA hospitals and clinics across the country,²² Congress passed the Veterans Access, Choice and Accountability Act of 2014 (P.L. 113-

¹² For more information on CHAMPVA see, CRS Report RS22483, *Health Care for Dependents and Survivors of Veterans*, by (name redacted).

¹³ 38 U.S.C. §7302.

¹⁴ 38 U.S.C. §8111A.

¹⁵ 38 U.S.C. §1785.

¹⁶ Veteran status is established by active-duty status in the U.S. Armed Forces and a discharged or released there from under conditions other than dishonorable (38 U.S.C. §101(2); 38 C.F.R. §3.1(d)). Generally, persons enlisting in one of the Armed Forces after September 7, 1980, and officers commissioned after October 16, 1981, must have completed two years of active duty or the full period of their initial service obligation to be eligible for VA health care benefits. An exception may be granted if the servicemember was discharged or released because of an early out or hardship (10 U.S.C. §§1171 or 1173); was discharged or released for a service-connected disability directly due to service; or, has a compensable service-connected disability (38 U.S.C. §5303A; 38 C.F.R. §3.12a).

¹⁷ A service-connected disability is a disability that was incurred or aggravated in the line of duty in the U.S. Armed Forces (38 U.S.C. §101 (16)). VA determines whether veterans have service-connected disabilities, and for those with such disabilities, assigns ratings from 0% to 100% based on the severity of the disability. Percentages are assigned in increments of 10 (38 C.F.R. §§4.1-4.31).

¹⁸ For information on eligibility for VA health care see, CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*, by (name redacted) and (name redacted).

¹⁹ Ibid.

²⁰ TRICARE provides medical care to active duty servicemembers and other eligible beneficiaries (such as military retirees) through a combination of direct care in military clinics and hospitals and civilian-purchased care. For more information on TRICARE see, CRS Report RL33537, *Military Medical Care: Questions and Answers*, by (name redacted).

²¹ For more information on VA cost-sharing requirements see, CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*, by (name redacted) and (name redacted).

²² For details see, CRS Report IN10063, *Wait Times for Veterans Health Not New*, by (name redacted).

146 as amended by P.L. 113-175 and P.L. 113-235). On August 7, 2014, President Obama signed the bill into law. The act, as amended, makes a number of changes to programs and policies of the VHA that aim to increase access and lower wait times for veterans who seek care at VA facilities. Among other things, the act establishes a new program (the Veterans Choice Program) that would allow the VA to authorize care for veterans outside the VA health care system if they meet certain criteria.²³ Congress also provided mandatory funding for the Choice Program with a total of \$10 billion over three years (through 2017). In addition, Section 801(a) of the Choice Act provided an additional mandatory funding of \$5 billion to increase veterans' access to healthcare by hiring more physicians and staff and to improve VA's physical infrastructure. These amounts are *not* reflected in the tables of this report nor is it discussed in the legislative developments pertaining to the FY2015 VHA budget.

The Veteran Patient Population

In FY2014, there were approximately 21.9 million living veterans in the nation whose service ranged from World War II, Korea, Vietnam, the Gulf War (which includes Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn (OEF/OIF/OND)) and the intervening periods. Of this number approximately 9.1 million were estimated to be enrolled in the VA health care system (see **Table 1**). From FY2011 through FY2014 the total number of enrollees has increased by 6.3%. Of the total number of enrolled veterans in FY2014, VA anticipated treating approximately 5.9 million unique veteran patients (see **Table 2**).²⁴ For FY2015, VHA estimates that it will treat about 6 million unique veteran patients, and of these, VA anticipates treating more than 757,000 Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF), and Operation New Dawn (OND) veterans.²⁵ In FY2015, OEF, OIF, and OND patients would represent approximately 11.2% of the overall patients served by the VA.

VHA also provides medical care to certain non-veterans; in FY2015 this population is expected to increase by more than 14,000 patients over the FY2014 level.²⁶ In total, including non-veterans, it is estimated the VHA will treat nearly 6.7 million patients in 2015, a slight increase of 1.9% over the number of patients treated in FY2014 (see **Table 2**). Between FY2011 and FY2015, the number of patients treated by VA has grown by 9.3%.

²³ For a section-by-section description of all the provisions in the act see, CRS Report R43704, *Veterans Access, Choice, and Accountability Act of 2014 (H.R. 3230; P.L. 113-146)*, by (name redacted) et al.

²⁴ In a given year not all enrolled veterans receive care from the VA, either because they are not sick or they have other sources of care such as the private sector.

²⁵ On September 1, 2010, the combat mission in Iraq (Operation Iraqi Freedom, OIF) formally ended and transitioned to Operation New Dawn (OND), which ended on December 15, 2011. VA considers OND to be part of the same contingency operation that was formerly called OIF. Therefore, VA considers participants in OND to be eligible for health care under the legal authorities pertaining to OIF. OEF/OIF/OND data from Department of Veterans Affairs, *FY2015 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, March 2014, p.VHA-7.

²⁶ Non-veterans include Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) patients (certain dependents of veterans), reimbursable patients in VA affiliated hospitals and clinics, care provided on a humanitarian basis, veterans of World War II allied nations, and employees receiving preventative occupational immunizations such as Hepatitis A&B and flu vaccinations.

The total number of outpatient visits, including visits to Vet Centers, reached 91.7 million during FY2013 and is projected to increase to approximately 94.6 million in FY2014 and 97.2 million in FY2015.²⁷

Table 1. VHA Unique Enrollees, FY2011-FY2015

Priority Groups	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Estimate	FY2015 Estimate
1	1,385,482	1,539,632	1,712,369	1,755,002	1,857,218
2	656,828	680,339	704,737	719,218	736,422
3	1,154,954	1,173,673	1,200,952	1,208,263	1,224,544
4	242,385	241,626	242,257	236,709	234,797
5	2,243,148	2,215,449	2,147,686	2,238,782	2,251,917
6	569,400	593,478	610,414	603,393	603,818
Subtotal Priority Groups 1-6	6,252,197	6,444,197	6,618,415	6,761,367	6,908,717
7	188,823	171,031	196,593	234,115	242,999
8	2,133,178	2,147,320	2,111,538	2,116,473	2,135,577
Subtotal Priority Groups 7-8	2,322,001	2,318,351	2,308,131	2,350,588	2,378,575
Total Enrollees	8,574,198	8,762,548	8,926,546	9,111,955	9,287,292

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs and data from Department of Veterans Affairs, *FY2015 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, March 2014, pp.VHA-32.

Note: For a description of Priority Groups see **Appendix A**.

Table 2. VHA Unique Patients, FY2011-FY2015

Priority Groups	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Estimate	FY2015 Estimate
1	1,179,333	1,307,750	1,451,707	1,537,467	1,648,369
2	442,665	456,050	473,841	482,363	491,612
3	687,284	697,548	721,576	727,075	735,975
4	191,177	191,521	192,241	189,436	188,883
5	1,487,637	1,464,198	1,409,341	1,407,554	1,390,365
6	266,374	272,043	275,799	272,927	274,137
Subtotal Priority Groups 1-6	4,254,470	4,389,110	4,524,505	4,616,822	4,729,341
7	170,690	155,093	167,538	180,357	179,561
8	1,157,011	1,136,171	1,111,487	1,110,863	1,109,638

²⁷ Department of Veterans Affairs, *FY2015 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, March 2014, p.VHA-33.

Priority Groups	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Estimate	FY2015 Estimate
Subtotal Priority Groups 7-8	1,327,701	1,291,264	1,279,385	1,291,220	1,289,119
Subtotal Unique Veteran Patients	5,582,171	5,680,374	5,803,890	5,908,042	6,018,540
<i>OEF/OIF/OND veterans included in the above total</i>	470,755	539,970	616,487	689,974	757,674
Non-veterans ^a	584,020	652,717	680,774	708,921	723,393
Total Unique Veteran and non-Veteran Patients	6,166,191	6,333,091	6,484,664	6,616,963	6,741,933

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs and data from Department of Veterans Affairs, *FY2015 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, March 2014, pp.VHA-32. OEF/OIF/OND data from Department of Veterans Affairs, *FY2015 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, March 2014, p.VHA-7.

Notes: For a description of Priority Groups see the **Appendix A**. Unique patients are those that receive at least one episode of care from the VA or whose treatment is paid for by the VA and is counted only once in a given fiscal year.

- a. Non-veterans include Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) patients (certain dependents of veterans), reimbursable patients with VA affiliated hospitals and clinics, care provided on a humanitarian basis, veterans of World War II allied nations, and employees receiving preventative occupational immunizations such as Hepatitis A&B and flu vaccinations.

The rest of this report focuses on appropriations for VHA. It begins with a brief overview of VHA's budget formulation, a description of the accounts that fund the VHA, and a summary of the FY2014 VHA budget. The report ends with a section discussing recent legislative developments pertaining to the FY2015 VHA budget.

Advance Appropriations²⁸

In order to understand annual appropriations for the Veterans Health Administration (VHA), it is essential to understand the role of advance appropriations. In 2009, Congress enacted the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81) authorizing advance appropriations for three of the four accounts that comprise VHA: medical services, medical support and compliance, and medical facilities.²⁹ The fourth account, the medical and prosthetic research account, is not funded with an advance appropriation. P.L. 111-81 also required the Department of Veterans Affairs to submit a request for advance appropriations for VHA with its budget request each year. Congress first provided advance appropriations for the

²⁸ In general, an appropriations act makes budget authority available beginning on October 1 of the fiscal year for which the appropriations act is passed ("budget year"). However, there are some types of appropriations that do not follow this pattern; among them are advance appropriations. An advance appropriation means appropriation of new budget authority that becomes available one or more fiscal years beyond the fiscal year for which the appropriations act was passed (i.e., beyond the budget year). For more information on advance appropriations, see CRS Report R43482, *Advance Appropriations, Forward Funding, and Advance Funding: Concepts, Practice, and Budget Process Considerations*, by (name redacted)

²⁹ Codified at 38 U.S.C. §117.

three VHA accounts in the FY2010 appropriations cycle; the Consolidated Appropriations Act, 2010 (P.L. 111-117), provided advance appropriations for FY2011. Subsequently, each successive appropriation measure has provided advance appropriations for the VHA accounts: the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), provided advance appropriations for FY2012; the Consolidated Appropriations Act, 2012 (P.L. 112-74), provided advance appropriations for FY2013; the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), provided advance appropriations for FY2014; and the Consolidated Appropriations Act, 2014 (P.L. 113-76) provided advance appropriations for FY2015. The Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235) provides advance appropriations for FY2016. Additionally, the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235), amended 38 U.S.C §117 and included three more accounts to the Advance Appropriations list of accounts. This authorizes advance appropriations for three mandatory VA programs within the Veterans Benefits Administration (VBA): compensation and pensions, readjustment benefits, and veterans insurance and indemnities. Beginning with the FY2016 MILCON-VA Appropriations bill, those accounts would receive advance appropriations for FY2017 in addition to the three VHA accounts that are already authorized to receive advance appropriations.

Under current budget scoring guidelines, advance appropriations of budget authority are scored as new budget authority in the fiscal year in which the funds become newly available for obligation, and not in the fiscal year the appropriations are enacted.³⁰ Therefore, throughout the funding tables of this report, advance appropriations numbers are shown under the label “memorandum” and in the corresponding fiscal year column. For example, the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235) provides advance appropriations for the medical services, medical support and compliance, and medical facilities accounts for FY2016. Funding shown for FY2015 does not include advance appropriations provided in FY2015 by P.L. 113-235 for use in FY2016. Instead, the advance appropriation provided in FY2015 for use in FY2016 is shown in the memorandum in the FY2016 column.

Department of Veterans Affairs Budget

The VA budget includes both mandatory³¹ and discretionary funding.³² Mandatory accounts fund disability compensation, pensions, vocational rehabilitation and employment, education, life insurance, housing, and burial benefits (such as graveliners, outer burial receptacles, and headstones), among other benefits and services. Discretionary accounts fund medical care, medical research, construction programs, information technology, and general operating

³⁰ Executive Office of the President, Office of Management and Budget (OMB), *Appendix A-Scorekeeping Guidelines*, OMB Circular No. A-11, PART 7, July 2013, p. 2.

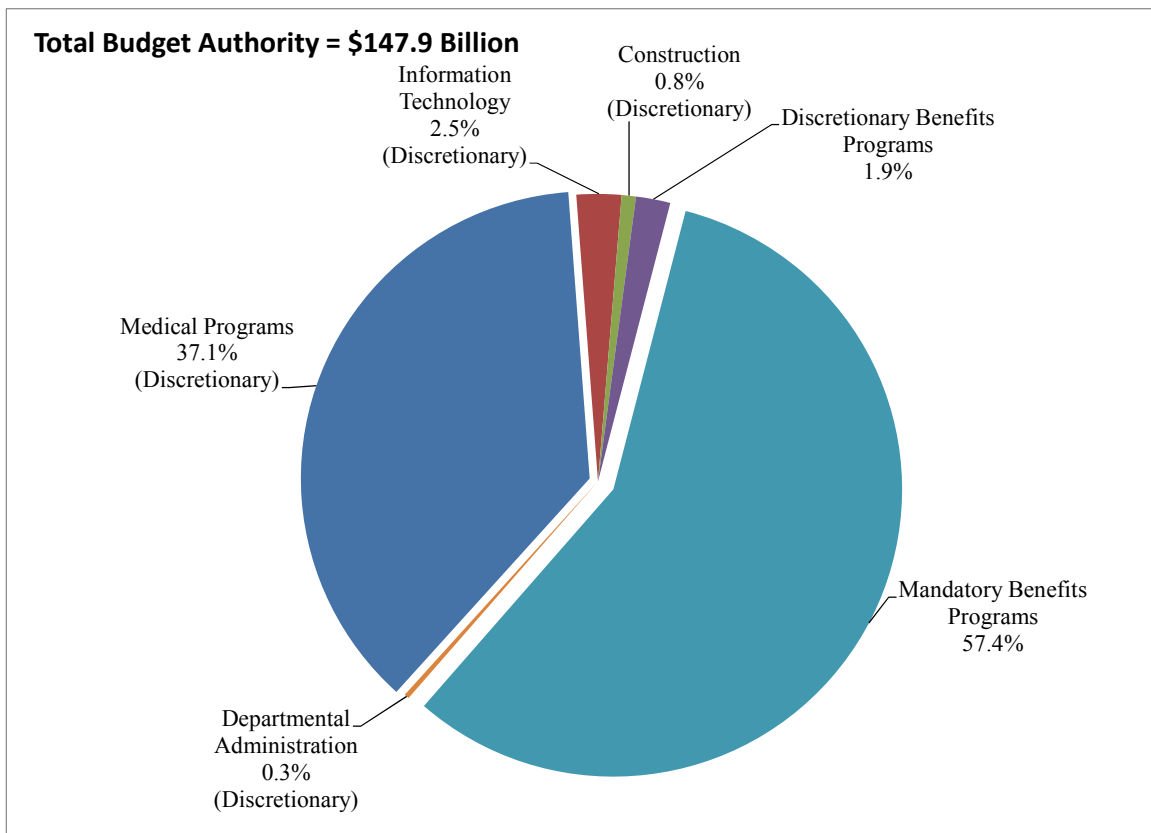
³¹ Mandatory programs funded through the annual appropriations process are commonly referred to as appropriated entitlements. In general, appropriators have little control over the amounts provided for appropriated entitlements; rather, the authorizing statute establishes the program parameters (e.g., eligibility rules, benefit levels) that entitle certain recipients to payments. If Congress does not appropriate the money necessary to meet these commitments, entitled recipients (e.g., individuals, states, or other entities) may have legal recourse. For an overview of mandatory spending see, CRS Report RL33074, *Mandatory Spending Since 1962*, by (name redacted) and (name redacted).

³² Funding for discretionary programs are provided and controlled through the annual appropriations process. For more information see, CRS Report R41726, *Discretionary Budget Authority by Subfunction: An Overview*, by (name redacted).

expenses, among other things. **Appendix B** provides enacted appropriations from FY1995 to FY2014 for the VA, including all three administrations that compose the VA: VBA, VHA, and NCA.

Figure 1 provides a breakdown of FY2014 budget allocations for both mandatory and discretionary programs. In FY2014, the total VA budget authority was approximately \$147.9 billion; discretionary budget authority accounted for about 42.8% (\$63.2 billion) of the total, with about 86.9% (\$54.9 billion) of this discretionary funding going toward supporting VA health care programs, including medical and prosthetic research. The VA's mandatory budget authority accounted for about 57.4% (\$84.7 billion) of the total VA budget authority, with about 84.4% (\$71.4 billion) of this mandatory funding going toward disability compensation and pension programs.

Figure 1. FY2014 VA Budget Allocations



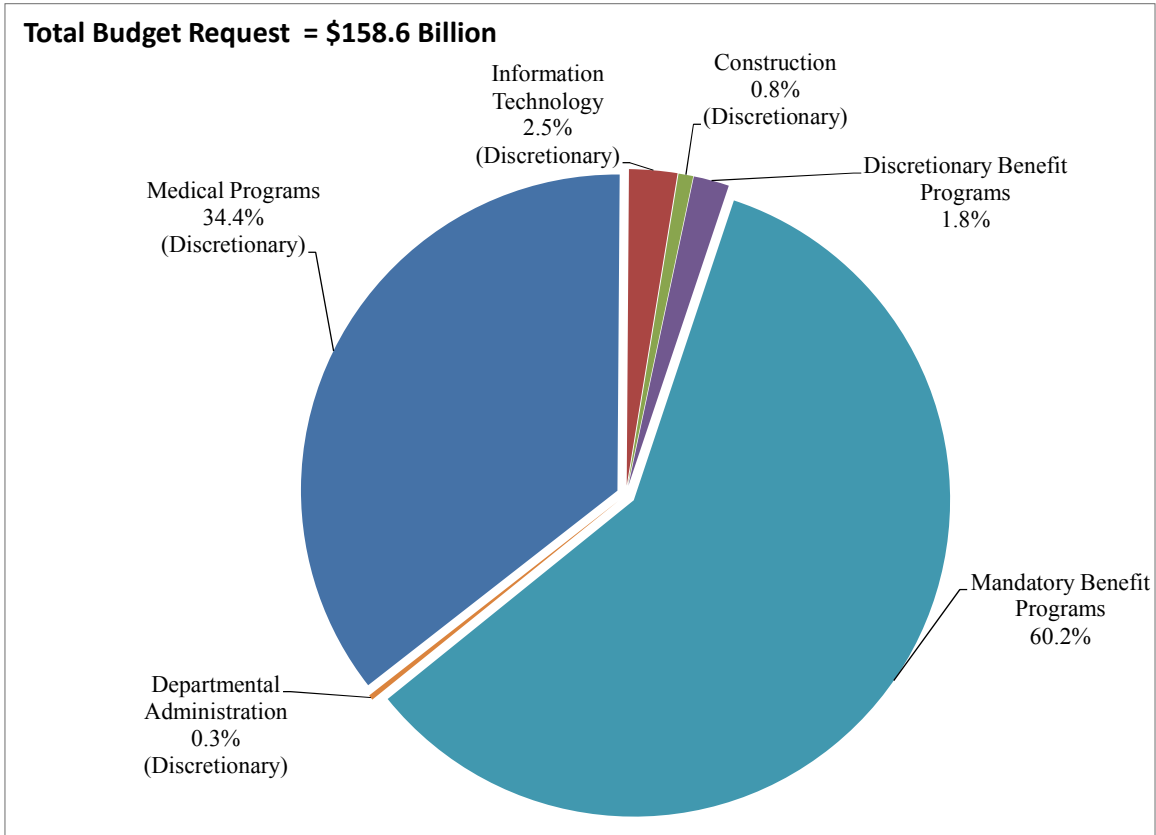
Source: Chart prepared by the Congressional Research Service based on U.S. Congress, House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4486, 113th Congress, 2nd session, April 17, 2014, H.Rept. 113-416, pp. 6-10.

Notes: Discretionary budget authority includes medical programs; information technology; construction; other discretionary benefits, such as operation and maintenance of VA's national cemeteries; and departmental administration. Mandatory benefits include disability compensation, pensions, education, vocational rehabilitation and employment services, among other benefits and services. Totals may not add due to rounding.

Figure 2 provides a breakdown of the FY2015 President's budget request for both mandatory and discretionary programs. For FY2015, the Administration requested approximately \$158.6 billion.

This includes approximately \$65.1 billion in discretionary funding and \$93.5 billion in mandatory funding. A major portion of the mandatory benefits will be for compensation and pension benefits for veterans and surviving spouses, dependent children, and dependent parents.

Figure 2. FY2015 VA Budget Request



Source: Chart prepared by the Congressional Research Service based on U.S. Congress, House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4486, 113th Congress, 2nd session, April 17, 2014, H.Rept. 113-416, pp. 6-10.

Notes: Discretionary budget authority includes medical programs; information technology; construction; other discretionary benefits, such as operation and maintenance of VA's national cemeteries; and departmental administration. Mandatory benefits include disability compensation, pensions, education, vocational rehabilitation and employment services, among other benefits and services. Totals may not add due to rounding.

Overview of Veterans Health Administration's Budget Formulation³³

Similar to most federal agencies, the VA begins formulating its budget request approximately 10 months before the President submits the budget to Congress, generally in early February. VHA's budget request to Congress begins with the formulations of the budget based on the Enrollee Health Care Projection Model (EHCPM),³⁴ and the Civilian Health and Medical Program Veterans Administration (CHAMPVA) Model. The two models collectively estimate the amount of budgetary resources VHA will need to meet the expected demand for most of the health care services it provides.

The EHCPM's estimates are based on three basic components: the projected number of veterans who will be enrolled in VA health care, the projected utilization of VA's health care services—that is, the quantity of health care services enrollees are expected to use—and the projected unit cost of providing these services. Each component is subject to a number of adjustments to account for the characteristics of VA health care and the veterans who access VA's health care services. The EHCPM makes projections three or four years into the future. Each year, VHA updates the EHCPM estimates to “incorporate the most recent data on health care utilization rates, actual program experience, and other factors, such as economic trends in unemployment and inflation.”³⁵ For instance, in 2013, VHA used data from FY2012 to develop its health care budget estimate for the FY2015 request, including the advance appropriations request for FY2016.³⁶

The CHAMPVA Model is a more recent model adopted by VHA in 2010. The CHAMPVA model projects the cost of providing medical coverage to CHAMPVA eligible beneficiaries.³⁷ The CHAMPVA Model is composed of two major components: the enrollment model and the claims cost model. The enrollment model projects the number of beneficiaries enrolled in CHAMPVA, and the claims cost model projects expenditures for providing care to beneficiaries. According to the VHA, the “2013 CHAMPVA Model was developed using data from fiscal years 2005 to 2012, publically available research, and input from a development team (including subject matter experts from VHA and VHA's CHAMPVA program).”³⁸

³³ A major part of this discussion was drawn from U.S. Government Accountability Office, *Veterans' Health Care: VA Uses a Projection Model to Develop Most of Its Health Care Budget Estimate to Inform the President's Budget Request*, GAO-11-205, January 2011, pp. 4-8; and U.S. Government Accountability Office, *Veterans' Health Care Budget: Better Labeling of Services and More Detailed Information Could Improve the Congressional Budget Justification*, GAO-12-908, September 2012, pp. 5-6.

³⁴ The Veterans' Health Care Eligibility Reform Act of 1996 (P.L. 104-262) required the VHA to manage the provision of hospital care and medical services through an enrollment system based on a system of priorities.

³⁵ Department of Veterans Affairs, *FY2014 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, February 2013, p. 1A-6.

³⁶ VHA uses methodologies other than the EHCPM to develop estimates of the amount of resources needed for state-based long-term care programs, readjustment counseling, legislation recently enacted, expansions to homeless veterans programs, and care provided to non-veterans patients.

³⁷ For more information on CHAMPVA see, CRS Report RS22483, *Health Care for Dependents and Survivors of Veterans*, by (name redacted).

³⁸ Department of Veterans Affairs, *FY2015 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, March 2014, p. VHA-46.

Table 3 provides a detailed timeline for formulating the FY2015 budget request and the FY2016 advance appropriations request.

Table 3. Department of Veterans Affairs, Budget Formulation Time Line
(FY2015 budget request)

Month, Year	Activity
April, 2013	VA issues internal call letter for FY2015/FY2016 budget proposals.
May, 2013	VA Administrations (VBA; VHA; and NCA) develop FY2015 budget, program, and legislative proposals; VHA also develops the FY2016 Advance Appropriations request for medical care.
June, 2013	VA construction budget proposals for FY2015 prioritized through Strategic Capital Investment Planning (SCIP) process.
July, 2013	VA leadership considers the FY2015/FY2016 budget proposals.
August, 2013	VA prepares the budget submission to Office of Management and Budget (OMB)
September, 2013	VA submits 2015 budget to OMB and the FY2016 Advance Appropriations request for medical care.
November, 2013	VA receives OMB Passback of 2015/2016 budget decisions.
December, 2013	VA and OMB reach agreement on budget amounts.
January, 2014	VA prepares the FY2015 Congressional Budget Submissions.
February, 2014 ^a	President's FY2015 Budget Request and the Advance Appropriations request for medical care for FY2016 Submitted to Congress.

Source: Table prepared by CRS based on U.S. Congress, House Committee on Veterans' Affairs, *U.S. Department of Veterans Affairs Budget Request For Fiscal Year 2013*, 112th Congress, 2nd session, February 15, 2012, p. 143.

a. The President's FY2014 budget request was submitted in March 2014.

Funding for the VHA

As noted previously, VHA is funded through four appropriations accounts. These are supplemented by other sources of revenue. Although the appropriations account structure has been subject to change from year to year, the appropriation accounts used to support the VHA traditionally include medical care, medical and prosthetic research, and medical administration. Congress also appropriates funds for construction of medical facilities through a larger appropriations account for construction for all VA facilities. In FY2004, "to provide better oversight and [to] receive a more accurate accounting of funds," Congress changed the VHA's

appropriations structure.³⁹ Specifically, the Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 2004 (P.L. 108-199, H.Rept. 108-401), funded VHA through four accounts: (1) medical services, (2) medical administration (currently known as medical support and compliance), (3) medical facilities, and (4) medical and prosthetic research. Brief descriptions of these accounts are provided below.

Medical Services

The medical services account covers expenses for furnishing inpatient and outpatient care and treatment of veterans and certain dependents, including care and treatment in non-VA facilities; outpatient care on a fee basis; medical supplies and equipment; salaries and expenses of employees hired under Title 38, United States Code (U.S.C.); cost of hospital food service operations;⁴⁰ aid to state veterans' homes; and assistance and support services for family caregivers of veterans authorized by the Caregivers and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163). For FY2013, the President's budget request proposed the transfer of funding for biomedical engineering services from the medical facilities account to this account.⁴¹ The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), approved this transfer. The President's budget request for FY2014 proposed to continue funding for biomedical engineering services in the medical services account. The Military Construction and Veterans Affairs, and Related Agencies Appropriations bill for FY2014 (H.R. 2216; H.Rept. 113-90) that was passed by the House of Representatives June 4, 2013, and the Senate Appropriations Committee reported version of H.R. 2216 (S.Rept. 113-48) continued this transfer for FY2014. The Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2015 (H.R. 4486) continues to fund bioengineering services under the medical services account.

Medical Support and Compliance (Previously Medical Administration)

This account provides for expenses related to the management, security, and administration of the VA health care system through the operation of VA medical centers, and other medical facilities such as community-based outpatient clinics (CBOCs) and Vet Centers.⁴² It also funds 21 Veterans Integrated Service Network (VISN)⁴³ offices and facility director offices; chief of staff

³⁹ U.S. Congress, Conference Committees, *Consolidated Appropriations Act, 2004*, conference report to accompany H.R. 2673, 108th Cong., 1st sess., H.Rept. 108-401, p. 1036.

⁴⁰ In its FY2008 budget request to Congress, the VA requested the transfer of food service operations costs from the medical facilities appropriations to the medical services appropriations. The House and Senate Appropriations Committees concurred with this request. The cost of food service operations support hospital food service workers, provisions, and supplies related to the direct care of patients.

⁴¹ Biomedical engineering services include the maintenance and repair of all medical equipment used in the treatment, monitoring, diagnosis, or therapy of patients.

⁴² Vet Centers are community-based counseling centers that provide a wide range of social and psychological services such as professional readjustment counseling to veterans who have served in a combat zone, military sexual trauma (MST) counseling, bereavement counseling for families who experience an active duty death, substance abuse assessments and referral, medical referral, veterans' benefits explanation and referral, and employment counseling, among other services.

⁴³ VISN offices provide management and oversight to the medical centers and clinics within their assigned geographic areas. Each VISN office is responsible for allocating funds to facilities, clinics, and programs within its region and (continued...)

operations; public health and environmental hazard programs; quality and performance management programs; medical inspection; human research oversight; training programs and continuing education; security; volunteer operations; and human resources management.

Medical Facilities

The medical facilities account funds expenses pertaining to the operations and maintenance of the VHA's capital infrastructure. These expenses include utilities and administrative expenses related to planning, designing, and executing construction or renovation projects at VHA facilities. It also funds leases, laundry services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, and property disposition and acquisition.

Medical and Prosthetic Research

As required by law, the medical and prosthetic research program (medical research) focuses on research into the special health care needs of veterans.⁴⁴ This account provides funding for many types of research, such as investigator-initiated research; mentored research; large-scale, multi-site clinical trials; and centers of excellence. VA researchers receive funding not only through this account but also from the Department of Defense (DOD), the National Institutes of Health (NIH), and private sources.

In general, VA's research program is intramural; that is, research is performed by VA investigators at VA facilities and approved off-site locations. Unlike other federal agencies, such as NIH and DOD, VA does not have the statutory authority to make research grants to colleges and universities, cities and states, or any other non-VA entities.

Medical Care Collections Fund (MCCF)

In addition to the appropriations accounts mentioned above, the Committees on Appropriations include medical care cost recovery collections when considering funding for the VHA. Congress has provided VHA the authority to bill some veterans and most health care insurers for nonservice-connected care provided to veterans enrolled in the VA health care system, to help defray the cost of delivering medical services to veterans.⁴⁵ Funds collected from first and third

(...continued)

coordinating the delivery of health care to veterans.

⁴⁴ 38 U.S.C. §7303(a)(3). The Office of Research and Development (ORD) within the Veterans Health Administration (VHA) manages the medical research program. The medical research program encompasses, among other things, biomedical laboratory research, clinical trials, health services research, and rehabilitation research.

⁴⁵ The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), enacted into law in 1986 established means testing for veterans seeking care for nonservice-connected conditions. The Balanced Budget Act of 1997 (P.L. 105-33) established the Department of Veterans Affairs Medical Care Collections Fund (MCCF) and gave the VHA the authority to retain these funds in the MCCF. Instead of returning the funds to the Treasury, the VA can use them, without fiscal year limitations, for medical services for veterans. In FY2004, the Administration's budget requested consolidating several existing medical collections accounts into one MCCF. The conferees of the Consolidated Appropriations Act of 2004 (H.Rept. 108-401) recommended that collections that would otherwise be deposited in the Health Services Improvement Fund (former name), Veterans Extended Care Revolving Fund (former name), Special Therapeutic and Rehabilitation Activities Fund (former name), Medical Facilities Revolving Fund (former name), and the Parking Revolving Fund (former name) should be deposited in MCCF. The Consolidated Appropriations Act of (continued...)

party (copayments and insurance) bills are retained by the VA health care facility that provided the care for the veteran. VA is expecting MCCF total collections to be approximately \$2.5 billion in 2015.

FY2014 Budget Summary⁴⁶

Consolidated Appropriations Act, 2014 (P.L. 113-76)

House and Senate Action

Congress was unable to complete action on any of the FY2014 appropriation acts prior to the beginning of the new fiscal year. Lawmakers also failed to agree on language in a FY2014 continuing resolution (CR). With no agreement in place on October 1, 2013, the resulting lapse in funding led to a partial shutdown of government operations. Congress finally reached agreement on a temporary CR on October 16, 2013, and the President signed the Continuing Appropriations Act, 2014 (P.L. 113-46) the following day to reopen the government. That CR (P.L. 113-46) funded most of the VA (excluding the three medical care accounts: medical services, medical support and compliance, and medical facilities) through January 15, 2014. P.L. 113-73 extended the CR through January 18, allowing extra time for legislative consideration of an omnibus appropriation bill. On January 17, 2014, the President signed into law the Consolidated Appropriations Act, 2014 (P.L. 113-76). Division J of this act included the Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2014 (MILCON-VA Appropriations Act, 2014).

In total the MILCON-VA Appropriations Act, 2014 provides a total of \$147.9 billion in budget authority for VA programs in FY2014. Of this amount \$54.9 billion is provided for VHA which comprises four accounts: medical services, medical support and compliance, medical facilities, and medical and prosthetic research accounts. P.L. 113-76 provides \$40 million for FY2014 for the medical services account in addition to the advance appropriation of \$43.6 billion which was provided in P.L. 113-6 (see **Table 5**). Furthermore, the MILCON-VA Appropriations Act, 2014 provides \$85 million for FY2014 for the medical facilities account in addition to the advance appropriation of \$4.9 billion provided in P.L. 113-6. This additional funding will be used to address the backlog of non-recurring maintenance needs at existing VA hospitals and clinics. As required by the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), the MILCON-VA Appropriations Act, 2014 provides advance appropriations of \$55.6 billion for FY2015 for three VHA accounts (medical services, medical support and compliance, and medical facilities). Furthermore, P.L. 113-76 rescinds \$229 million from the FY2014 VHA accounts (see **Table 5**).⁴⁷

(...continued)

2005 (P.L. 108-447, H.Rept. 108-792) provided the VA with permanent authority to deposit funds from these five accounts into the MCCF.

⁴⁶ For a detailed discussion of the VHA appropriations for FY2014, see CRS Report R43179, *Veterans' Medical Care: FY2014 Appropriations*, by (name redacted).

⁴⁷ Section 226 of Division J of P.L. 113-76 rescinds FY2014 medical account funding and re-appropriates it to be available for two years. The provision rescinds and re-appropriates \$1,400,000,000 for the medical services account, rescinds \$150,000,000 for the medical support and compliance account and re-appropriates \$100,000,000 for that (continued...)

FY2015 VHA Budget

President's Request

The President submitted his FY2015 budget request to Congress in March 2014. The FY2015 President's Budget is requesting \$158.6 billion for the VA as a whole (see **Table 4**). For VA medical services, the Administration's budget is requesting \$367.8 million in additional funding above the FY2015 advance appropriations of \$45 billion provided in FY2014. In total, the President is requesting \$56.6 billion for VHA for FY2015. This includes \$45.4 billion for the medical services account, \$5.9 billion for the medical support and compliance account, \$4.7 billion for the medical facilities account, and nearly \$589 million for the medical and prosthetic research account (see **Table 5**). As required by the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), the President's budget is requesting \$58.6 billion in advance appropriations for the three medical care appropriations (medical services, medical support and compliance, and medical facilities) for FY2016 (see **Table 5**). This request for advance appropriations would provide care for over 6.8 million unique patients in FY2016.

House Action

On April 3, 2014, the House Military Construction and Veterans Affairs Subcommittee approved its version of a Military Construction and Veterans Affairs and Related Agencies Appropriations bill for FY2015 (MILCON-VA Appropriations bill). The full House Appropriations Committee approved a draft version of the measure by voice vote in an April 9, 2014, and the House passed the MILCON-VA Appropriations bill for FY2015 (H.R. 4486; H.Rept. 113-416) on April 30, 2014. H.R. 4486 proposes a total of \$158.2 billion for the VA (see **Table 4**). The total includes \$93.5 billion for mandatory programs, and \$64.7 billion for discretionary programs (see **Table 4**).

H.R. 4486 (H.Rept. 113-416) as passed by the House proposes \$56.2 billion for VHA for FY2015 (see **Table 5**), which comprises four accounts: medical services, medical support and compliance, medical facilities, and medical and prosthetic research. The House-passed measure does not include the additional funding amount of \$367.8 million (above the FY2015 advance appropriations) for the medical services account that was requested by the President for FY2015. According to H.Rept. 113-416, "with \$450 million in unobligated, balances expected to be available and a drop of \$690 million in projected medical services expenditures, the committee believes that the identified need can be absorbed within existing resources."⁴⁸ H.R. 4486 proposes \$58.6 billion in advance FY2016 funding for the medical services, medical support and compliance, and medical facilities accounts—the same level as the President's request (see **Table 5**).

(...continued)

account, and rescinds and re-appropriates \$250,000,000 for medical facilities account (Explanatory Statement Regarding the House Amendment to the Senate Amendment on H.R. 3547, Consolidated Appropriations Act, 2014," House, *Congressional Record*, vol. 160, Book II (January 15, 2014), p. H1150.).

⁴⁸ U.S. Congress, House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4486, 113th Cong., 2nd sess., April 17, 2014, H.Rept. 113-416, p. 31.

Senate Committee Action

On May 20, 2014, the Senate Military Construction, Veterans Affairs, and Related Agencies Subcommittee marked up its version of the MILCON-VA Appropriations bill for FY2015. The full Senate Appropriations Committee approved the measure (H.R. 4486 ; S.Rept. 113-174) on May 22. The committee-approved bill proposes \$158.6 billion for the VA as a whole (see **Table 4**). This includes \$93.5 billion for mandatory programs and \$65.1 billion for discretionary programs.

The MILCON-VA Appropriations bill for FY2015 (H.R. 4486; S.Rept. 113-174) approved by the Senate Appropriations Committee proposes \$56.4 billion for VHA (see **Table 5**). This includes \$45.1 billion for the medical services account, including an additional \$1 million over the FY2015 advanced appropriations—instead of \$367.8 million as requested by the President for the medical services account. The committee recommendation for the medical facilities account is \$4.8 billion, which includes an additional \$125 million over the FY2015 advanced appropriations. According to the committee report to accompany H.R. 4486, “the Committee remains very concerned about the backlog of maintenance needs at existing VHA hospitals and clinics and has included this additional funding to address this need.”⁴⁹ Additionally, the committee recommendation includes \$5.9 billion for the medical support and compliance account and approximately \$589 million for the medical and prosthetic research account. The MILCON-VA Appropriations bill for FY2015 (H.R. 4486; S.Rept. 113-174) also proposes an advance appropriation of \$58.6 billion for medical services, medical support and compliance, and medical facilities accounts for FY2016—the same level as the President’s request (see **Table 5**).

Veterans Access, Choice, and Accountability Act of 2014 (H.R. 3230; P.L. 113-146)

On August 7 2014, the President signed into law the Veterans Access, Choice, and Accountability Act of 2014. Section 802 of P.L. 113-146 appropriated \$10 billion for the Veterans Choice Fund, which would be available until expended, and will be used for paying for a new temporary program to provide hospital care and medical services to certain eligible veterans in non-VA facilities or through non-VA providers. This appropriation of funds provided in P.L. 113-146 is not shown in the **Table 4** or **Table 5** of this report.

For more information on the Veterans Access, Choice, and Accountability Act of 2014, see CRS Report R43704, *Veterans Access, Choice, and Accountability Act of 2014 (H.R. 3230; P.L. 113-146)*, by (name redacted) et al.

Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235)

House and Senate Action

Since none of the regular appropriations bills—including the Military Construction and Veterans Affairs, and Related Agencies Appropriations bill—were passed by the end of the fiscal year, the House and Senate passed a Continuing Appropriations Resolution (CR), 2015, on September 17 and 18, respectively. The President signed the CR into law (P.L. 113-164) on September 19, 2014. The Continuing Appropriations Resolution funded government agencies and programs, including

⁴⁹ U.S. Congress, Senate Committee on Appropriations, *The Military Construction and Veterans Affairs, and Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4486, 113th Cong., 2nd sess., May 22, 2014, p. 58.

the Department of Veterans Affairs, at an across-the-board reduction of 0.0554% below the Consolidated Appropriations Act, 2014 (P.L. 113-76) through December 11, 2014. However, since P.L. 113-76 provided advance appropriations for the VA's medical care accounts—medical services, medical support and compliance, and medical facilities—for FY2015, these accounts will not be affected by the Continuing Appropriations Resolution, 2015 (H.J.Res. 124; P.L. 113-164). Congress also passed several short term CRs (H.J. Res. 130; P.L. 113-202 and H.J. Res. 131; P.L. 113-203) in order to work on a larger spending measure.

The Consolidated and Further Continuing Appropriations bill, 2015, was passed by the House December 11, 2014, and the Senate passed it December 13, 2014. The President signed the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235), into law on December 16, 2014. Division I of this act included the Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2015 (MILCON-VA Appropriations Act, 2015). The MILCON-VA Appropriations Act, 2015 (H.R. 83; P.L. 113-235), provides a total of \$159.1 billion in budget authority for VA programs in FY2015 (see **Table 4**). Of this amount, \$56.4 billion is provided for VHA (excluding rescissions), which comprises four accounts: medical services, medical support and compliance, medical facilities, and medical and prosthetic research accounts. P.L. 113-235 provides \$209 million for FY2015 for the medical services account in addition to the advance appropriation of approximately \$45.0 billion that was provided in P.L. 113-76 (see **Table 5**). This additional amount is provided to fund the higher than expected costs associated with the acquisition of two new Hepatitis-C drug therapies; to support the higher than expected demand for the Program of Comprehensive Assistance for Family Caregivers—established Title I of the Caregivers and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163); and to fund several unfunded provisions in the Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146 as amended by P.L. 113-175 and P.L. 113-235).⁵⁰

As required by the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), the MILCON-VA Appropriations Act, 2015, provides advance appropriations of approximately \$58.7 billion for FY2016 for three VHA accounts (medical services, medical support and compliance, and medical facilities). Furthermore, P.L. 113-235 rescinds \$16 million from VA's FY2015 discretionary accounts (which is reflected in the total budget for VA shown in **Table 4**).

Physician Ambassadors Helping Veterans Program

The Explanatory Statement accompanying the MILCON-VA Appropriations Act, 2015 (H.R. 83; P.L. 113-235), included language directing the Secretary of Veterans Affairs to establish a three-year pilot program, under the authorities contained in Section 7405(a)(1) of title 38 United States Code (U.S.C.).⁵¹ The pilot program will be titled the “Physician Ambassadors Helping Veterans Program.” According to the Explanatory Statement:

In some communities non-VA physicians have encountered difficulties when seeking to volunteer time at VA medical facilities. Under existing authority, Section 7405(a)(1) of title

⁵⁰ Explanatory Statement Regarding The House Amendment To The Senate Amendment On H.R. 83, An explanation of the Consolidated and Further Continuing Appropriations Act, 2015, *Congressional Record*, daily edition, vol. 160, Book II (December 11, 2014), p. H9935.

⁵¹ *Ibid.*, p. H9932.

38, United States Code, the Secretary may appoint on a without compensation basis such personnel found necessary for the provision of healthcare for veterans. At medical facilities exhibiting staffing shortages and appointment backlogs due to waiting time issues, the VA is urged to utilize this existing authority to appoint physicians on a volunteer basis to serve veterans' healthcare needs at VA medical facilities. To further understand the benefit to the Department of the utilization of volunteer physicians the VA is directed to establish [the] three-year pilot program.⁵²

Under the Physician Ambassadors Helping Veterans Program, the Secretary is required to establish this pilot program in no fewer than two VA medical facilities in two distinct Veterans Integrated Service Networks (VISNs). Furthermore, the Explanatory Statement language urges the Secretary to select “medical facilities for this pilot program that have a demonstrated need for additional physicians in any practice area or specialty, yet have been unable to expeditiously fill such vacancies and/or continue to exceed VA’s appointment waiting time goals in any area of practice.”⁵³

Furthermore, each pilot location must have a volunteer coordinator who will develop relationships with local medical associations to educate non-VA physicians in the area about the program. The volunteer coordinator will be the initial point of contact for physicians seeking to volunteer at the medical facility. Additionally, due to the cost and effort exerted to credential and educate physicians about volunteer opportunities, the VA is required establish a requisite number of hours per year physician ambassadors must commit to serving at a facility that is cost beneficial to the VA. The Explanatory Statement further stipulates that this metric should be no fewer than 60 hours a year and no more than 100 hours a year, though there is no limit to the total number of hours a physician ambassador may volunteer a year. The VA medical facility is required to enter into agreement with the physician ambassadors regarding the minimum number of hours required before beginning the credentialing or privilege granting process.

⁵² Ibid.

⁵³ Ibid.

Table 4. VA and VHA Appropriations, FY2014-FY2015, and Advance Appropriations, FY2016

(\$ in thousands)

	Consolidated Appropriations Act, 2014 (P.L. 113-76)		President's Request		House (H.R. 4486; H.Rept. 113-416)		Senate Committee (H.R. 4486; S.Rept. 113-174)		Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235)	
	FY2014	FY2015	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016
Total Department of Veterans Affairs (VA)	\$147,934,261	—	\$158,639,938	—	\$158,220,762	—	\$158,613,053	—	\$159,144,807 ^a	—
Total Mandatory	\$84,869,569	—	\$93,512,828	—	\$93,512,828	—	\$93,512,828	—	\$94,131,393 ^e	—
Total Discretionary	\$63,244,692	—	\$65,127,110	—	\$64,707,934	—	\$65,100,225	—	\$65,013,414	—
Total Veterans Health Administration (VHA) ^b	\$54,943,664	—	\$56,591,034	—	\$56,223,149	—	\$56,448,149	—	\$56,432,338 ^d	—
Memorandum: ^c Advance appropriations VHA	—	\$55,634,227	—	\$58,662,202	—	\$58,662,202	—	\$58,662,202	—	\$58,662,202

Source: Table prepared by the Congressional Research Service based on U.S. Congress, House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4486, 113th Congress, 2nd session, April 17, 2014, H.Rept. 113-416, pp. 6-10; U.S. Congress, Senate Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4486, 113th Congress, 2nd session, May 22, 2014, S.Rept. 113-174, pp.111-113, and “Explanatory Statement Regarding The House Amendment To The Senate Amendment On H.R. 83,” An explanation of the Consolidated and Further Continuing Appropriations Act, 2015., *Congressional Record*, daily edition, vol. 160, Book II (December 11, 2014), pp. H9941-H9945.

- a. This amount reflects rescissions included in the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

- b. Includes funding for medical services, medical support and compliance, medical facilities, and medical and prosthetic research accounts, and excludes collections deposited into the Medical Care Collections Fund (MCCF).
- c. The Veterans Health Care Budget Reform and Transparency Act 2009 (P.L. 111-81; codified at 38 U.S.C. §117) provided for advance appropriations (appropriations that become available one fiscal year after the fiscal year for which the appropriations act was enacted) for VA's medical services, medical support and compliance, and medical facilities appropriations accounts, and requires the VA to submit a request for advance appropriation with its annual congressional budget submission. Under current budget scoring guidelines new budget authority for an advance appropriation is scored in the fiscal year in which the funds become available for obligation. Therefore, in this table the advance appropriations budget authority for FY2015 is recorded in the FY2015 column. Likewise, the Administration's advance appropriations request for FY2016 and advance appropriations budget authority for FY2016 provided in the Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2015 are recorded in the FY2016 column.
- d. This amount does not reflect any rescissions included in the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).
- e. This amount does not include mandatory funding of \$15 billion authorized and appropriated in the Veterans Access, Choice, and Accountability Act of 2014 (H.R. 3230; P.L. 113-146) as amended by P.L. 113-175 and P.L. 113-235.

Table 5. VHA Appropriations by Account, FY2014-FY2015, and Advance Appropriations, FY2016

(\$ in thousands)

Account	Consolidated Appropriations Act, 2014 (P.L. 113-76)		President's Request		House (H.R. 4486; H.Rept. 113-416)		Senate Committee (H.R. 4486; S.Rept. 113-174)		Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235)	
	FY2014	FY2015	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016
Medical Services	\$43,557,000	—	\$45,015,527	—	\$45,015,527	—	\$45,015,527	—	\$45,015,527	—
Additional funding over FY2014 Advance Appropriation	40,000	—	—	—	—	—	—	—	—	—
Additional funding over FY2015 Advance Appropriation	—	—	367,885	—	—	—	100,000	—	209,189	—
Rescission	(179,000)	—	—	—	—	—	—	—	—	—
<i>Subtotal Medical Services</i>	<i>43,418,000</i>	—	<i>45,383,412</i>	—	<i>45,015,527</i>	—	<i>45,115,527</i>	—	<i>45,224,716</i>	—
Medical Support and Compliance	6,033,000	—	5,879,700	—	5,879,700	—	5,879,700	—	5,879,700	—
<i>Subtotal Medical Support and Compliance</i>	<i>6,033,000</i>	—	<i>5,879,700</i>	—	<i>5,879,700</i>	—	<i>5,879,700</i>	—	<i>5,879,700</i>	—
Medical Facilities	4,872,000	—	4,739,000	—	4,739,000	—	4,739,000	—	4,739,000	—
Additional funding over FY2014 Advance Appropriation	85,000	—	—	—	—	—	—	—	—	—
Additional funding over FY2015 Advance Appropriation	—	—	—	—	—	—	125,000	—	—	—
<i>Subtotal Medical Facilities</i>	<i>4,957,000</i>	—	<i>4,739,000</i>	—	<i>4,739,000</i>	—	<i>4,864,000</i>	—	<i>4,739,000</i>	—
Medical and Prosthetic Research	585,664	—	588,922	—	588,922	—	588,922	—	588,922	—
<i>Subtotal Medical and Prosthetic Research</i>	<i>585,664</i>	—	<i>588,922</i>	—	<i>588,922</i>	—	<i>588,922</i>	—	<i>588,922</i>	—
Across-the-Board Administrative Rescission	(50,000)	—	—	—	—	—	—	—	—	—
Total VHA Appropriations (without collections)	54,943,664	—	56,591,034	—	56,223,149	—	56,448,149	—	56,432,338	—

Account	Consolidated Appropriations Act, 2014 (P.L. 113-76)		President's Request		House (H.R. 4486; H.Rept. 113-416)		Senate Committee (H.R. 4486; S.Rept. 113-174)		Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235)	
Medical Care Collection Fund (MCCF)	2,485,000	—	2,456,000	—	2,456,000	—	2,456,000	—	2,456,000	—
Total VHA Appropriations (with collections)	\$57,428,664	—	\$59,047,034	—	\$58,679,149	—	\$58,904,149	—	\$58,888,338	—
Memorandum:^a	FY2014	FY2015	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016
Advance Appropriations										
Medical Services	—	\$45,015,527	—	\$47,603,202	—	\$47,603,202	—	\$47,603,202	—	\$47,603,202
Medical Support and Compliance	—	5,879,700	—	6,144,000	—	6,144,000	—	6,144,000	—	6,144,000
Medical Facilities	—	4,739,000	—	4,915,000	—	4,915,000	—	4,915,000	—	4,915,000
Total VHA Advance Appropriations	—	\$55,634,227	—	\$58,662,202	—	\$58,662,202	—	\$58,662,202	—	\$58,662,202

Source: Table prepared by the Congressional Research Service based on U.S. Congress, House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4486, 113th Congress, 2nd session, April 17, 2014, H.Rept. 113-416, pp. 6-10; and U.S. Congress, Senate Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4486, 113th Congress, 2nd session, May 22, 2014, S.Rept. 113-174, pp. 111-113; and “Explanatory Statement Regarding The House Amendment To The Senate Amendment On H.R. 83,” An explanation of the Consolidated and Further Continuing Appropriations Act, 2015., *Congressional Record*, daily edition, vol. 160, Book II (December 11, 2014), pp. H9941-H9945.

- a. The Veterans Health Care Budget Reform and Transparency Act 2009 (P.L. 111-81; codified at 38 U.S.C. §117) provided for advance appropriations (appropriations that become available one fiscal year after the fiscal year for which the appropriations act was enacted) for VA’s medical services, medical support and compliance, and medical facilities appropriations accounts, and requires the VA to submit a request for advance appropriation with its annual congressional budget submission. Under current budget scoring guidelines new budget authority for an advance appropriation is scored in the fiscal year in which the funds become available for obligation. Therefore, in this table the advance appropriations budget authority for FY2015 is recorded in the FY2015 column. Likewise, the Administration’s advance appropriations request for FY2016 and advance appropriations budget authority for FY2016 proposed in the Military Construction and Veterans Affairs, and Related Agencies Appropriations bill, 2015 are recorded in the FY2016 column.

Appendix A. Priority Groups

Table A-1. Priority Groups and Their Eligibility Criteria

Priority Group 1

Veterans with service-connected disabilities rated 50% or more disabling

Veterans determined by VA to be unemployable due to service-connected conditions

Priority Group 2

Veterans with service-connected disabilities rated 30% or 40% disabling

Priority Group 3

Veterans who are former POWs^a

Veterans awarded the Purple Heart^b

Veterans in receipt of the Medal of Honor^c

Veterans whose discharge was for a disability that was incurred or aggravated in the line of duty

Veterans with service-connected disabilities rated 10% or 20% disabling

Veterans awarded special eligibility classification under Title 38, U.S.C., Section 1151, "benefits for individuals disabled by treatment or vocational rehabilitation"

Priority Group 4

Veterans who are receiving aid and attendance or housebound benefits

Veterans who have been determined by VA to be catastrophically disabled

Priority Group 5

Nonservice-connected veterans and noncompensable service-connected veterans rated 0% disabled whose annual income and net worth are below the established VA means test thresholds

Veterans receiving VA pension benefits

Veterans eligible for Medicaid benefits

Priority Group 6

Compensable 0% service-connected veterans

Mexican Border War veterans

Veterans solely seeking care for disorders associated with:

—exposure to herbicides while serving in Vietnam between January 9, 1962, and May 7, 1975; or

—ionizing radiation during atmospheric testing or during the occupation of Hiroshima and Nagasaki; or

—Project 112/SHAD participants; or

—for disorders associated with service in the Gulf War and who served between August 2, 1990, and November 11, 1998; or

—for any illness associated with service in combat in a war after the Gulf War or during a period of hostility after November 11, 1998, as follows:

—Veterans discharged from active duty before January 27, 2003, and did not enroll on or before such date, for a three-year period beginning on January 27, 2008

—Veterans discharged from the active duty after January 27, 2003, for a five-year period beginning on the date of such discharge or release

—Veterans discharged from active duty after January 1, 2009, and before January 1, 2011, but did not enroll during the five-year period of post discharge eligibility there is a one-year period beginning on the date of the enactment of the Clay Hunt Suicide Prevention for American Veterans Act (February 12, 2015)^d

Veterans who served on active duty at Camp Lejeune in North Carolina for not less than 30 days during the period beginning on August 1, 1953, and ending on December 31, 1987, for any of the 15 medical conditions specified in 38 U.S.C. 1710(e)(1)(F).^e

Priority Group 7

Veterans who agree to pay specified copayments with income and/or net worth above the VA means test threshold and income below the VA national geographic income thresholds

Priority Group 8

Veterans who agree to pay specified copayments with income and/or net worth above the VA means test threshold and the VA national geographic threshold

Subpriority a: Noncompensable 0% service-connected and enrolled as of January 16, 2003, and who have remained enrolled since that date and/or placed in this subpriority due to changed eligibility status

Subpriority b: Noncompensable 0% service-connected and enrolled on or after June 15, 2009, whose income exceeds the current VA means test threshold or VA national geographic income thresholds by 10% or less

Subpriority c: Nonservice-connected veterans enrolled as of January 16, 2003, and who have remained enrolled since that date and/or placed in this subpriority due to changed eligibility status

Subpriority d: Nonservice-connected veterans enrolled on or after June 15, 2009, whose income exceeds the current VA means test threshold or VA national geographic income thresholds by 10% or less

Subpriority e: Noncompensable 0% service-connected veterans not meeting the above criteria (**Currently not eligible for enrollment**)

Subpriority g: Nonservice-connected veterans not meeting the above criteria (**Currently not eligible for enrollment**)

Source: Department of Veterans Affairs.

Notes: Service-connected disability means, with respect to disability, that such disability was incurred or aggravated in the line of duty in the active military, naval or air service.

- a. Veterans who are former Prisoners of War (POWs) are placed in Priority Group 3. This change occurred with the enactment of the Former Prisoner of War Benefits Act of 1981 (P.L. 97-37) on August 14, 1981.
- b. Veterans in receipt of a Purple Heart are in Priority Group 3. This change occurred with the enactment of the Veterans Millennium Health Care and Benefits Act (P.L. 106-117) on November 30, 1999.
- c. Veterans in receipt of the Medal of Honor are in Priority Group 3. This change occurred with the enactment of the Caregiver and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163) on May 5, 2010.
- d. These changes were made by the Clay Hunt Suicide Prevention for American Veterans Act (P.L. 114-2).
- e. Veterans who served on active duty at Camp Lejeune in North Carolina between August 1, 1953 and December 31, 1987 are placed in Priority Group 6. These veterans are eligible to receive free medical care for the following fifteen illnesses or conditions: esophageal cancer; lung cancer; breast cancer; bladder cancer; kidney cancer; leukemia; multiple myeloma; myelodysplastic syndromes; renal toxicity; hepatic steatosis; female infertility; miscarriage; scleroderma; neurobehavioral effects; and non-Hodgkin's lymphoma. This change originally occurred with the enactment of the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154) on August 6, 2012. The previous time period of January

I, 1957, through December 31, 1987, contained in P.L. 112-154 was then amended by the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235).

Appendix B. Department of Veterans Affairs, Enacted Appropriations FY1995-FY2014

Table B-I. Department of Veterans Affairs Enacted Appropriations, FY1995-FY1999

(\$ in Thousands)

	FY1995 Enacted	FY1996 Enacted	FY1997 Enacted	FY1998 Enacted	FY1999 Enacted
Veterans Benefits Administration (VBA)					
Compensation and Pensions	\$17,626,892	\$18,331,561	\$18,671,259	\$19,932,997	\$21,857,058
Supplemental	—	\$100,000	\$928,000	\$550,000	—
Readjustment Benefits	\$1,286,600	\$1,345,300	\$1,377,000	\$1,366,000	\$1,175,000
Veterans Insurance and Indemnities	\$24,760	\$24,890	\$38,970	\$51,360	\$46,450
Education Loan Program Account	\$196	\$196	\$196	\$201	\$207
Loan Guaranty Program Account	\$78,035	\$75,088	\$47,901	—	—
Guaranty & Indemnity Program Account	\$428,120	\$569,348	\$263,869	—	—
Direct Loan Program	\$1,042	\$487	\$110	—	—
Veterans Housing Benefit Program Fund	—	—	—	\$192,447	\$263,587
Veterans Housing Benefit Program Fund Administrative Expenses	—	—	—	\$160,437	\$159,121
Vocational Rehabilitation Loan Program	\$54	\$54	\$49	\$44	\$55
Vocational Rehabilitation Loan Program Administrative Expenses	\$767	\$377	\$377	\$388	\$400
Native American Veterans Housing Loan Program Administrative Expenses	\$218	\$205	\$205	\$515	\$515
Subtotal VBA	\$19,446,684	\$20,447,506	\$21,327,936	\$22,254,389	\$23,502,393
Veterans Health Administration (VHA)					
Medical Care	\$16,232,756	\$16,564,000	\$17,013,447	\$17,057,396	\$17,306,000
Rescission	-\$84,762	-\$21,250	—	—	-\$35,373

	FY1995 Enacted	FY1996 Enacted	FY1997 Enacted	FY1998 Enacted	FY1999 Enacted
Medical Administration and Miscellaneous Operating Expenses (MAMOE)	\$69,808	\$63,602	\$61,207	\$59,860	\$63,000
Rescission	-\$44	-\$86	—	—	-\$67
Health Professional Scholarships	\$10,386	—	—	—	—
Medical and Prosthetic Research	\$252,000	\$257,000	\$262,000	\$272,000	\$316,000
Rescission	-\$574	-\$322	—	—	-\$348
Medical Care Collections Fund (MCCF)	—	—	—	\$666,579	\$587,000
Subtotal VHA	\$16,479,570	\$16,862,944	\$17,336,654	\$18,055,835	\$18,236,212
National Cemetery Administration (NCA)	\$72,663	\$72,604	\$76,864	\$84,183	\$92,006
Rescission	-\$128	-\$97	—	—	-\$122
Subtotal NCA	\$72,535	\$72,507	\$76,864	\$84,183	\$91,884
Departmental Administration					
General Operating Expenses	\$890,600	\$848,143	\$827,584	\$786,135	\$855,661
Rescission	-\$879	-\$1,127	—	—	-\$1,558
Office of Inspector General	\$31,819	\$30,900	\$30,900	\$31,013	\$36,000
Rescission	-\$32	-\$42	—	—	-\$43
Construction, Major Projects	\$355,612	\$136,155	\$250,858	\$175,000	\$142,300
Rescission	-\$32,337	-\$186	-\$32,100	—	-\$13
Construction, Minor Projects	\$153,540	\$190,000	\$175,000	\$177,900	\$175,000
Rescission	-\$634	-\$260	—	—	-\$16
Supplemental	—	—	—	\$32,100	—
Parking Fund	\$16,300	—	\$12,300	—	—
Rescission	—	—	—	—	-\$23
Grants to Republic of the Philippines	\$500	—	—	—	—

	FY1995 Enacted	FY1996 Enacted	FY1997 Enacted	FY1998 Enacted	FY1999 Enacted
Grants for State Extended Care Facilities	\$47,397	\$47,397	\$47,397	\$80,000	\$90,000
Grants for State Veterans Cemeteries	\$5,378	\$1,000	\$1,000	\$10,000	\$10,000
Subtotal Departmental Administration	\$1,467,264	\$1,251,980	\$1,312,939	\$1,292,148	\$1,307,308
Total Department of Veterans Affairs with MCCF	\$37,466,053	\$38,634,937	\$40,054,393	\$41,686,555	\$43,137,797
Total Department of Veterans Affairs without MCCF	\$37,466,053	\$38,634,937	\$40,054,393	\$41,019,976	\$42,550,797
Total Mandatory	\$19,445,449	\$20,446,674	\$21,327,109	\$22,092,804	\$23,342,095
Total Discretionary with MCCF	\$18,020,604	\$18,188,263	\$18,727,284	\$19,593,751	\$19,795,702
Total Discretionary without MCCF	\$18,020,604	\$18,188,263	\$18,727,284	\$18,927,172	\$19,208,702

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs, Office of Management, Office of Budget.

Table B-2. Department of Veterans Affairs Enacted Appropriations, FY2000- FY2004

(\$ in Thousands)

	FY2000 Enacted	FY2001 Enacted	FY2002 Enacted	FY2003 Enacted	FY2004 Enacted
Veterans Benefits Administration (VBA)					
Compensation and Pensions	\$21,568,364	\$22,766,276	\$24,944,288	\$28,949,000	\$29,845,127
Supplemental	—	\$589,413	\$1,100,000	—	—
Readjustment Benefits	\$1,469,000	\$1,634,000	\$2,135,000	\$2,264,808	\$2,529,734
Supplemental	—	\$347,000	—	—	—
Veterans Insurance and Indemnities	\$28,670	\$19,850	\$26,200	\$27,530	\$29,017
Education Loan Program Account	\$215	\$221	\$65	\$71	\$71
Guaranteed Transitional Housing for Homeless Veterans	\$48,250	—	—	—	—
Veterans Housing Benefit Program Fund	\$282,342	\$165,740	\$203,278	\$437,522	\$305,834
Veterans Housing Benefit Program Fund Administrative Expenses	\$156,958	\$162,000	\$164,497	\$168,207	\$154,850
Rescission	—	-\$356	-\$123	-\$1,093	-\$914
Vocational Rehabilitation Loan Program	\$57	\$52	\$72	\$54	\$52
Vocational Rehabilitation Loan Program Administrative Expenses	\$415	\$432	\$274	\$289	\$300
Rescission	—	-\$1	—	-\$2	-\$2
Native American Veterans Housing Loan Program Administrative Expenses	\$520	\$532	\$544	\$558	\$571
Rescission	—	-\$1	—	-\$4	-\$3
Subtotal VBA	\$23,554,791	\$25,685,156	\$28,574,095	\$31,846,939	\$32,864,636
Veterans Health Administration (VHA)					
Medical Care	\$19,006,000	\$20,281,587	\$21,331,164	\$23,889,304	—
Supplemental	—	—	\$142,000	—	—
Rescission	-\$79,519	-\$46,234	-\$16,084	—	—
Medical Administration and Miscellaneous Operating Expenses (MAMOE)	\$59,703	\$62,000	\$66,731	\$74,716	—

	FY2000 Enacted	FY2001 Enacted	FY2002 Enacted	FY2003 Enacted	FY2004 Enacted
Rescission	—	-\$136	-\$50	-\$486	—
Medical Services	—	—	—	—	\$17,867,220
Rescission	—	—	—	—	-\$103,823
Medical Administration	—	—	—	—	\$5,000,000
Rescission	—	—	—	—	-\$29,500
Medical Facilities	—	—	—	—	\$4,000,000
Rescission	—	—	—	—	-\$23,600
Medical and Prosthetic Research	\$321,000	\$351,000	\$371,000	\$400,000	\$408,000
Rescission	—	-\$772	-\$278	-\$2,600	-\$2,407
Medical Care Collections Fund (MCCF)	\$563,755	\$767,687	\$1,133,214	\$1,474,716	\$1,708,026
Subtotal VHA	\$19,870,939	\$21,415,132	\$23,027,697	\$25,835,650	\$28,823,916
National Cemetery Administration (NCA)	\$97,256	\$109,889	\$121,169	\$133,149	\$144,203
Rescission	—	-\$241	-\$91	-\$865	—
Supplemental	—	\$217	—	—	-\$851
Subtotal NCA	\$97,256	\$109,865	\$121,078	\$132,284	\$143,352
Departmental Administration:					
General Operating Expenses	\$912,594	\$1,050,000	\$1,195,728	\$1,254,000	\$1,283,272
Rescission	—	-\$2,382	-\$900	-\$8,151	-\$7,571
Supplemental	—	—	\$2,000	\$100,000	—
Office of Inspector General	\$43,200	\$46,464	\$52,308	\$58,000	\$62,000
Rescission	—	-\$102	-\$39	-\$377	-\$366
Construction, Major Projects	\$65,140	\$66,040	\$183,180	\$99,777	\$273,190
Rescission	—	-\$145	—	-\$649	-\$1,612

	FY2000 Enacted	FY2001 Enacted	FY2002 Enacted	FY2003 Enacted	FY2004 Enacted
Construction, Minor Projects	\$160,000	\$162,000	\$210,900	\$226,000	\$252,144
Rescission	—	-\$366	—	-\$1,469	-\$1,488
Supplemental	—	\$8,840	—	—	—
Parking Fund	—	—	\$4,000	—	—
Rescission	—	-\$14	—	—	—
Grants for State Extended Care Facilities	\$90,000	\$100,000	\$100,000	\$100,000	\$102,100
Rescission	—	-\$220	\$25,000	-\$650	-\$602
Grants for State Veterans Cemeteries	\$25,000	\$25,000	—	\$32,000	\$32,000
Rescission	—	-\$55	—	-\$208	-\$189
Subtotal Departmental Administration	\$1,295,934	\$1,455,060	\$1,772,177	\$1,858,273	\$1,992,878
Total Department of Veterans Affairs with MCCF	\$44,818,920	\$48,665,214	\$53,495,047	\$59,673,147	\$63,824,783
Total Department of Veterans Affairs without MCCF	\$44,255,165	\$47,897,527	52,361,833	\$58,198,431	\$62,116,757
Total Mandatory	\$23,348,376	\$25,522,279	\$28,408,766	\$31,678,860	\$32,709,712
Total Discretionary with MCCF	\$21,470,544	\$23,142,935	\$25,086,281	\$27,994,287	\$31,115,071
Total Discretionary without MCCF	\$20,906,789	\$22,375,248	\$23,953,067	\$26,519,571	\$29,407,045

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs, Office of Management, Office of Budget.

Table B-3. Department of Veterans Affairs Enacted Appropriations, FY2005-FY2009

(\$ in Thousands)

	FY2005 Enacted	FY2006 Enacted	FY2007 Enacted	FY2008 Enacted	FY2009 Enacted
Veterans Benefits Administration (VBA)					
Compensation and Pensions	\$32,607,688	\$33,897,787	\$38,172,360	\$41,236,322	\$43,111,681
Supplemental	—	—	—	—	\$700,000
Readjustment Benefits	\$2,556,232	\$3,309,234	\$3,262,006	\$3,300,289	\$3,832,944
Veterans Insurance and Indemnities	\$44,380	\$45,907	\$49,850	\$41,250	\$42,300
Veterans Housing Benefit Program Fund	\$43,784	\$64,586	\$66,234	\$17,389	\$2,000
Credit Subsidy	—	—	—	-\$108,000	—
Veterans Housing Benefit Program Fund Administrative Expenses	\$154,075	\$153,575	\$154,284	\$154,562	\$157,210
Rescission	-\$1,233	—	—	—	—
Vocational Rehabilitation Loan Program	\$47	\$53	\$53	\$71	\$61
Vocational Rehabilitation Loan Program Administrative Expenses	\$311	\$305	\$306	\$311	\$320
Rescission	-\$2,865	—	—	—	—
Native American Veterans Housing Loan Program Administrative Expenses	\$571	\$580	\$584	\$628	\$646
Rescission	-\$4,569	—	—	—	—
Subtotal VBA	\$35,405,848	\$37,472,027	\$41,705,677	\$44,642,822	\$47,847,162
Veterans Health Administration (VHA)					
Medical Services	\$19,472,777	\$21,322,141	\$25,518,254	\$29,104,220	\$30,969,903
Budget Supplemental	\$1,500,000	\$1,225,000	\$466,800	—	—
Hurricane Supplemental	\$38,783	\$198,265	—	—	—
Pandemic Influenza Supplemental	—	\$27,000	—	—	—
Rescission	-\$155,782	—	—	—	—

	FY2005 Enacted	FY2006 Enacted	FY2007 Enacted	FY2008 Enacted	FY2009 Enacted
Total Medical Services	\$20,855,778	\$22,772,406	\$25,985,054	\$29,104,220	\$30,969,903
Medical Administration	\$4,705,000	\$2,858,442	\$3,177,968	\$3,517,000	\$4,450,000
Supplemental	\$1,940	—	\$250,000	—	—
Rescission	-\$37,640	—	—	—	—
Medical Facilities	\$3,745,000	\$3,297,669	\$3,569,533	\$4,100,000	\$5,029,000
Supplemental	\$46,909	—	\$595,000	—	\$1,000,000
Rescission	-\$29,960	—	—	—	—
Medical and Prosthetic Research	\$405,593	\$412,000	\$413,980	\$480,000	\$510,000
Supplemental	—	—	\$32,500	—	—
Rescission	-\$3,245	—	—	—	—
Medical Care Collections Fund (MCCF)	\$1,953,020	\$2,170,000	\$2,198,154	\$2,414,000	\$2,544,000
Subtotal VHA	\$31,642,395	\$31,510,517	\$36,222,190	\$39,615,220	\$44,502,903
National Cemetery Administration (NCA)	\$148,925	\$156,447	\$160,747	\$195,000	\$230,000
Rescission	-\$1,191	—	—	—	\$50,000
Supplemental	\$50	\$200	—	—	—
Subtotal NCA	\$147,784	\$156,647	\$160,747	\$195,000	\$280,000
Departmental Administration:					
General Operating Expenses	\$1,324,753	\$1,410,520	\$1,481,472	\$1,605,000	\$1,801,867
Rescission	-\$10,598	—	—	—	—
Supplemental	\$545	\$24,871	\$83,200	\$100,000	\$157,100
Filipino Veterans Equity Compensation Fund	—	—	—	—	\$198,000
Office of Inspector General	\$69,711	\$70,174	\$70,641	\$80,500	\$87,818
Rescission	-\$558	—	—	—	\$1,000
Information Technology	—	\$1,213,820	\$1,213,820	\$1,966,465	\$2,489,391

	FY2005 Enacted	FY2006 Enacted	FY2007 Enacted	FY2008 Enacted	FY2009 Enacted
Supplemental	—	—	\$35,100	\$20,000	\$50,100
Construction, Major Projects	\$458,800	\$607,100	\$399,000	\$1,069,100	\$923,382
Rescission	-\$3,670	—	—	—	—
Supplemental	—	\$953,419	—	\$396,377	—
Construction, Minor Projects	\$230,779	\$198,937	\$198,937	\$630,535	\$741,534
Rescission	-\$1,846	—	—	—	—
Supplemental	\$36,343	\$1,800	\$326,000	—	—
Grants for State Extended Care Facilities	\$105,163	\$85,000	\$85,000	\$165,000	\$175,000
Rescission	-\$841	—	—	—	\$150,000
Grants for State Veterans Cemeteries	\$32,000	\$32,000	\$32,000	\$39,500	\$42,000
Rescission	-\$256	—	—	—	—
Subtotal Departmental Administration	\$2,240,324	\$4,597,641	\$3,925,171	\$6,072,477	\$6,817,192
Total Department of Veterans Affairs with MCCF	\$69,436,351	\$73,736,832	\$82,013,784	\$90,525,519	\$99,447,257
Total Department of Veterans Affairs without MCCF	\$67,483,331	\$71,566,832	\$79,815,630	\$88,111,519	\$96,903,257
Total Mandatory	\$35,252,084	\$37,317,514	\$41,550,450	\$44,487,250	\$47,688,925
Total Discretionary with MCCF	\$34,184,267	\$36,419,318	\$40,463,334	\$46,038,269	\$51,758,332
Total Discretionary without MCCF	\$32,231,247	\$34,249,318	\$38,265,180	\$43,624,269	\$49,214,332

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs, Office of Management, Office of Budget.

Table B-4. Department of Veterans Affairs Enacted Appropriations, FY2010-FY2014

(\$ in Thousands)

	FY2010 Enacted	FY2011 Enacted	FY2012 Enacted	FY2013 Enacted	FY2014 Enacted
Veterans Benefits Administration (VBA)					
Compensation and Pensions	\$47,396,106	\$53,978,000	\$51,237,567	\$60,599,855	\$71,476,104
Readjustment Benefits	\$9,232,369	\$10,396,245	\$12,108,488	\$12,023,458	\$13,135,898
Veterans Insurance and Indemnities	\$49,288	\$77,589	\$100,252	\$104,600	\$77,567
Veterans Housing Benefit Program Fund	\$23,553	\$19,078	\$318,612	\$184,859	—
Veterans Housing Benefit Program Fund Administrative Expenses	\$165,082	\$165,082	\$154,698	\$157,605	\$158,430
Rescission	—	-\$330	—	—	—
Vocational Rehabilitation Loan Program	\$29	\$29	\$19	\$19	\$5
Rescission	—	-\$1	—	—	—
Vocational Rehabilitation Loan Program Administrative Expenses	\$328	\$337	\$343	\$346	\$354
Rescission	—	-\$10	—	—	—
Native American Veterans Housing Program Administrative Expenses	\$664	\$707	\$1,116	\$1,087	\$1,109
Rescission	—	-\$44	—	—	—
Subtotal VBA	\$56,867,419	\$64,636,683	\$63,921,095	\$73,071,830	\$84,849,467
Veterans Health Administration (VHA)					
Medical Services	\$34,707,500	\$37,136,000	\$39,649,985	\$41,509,000	\$43,557,000
Budget Supplemental	—	—	—	—	\$40,000
Hurricane Supplemental	—	—	—	\$21,000	—
Rescission	—	-\$74,272	—	-\$14,937	-\$179,000
<i>Total Medical Services</i>	<i>\$34,707,500</i>	<i>\$37,061,728</i>	<i>\$39,649,985</i>	<i>\$41,515,063</i>	<i>\$43,418,000</i>
Medical Administration	\$4,930,000	\$5,307,000	\$5,535,000	\$5,746,000	\$6,033,000

	FY2010 Enacted	FY2011 Enacted	FY2012 Enacted	FY2013 Enacted	FY2014 Enacted
Rescission	—	-\$44,546	—	-\$2,039	-\$50,000
Medical Facilities	\$4,859,000	\$5,740,000	\$5,426,000	\$5,441,000	\$4,872,000
Supplemental	—	—	—	\$6,000	\$85,000
Rescission	—	-\$26,450	—	-\$1,991	—
Medical and Prosthetic Research	\$581,000	\$590,000	\$581,000	\$581,905	\$585,664
Rescission	—	-\$10,162	—	—	—
Medical Care Collections Fund (MCCF)	\$2,847,565	\$2,775,214	\$2,830,302	\$2,903,092	\$2,935,000
Subtotal VHA	\$47,925,065	\$51,392,784	\$54,022,287	\$56,189,031	\$57,878,664
National Cemetery Administration (NCA)	\$250,000	\$250,000	\$250,934	\$258,284	\$250,000
Rescission	—	-\$500	—	-\$341	-\$1,000
Supplemental	—	—	—	\$2,100	—
Subtotal NCA	\$250,000	\$249,500	\$250,934	\$260,043	\$249,000
Departmental Administration:					
VBA - General Operating Expenses	\$2,086,707	\$2,622,110	\$2,018,764	\$2,164,074	\$2,465,490
Rescission	-\$6,100	-\$87,834	—	-\$2,856	—
General Administration	—	—	\$416,737	\$424,737	\$415,885
Rescission	—	—	—	-\$561	-\$2,000
Office of Inspector General	\$109,000	\$109,367	\$112,391	\$114,848	121,411
Rescission	—	-\$585	—	—	—
Information Technology	\$3,307,000	\$3,307,000	\$3,111,376	\$3,323,053	\$3,703,344
Supplemental	—	-\$166,396	—	—	—
Construction, Major Projects	\$1,194,000	\$1,151,036	\$589,604	\$531,767	\$342,130
Rescission	—	-\$2,302	—	—	—

	FY2010 Enacted	FY2011 Enacted	FY2012 Enacted	FY2013 Enacted	FY2014 Enacted
Construction, Minor Projects	\$703,000	\$467,700	\$482,386	\$606,728	\$714,870
Rescission	—	-\$935	—	—	—
Grants for State Extended Care Facilities	\$100,000	\$85,000	\$85,000	\$84,888	\$85,000
Rescission	—	-\$170	—	—	—
Grants for State Veterans Cemeteries	\$46,000	\$46,000	\$46,000	\$45,939	\$46,000
Rescission	—	-\$92	—	—	—
Subtotal Departmental Administration	\$7,539,607	\$7,529,899	\$6,862,258	\$6,871,298	\$7,892,130
Total Department of Veterans Affairs with MCCF	\$112,582,091	\$123,808,866	\$125,056,574	\$136,392,201	\$150,869,261
Total Department of Veterans Affairs without MCCF	\$109,734,526	\$121,033,652	\$122,226,272	\$133,489,109	\$147,934,261
Total Mandatory	\$56,701,316	\$64,470,912	\$63,764,919	\$72,912,772	\$84,689,569
Total Discretionary with MCCF	\$55,880,775	\$59,338,338	\$61,291,655	\$63,479,429	\$66,179,692
Total Discretionary without MCCF	\$53,033,210	\$56,563,124	\$58,461,353	\$60,576,337	\$63,244,692

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs, Office of Management, Office of Budget.

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