

**STATEMENT OF
THE HONORABLE DENIS MCDONOUGH
SECRETARY OF VETERANS AFFAIRS
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE**

**A REVIEW OF THE FY 2023 BUDGET AND FY 2024 ADVANCE APPROPRIATIONS
REQUESTS FOR THE DEPARTMENT OF VETERANS AFFAIRS**

JUNE 14, 2022

Chairman Tester, Ranking Member Moran, and distinguished Members of the Committee. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2023 Budget and FY 2024 Advance Appropriations Request for the Department of Veterans Affairs (VA), and for your longstanding support of Veterans and their families.

President Biden describes our country's most sacred obligation as preparing and equipping the troops we send into harm's way and then caring for them and their families when they return. The President's FY 2023 Budget reflects this commitment and honors this sacred obligation to the Nation's 19.2 million Veterans by investing in: world-class health care, including mental health care, and enhancing Veterans general well-being; benefits delivery, including disability claims processing; education; employment training; and insurance, burial, and other benefits to enhance Veterans' prosperity.

This Budget will ensure VA is moving swiftly and smartly into the future as we serve our two core requirements: timely access to world-class care, and timely access to earned benefits. This Budget ensures all Veterans, including women Veterans, Veterans of color and LGBTQ+ Veterans, receive the care and benefits they have earned and prioritizes Veteran homelessness, suicide prevention outreach and caregiver support.

I also want to thank this Committee for the critical work it has done on the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act. VA strongly supports this legislation because the bill will help us advance one of the Department's top priorities: getting more Veterans into VA care. It will also improve our ability to recruit and retain a world class workforce and provide long-needed fixes to our leasing process. We look forward to working with the Office of Management and Budget, Veterans, this Committee and others in Congress, Veteran Service Organizations and other stakeholders to address the significant and transformative operational impact and resource requirements of the PACT Act. Our FY 2023 Budget and FY 2024 advance appropriations request does not include the additional resources needed for the implementation of PACT Act.

FY 2023 Budget and FY 2024 Advance Appropriations

The President's FY 2023 Budget includes \$301.4 billion (with medical collections and Recurring Expenses Transformational Fund), \$30.7 billion (11.3%) above the President's FY 2022 Budget. The discretionary request is \$139.1 billion (with collections), \$21.9 billion (18.7%) above the 2022 Budget. The request includes \$122.7 billion (with collections) for VA medical care, \$21.6 billion (21.5%) above 2022. The 2023 mandatory funding request totals \$161 billion, \$8.6 billion (5.7%) above 2022. This funding is in addition to the substantial resources provided in the American Rescue Plan Act of 2021 (P.L. 117-2).

The 2024 Medical Care Advance Appropriations request includes a discretionary funding request of \$132.1 billion (with medical care collections). The 2024 mandatory Advance Appropriations request is \$155.4 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities).

The 2023 Budget proposes separating out VA health care as its own category of discretionary funding. Historically, the VA health care budget for veterans has been grouped together in one budget category with the budgets for other governmental agencies — meaning VA has had to compete with other non-defense departments and agencies for financial resources in the budgetary process. VA health care should not be subject to competition with other funding needs — it is a sacred obligation we owe to those who serve, and we must fulfill that obligation each and every year.

This budgetary change is particularly important now because the health care needs of veterans are becoming more complex, which means the cost of VA health care is rising. Since President Biden took office, VA has delivered more care to more veterans than ever before. Moreover, VA funding has more than doubled since 2013, and it will likely increase further in the coming years as President Biden delivers long-overdue presumptive benefits and care to vets who suffer from conditions related to military environmental exposures.

If we maintain the budgetary status quo amidst this continued growth, we will risk underfunding VA at a time when veterans need us most. Additionally, if we maintain the status quo, we will risk underinvesting in other non-defense agencies due to the growth of VA health care. This would be a bad outcome for all Americans — including veterans who often benefit directly from the federal programs that are currently competing against the VA for resources.

Delivers Benefits for Veterans

Investing in our Workforce

Serving as Secretary of VA along with the dedicated, highly skilled professionals who constitute the VA workforce — many of them Veterans themselves — is the honor of

my lifetime. VA employees are committed to serving Veterans, their families, caregivers and survivors. Over the course of the COVID-19 pandemic, VA employees have ensured that VA did not weaken or slow down. VA got stronger and took care of Veterans when they needed it most. The 2023 Budget supports 435,840 Full Time Equivalent (FTE), an increase of 28,963 from the 2022 estimated level. This Budget will allow us to take care of the great people who have diligently balanced the challenges of life during the pandemic, and during unprecedented demand for frontline workers, have continued to serve Veterans. As we have seen during this period, we need to do more to invest in our employees, because VA's employees are the foundation that make all the Services VA provides possible.

In order to attract and recruit qualified diverse talent, VA is seeking funding for a critical investment in talent teams, which will be instrumental in improving the hiring experience for applicants and hiring managers and implementing data-driven assessment strategies to improve selection outcomes. Talent teams will be instrumental in conducting outreach and recruitment for interns and early career positions and designing and deploying assessments that can be used to reduce time to hire and improve identification of qualified candidates.

In order to recruit and retain employees in mission critical occupations, particularly in a competitive market, VA is seeking legislative relief from certain limits on pay. VA is deeply appreciative of Congress's passage of the RAISE Act which will assist in recruiting and retaining Physician Assistants, Registered Nurses, and Advanced Practice Registered Nurses. VA is seeking legislative relief to modify the compensation system for healthcare leaders to more successfully compete with the levels private industry offers. VA is seeking legislative relief to limits on pharmacist pay.

Another tool to invest in our workforce is through student loan repayment programs, education debt reduction programs, and scholarships. Continuous development in leadership and technical skills enhances employees' service and performance. Limits on current programs have not kept up with the increasing costs of education and have a greater impact on underserved and underrepresented groups. Our proposals expand access to these programs and ensure we are reaching more groups.

Finally, our Budget reflects an investment in people and technology to:

- Promote employee whole health and reduce employee burnout;
- Develop and implement staffing models throughout the VA;
- Promote strong labor relations with our national unions;
- Lead our post-pandemic occupational safety and health planning and programs; and
- Improve the hiring experience for applicants, managers, and HR professionals.

Three personnel systems have created a complex set of rules. Automating these processes has been challenging. There is wide agreement that we need to do better,

and we will. Stakeholders are working to identify and implement changes and resources are needed to support improved outcomes.

Veterans Benefits Administration (VBA)

The 2023 Budget includes \$3.9 billion in discretionary funding for the General Operating Expenses, VBA account, a \$440 million increase over the 2022 Budget. This includes funds to hire 379 additional claims processors to support growing demands and the increased scope of disability compensation claims as well as to advance claims automation and modernization efforts. It also supports 795 FTE employees for processing claims related to the three new Gulf War presumptive conditions VA implemented in 2021.

The Budget provides disability compensation and survivor benefits to 6 million Veterans and their families; education and job training benefits to 921,000 Veterans and qualified dependents; guarantees nearly 995,000 home loans and funds 5.8 million total lives insured for Veterans, Service members and qualified dependents.

The Budget provides \$120 million for VA to support automating the disability compensation claims process from submission to authorization. VBA is leading a comprehensive modernization of the claims process through the utilization of data and automation and leveraging technology. VBA will use datasets specific to a Veteran's military service, claims history, and medical encounters to feed automation models. Historically, manual administrative tasks and workflows are being automated to enable more effective claim decisions. Investments in automation will increase VA's ability to deliver faster and more accurate claims decisions for Veterans.

National Cemetery Administration (NCA)

The 2023 Budget includes \$430 million for the NCA operations and maintenance account, an increase of \$36 million (9.1%) over the 2022 Budget, to ensure Veterans and their families have access to exceptional burial and memorial benefits including expansion of existing cemeteries, as well as new and replacement cemeteries. With this Budget, NCA will provide for an estimated 135,100 interments, the perpetual care of almost 4.2 million gravesites, and the operations and maintenance of 158 national cemeteries and 34 other cemeterial installations in a manner befitting national shrines. This request will fund 2,281 FTE needed to meet NCA's increasing workload and expansion of services, while maintaining our reputation as a world-class service provider. NCA field employees (85% of the total NCA workforce) provide direct support to Veterans and their families and ensure that the service they receive is dignified, respectful and courteous.

NCA is nearing its goal of providing 95% of Veterans with access to a burial option in a national, State, territorial or tribal Veterans' cemetery within 75 miles of their homes. To achieve this goal, NCA will establish the remaining planned new national cemeteries and expand existing national cemeteries to meet projected demand,

including the development of columbaria and the acquisition of additional land. Construction projects to develop new national cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land. The 2023 Budget includes \$140 million in major construction funds for a replacement cemetery in Albuquerque, New Mexico, a gravesite expansion at Jefferson Barracks, Missouri, and completion of a new national cemetery in Western New York. The Budget also includes \$157.3 million in minor construction funds for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. The 2023 Budget also includes \$50 million for the Veterans Cemetery Grants Program to continue important partnerships with states and tribal organizations. This Grants Program plays a crucial role in achieving NCA's strategic target of providing 95% of Veterans with reasonable access to a burial option.

Continues Timely Access to High Quality Health Care and Support Services

The 2023 Budget includes \$122.7 billion (with collections) for VA medical care, \$21.5 billion or 21% above the 2022 Budget. The 2024 Medical Care Advance Appropriations Request includes a discretionary funding request of \$132.1 billion (with medical care collections). I acknowledge that these requests, and their annual rates of increase, are significant. However, the challenges VHA has faced these past two pandemic years, and will continue to face, are just as significant, and the requested resources are essential to ensuring the 9.2 million enrolled Veterans will continue to receive the high quality, timely health care they need and have earned.

VHA successfully met the challenge posed by COVID-19, delivering improved health outcomes for Veterans while successfully supporting the broader American health care system as part of its "fourth mission." And while we are optimistic that the world has turned the tide against this horrific disease, much of this Budget's substantial requested increase is evidence of the continuing pandemic impacts being felt today. We anticipate higher health care costs in FY 2023 in part due to the returning wave of health care that was delayed over the past 2 years, and that care is more complex and expensive due to the effects of that delay or the confounding impacts of long COVID-19 disease or other pandemic-related exacerbation. We also need to continue to be prepared for additional waves and new variants of the COVID-19 disease. VHA continues to struggle with lingering supply chain complications, inflationary pressures and national health care workforce staffing challenges.

VA researchers are generating real-world evidence of COVID-19 vaccines' effectiveness over time across the country. Through collaborations with the Food and Drug Administration, Centers for Disease Control, and National Institutes for Health, this knowledge helps to inform decisions on significant issues such as the need for boosters and new vaccine targets.

Addresses Veterans' Specific Needs

Improves Support for Veterans Impacted by Military Environmental Exposure (MEE) During Service

To deliver benefits more quickly to Veterans who developed disabling conditions due to exposure to environmental hazards and to reduce the evidentiary burden on such Veterans, VA is piloting a new approach to accelerate and improve the decision-making process for considering whether to add new presumptive conditions through rulemaking. The new model is evidence-based, transparent, and allows VA to make faster policy decisions on crucial MEE issues. This new approach considers all available data, listens to and learns from Veterans' experience, and is guided by one core principle: getting Veterans the benefits and health care they've earned and therefore deserve. Recognizing that incomplete and inconclusive research often hampers VA's ability to take timely action, the new model fills this void with other evidence-based data to reach a recommendation, including VA claims data analysis and trends. It also incorporates other mitigating factors that may otherwise impact the scientific and claims data findings. This new model will fundamentally change how VA makes decisions on environmental exposures. Key components of the proposed presumptive decision-making model framework include:

1. Review of relevant medical and scientific literature, including but not limited to reports from the National Academies of Science, Engineering, and Medicine (NASEM).
2. Review of benefits claims data to identify trends in claims to help inform which reviews of conditions are needed.
3. Review of relevant other data, including but not limited to manifestation periods and life expectancy prognoses.

VA is fully committed to this deliberate forward-leaning approach to deliver benefits and health care services more quickly to Veterans who develop conditions related to military environmental hazards. In addition to modernizing the presumptive decision-making process, VA is also proactively taking the following direct steps to respond to Veterans' concerns in this area:

1. Expanding training for health care providers,
2. Improving science, surveillance, epidemiology, and research, and
3. Increasing Veteran outreach and employing an integrative approach leveraging internal and external partnerships.

VA has developed policy and research regarding the health outcomes of MEE to Veterans deployed or in garrison at Camp Lejeune (includes family members). VA conducts epidemiological research, education, risk communication, and consultation with clinicians in the field and translational clinical research for care of MEE through the War-Related Illness and Injury Study Center (at 3 sites; in New Jersey, Washington, D.C., and California).

VA conducts research that improves health care through the development of best practices and improves policy decisions related to support of benefits for Veterans. VA subject matter experts review current scientific literature and provide surveillance to develop policy recommendations grounded in science. The Cancer Moonshot reignited initiative includes two projects focused on MEE: an interagency effort will develop a cohort of Veteran tumor samples from various registries to conduct sequencing and identify genomic signatures that may be associated with carcinogens from military and environmental exposures, and VA will develop a centralized and accessible data compilation to better understand the unique exposures of Veterans and ensure 2-way data exchange. With this data made accessible in this way, VA, as well as other agencies and institutions, will have the ability to learn from more patients and reduce the cost and time of data curation.

To define adverse health outcomes as well as emerging environmental threats, VA:

- Improves scientific understanding of health effects of military (toxic and other hazards) environmental exposures,
- Translates the MEE science into care and treatment for Veterans, and
- Provides access to health services for individuals who were exposed.

VA administers Congressionally mandated programs related to environmental, occupational and garrison exposures that may have affected U.S. Veterans and some family members during military service, including six exposure registries. VA is developing Veterans Exposure Team – Health Outcomes of Military Exposures (VET-HOME), a tele-health pathway for Veterans and providers to access resources and services related to MEE. VET-HOME will consist of two interconnected parts: a call center for Veterans and providers, and a nationwide network of specialists. Veterans with questions about MEE will call into a central location and be guided through the registry exam or environmental exposure process. They would then be referred to one of 40 environmental health providers across the United States who would use a telemedicine platform to assess and, if necessary, refer the Veteran to a VA facility to complete any specialty testing, like a pulmonary function test or other lab work. Providers with questions on MEE would be referred to one of the 40 military environmental health SMEs. The results of the consultation would be shared with the Veteran's primary care doctor, helping to deliver better care to the Veteran.

The Budget increases resources for these efforts, including \$111 million for processing new presumptive disability compensation claims related to environmental exposures from military service that VA has already announced (but not those included in the PACT Act legislation), as well as \$63 million within the VA medical care program for Health Outcomes of Military Exposures (HOME) to increase scientific understanding of and clinical support for Veterans and health care providers regarding the potential adverse impacts resulting from environmental exposures during military service.

The Budget also invests \$51 million in funding to support medical research related to MEE, an increase of \$20 million over the 2022 Budget. VA is expanding its military exposures research efforts. Funding supports the VHA Office of Research and Development (ORD) Military Exposures Research Program, established in 2022 with an emphasis on advancing military exposure assessments and understanding the effects of military exposures on Veterans' health outcomes to inform care and policy. In a phased approach, ORD will build upon ongoing research on health outcomes resulting from exposure to burn pits, Gulf War Illness, Vietnam Veterans' health and precision oncology to develop new work in areas such as constrictive bronchiolitis, genomics and other emerging technologies. We will ensure collaborations across the Department with academic institutions and with other Federal agencies and our prospective efforts will include close partnerships with exposed Veterans.

From a benefits perspective, VBA will establish a new Military Exposures Team (MET) that will provide resources and a dedicated focus to issues related to MEE. This initiative supports my commitment to Veterans and stakeholders to expedite review and analysis of the types of conditions potentially warranting initiation of rulemaking to establish a presumption of service connection under part 3 of title 38 of the U.S. Code of Federal Regulations. MET is part of my aggressive MEE strategy, fortified by a new model for considering additional presumptive conditions and the elevation and expansion of VHA's new HOME Office.

MET will have program oversight and management responsibility to address all disability benefit claim related program research and supporting data analysis for making recommendations for service-connected conditions deemed presumptive due to military exposure, as well as supporting claims research and data analysis necessary to address evidence-based policy determinations for compensation benefits under the VA directives and framework that govern such decisions.

Through these efforts, VA will accelerate Veterans' ability to access the health care and services they have earned and deserve.

Bolsters Inclusion for Caregiver Support

Family caregivers of Veterans are force multipliers for VA. Supporting caregivers provides those family and friends who care for Veterans with the support, services and tools they need to successfully support Veterans, resulting in better health and well-being outcomes for both the Veteran and the caregiver. VA has long supported caregivers through the delivery of a host of supports and services, as well as home and community-based services. Our Caregiver Support Program (CSP) is designed to promote the health and wellbeing of family caregivers who care for our Nation's Veterans, through education, resources, support, and services. CSP administers two programs: the Program of General Caregiver Support Services (PGCSS) and the Program of Comprehensive Assistance for Family Caregivers (PCAFC). Both programs provide services to support and engage caregivers of Veterans as partners in care, integrating caregivers as members of the Veteran's health care team. The Budget

recognizes the important role of these family caregivers in supporting the health and wellness of Veterans. The \$1.8 billion included in this Budget provides funding for both PCAFC and PGCSS, including staffing, stipend payments and many other supports and services to help empower family caregivers of eligible Veterans. In addition, this funding allows for further improvements and enhancements to both PCAFC and PGCSS, allowing VA to reach and support more caregivers than before.

In 2011, PCAFC was implemented for caregivers of eligible Veterans who incurred or aggravated a serious injury in the line of duty on or after September 11, 2001. The VA MISSION ACT of 2018 (P.L. 115-182) expanded eligibility to Veterans of all eras in a phased approach, among other changes. The first phase of this expansion occurred on October 1, 2020, expanding eligibility to Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975. On October 1, 2022, eligibility will be further expanded to Veterans who incurred or aggravated a serious injury in the line of duty in all service eras.

VA is currently reviewing all aspects of eligibility for PCAFC. While this review is underway, VA will not discharge any caregivers or Veterans who were participating before the first phase of expansion on October 1, 2020, referred to as Legacy Participants. This review will result in an improved and expanded PCAFC with a focus on providing accurate, consistent and transparent decisions. CSP strives to make the right decision the first time, but if a Veteran or caregiver believes we've gotten it wrong, Veterans and caregivers have more options to seek further review of PCAFC decisions than ever before. The VHA Clinical Appeals process, also known as the VHA Clinical Review process, is one option for seeking further review of decisions. In April 2021, the U.S. Court of Appeals for Veterans Claims ruled that PCAFC decisions are now appealable to the Board of Veterans' Appeals. As a result of this ruling, the CSP and the Board are diligently working to develop the necessary infrastructure and processes to offer the full spectrum of options available under the Veteran Appeals Improvement and Modernization Act of 2017 (AMA) (P.L. 115-55), including additional AMA options for Supplemental Claims and Higher-Level Reviews. The implementations of these processes require the development of new workflows, procedures, training, information, and technology.

At the same time, VA has significantly strengthened and enhanced PGCSS. CSP increased PGCSS staff to enhance program capabilities that offer caregivers access to standard and consistent assistance such as psychosocial support, coaching, and skills training inclusive of the evidence-based suicide prevention training, termed VA S.A.V.E. Training, which is offered at every VA Medical Center (VAMC). In addition, PGCSS staff are responsible for coordinating and facilitating an annual resource fair at every VAMC. These required events provide opportunities for caregivers and families to learn about the supports and services available to them through VA as well as through community resources.

VA continues to expedite the hiring of key staff to standardize application processing and adjudication, ensuring consistent eligibility decision-making, ensuring

Veterans and caregivers receive timely, accurate assessments and an improved customer experience.

Invests in Access to Mental Health, Suicide Prevention, and Substance Use Disorder Treatment

VA has made suicide prevention a top clinical priority and is implementing a comprehensive public health approach to reach all Veterans. This approach is in full alignment with the President's new National Strategy for Reducing Military and Veteran Suicide, advancing a comprehensive, cross-sector, evidence-informed public health approach with focal areas in lethal means safety, crisis care and care transition enhancements, increased access to effective care, addressing upstream risk and protective factors, and enhanced research coordination, data sharing and program evaluation efforts. The 2023 Budget includes \$497 million to support suicide prevention initiatives and programs. Funding for mental health in total grows to \$13.9 billion in 2023, up from \$12.3 billion in 2022. This funding will support our system of comprehensive treatments and services to meet the needs of each Veteran and the family members involved in the Veteran's care. Our commitment to a proactive, Veteran-centered Whole Health approach is integral to our mental health care efforts and includes online and telehealth access strategies. Whole Health can help Veterans reconnect with their mission and purpose in life as part of our comprehensive approach to reducing risk. Suicide is a complex issue with no single cause. Maintaining the integrity of VA's mental health care system is vitally important, but it is not enough. We know some Veterans may not receive any health care services from VA, which highlights VA alone cannot end Veteran suicide. This requires a nationwide effort.

The new Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP) will enable VA to provide resources toward community-based suicide prevention efforts to meet the needs of Veterans and their families through outreach, suicide prevention services, and connection to VA and community resources. In alignment with VA's National Strategy for Preventing Veteran Suicide,¹ this grant program will assist in further implementing a public health approach that blends community-based prevention with evidence-based clinical strategies through community efforts.

The Budget includes \$663 million toward opioid use disorder prevention and treatment programs, including programs associated with the Jason Simcakoski Memorial and Promise Act (P.L. 114-198). Among the risk factors for suicide, substance use disorder is strongly implicated. In addition, drug overdose fatalities inclusive of suicide have escalated dramatically in the Nation. Therefore, the need for effective interventions to address substance use cannot be overstated. Supported by the President's Budget, VA is expanding evidence-based substance use disorder treatment and harm reduction initiatives consistent with the [Biden-Harris Statement of Drug Policy](#)

¹ Department of Veterans Affairs (2018). National Strategy for Preventing Veteran Suicide. Washington, DC. Available at https://www.mentalhealth.va.gov/suicide_prevention/docs/Office-of-Mental-Health-and-Suicide-Prevention-National-Strategy-for-Preventing-Veterans-Suicide.pdf.

Priorities. The FY 2023 request includes a projected budget of \$181 million for the following staffing initiatives: 1) Supported Employment Specialists to expand access to employment opportunities for Veterans in treatment and recovery; 2) Peer Specialists to work with Veterans with substance use disorder to increase their engagement and retention in substance use disorder evidence-based treatment; 3) Substance use disorder staff on Behavioral Health Interdisciplinary Program and Primary Care Mental Health Integration teams to support evidence-based treatment outside of specialty care, including medications for opioid use disorder and treatment of alcohol use disorder; 4) VA case managers to work with Supportive Services for Veteran Families (SSVF) grantees and homeless program staff assisting Veterans experiencing housing instability and substance use disorder; and 5) Staff to improve access to residential substance use disorder treatment programs. Furthermore, VA's Budget will support expansion of its Psychotropic Drug Safety Initiative to address the growing crisis of stimulant use overdose fatalities. This initiative will ensure the safe and appropriate prescribing of stimulant medications as well as expanding Veterans' access to evidence-based treatments for stimulant use disorder including cognitive-behavioral therapy and contingency management, both of which are recommended by the VA-Department of Defense Clinical Practice Guidelines for the Management of Substance Use Disorders.

President Biden's new strategy for addressing the national mental health crisis recognizes that many people face challenges in accessing mental health care. VA continues to evaluate staffing needs and prioritizes mental health hiring and training. However, we recognize that hiring additional mental health staff in VA will not resolve the growing demand. To address President Biden's vision to build system capacity, connect Veterans to care and create a full continuum of support for Veterans, VA is committed to being the Nation's leader in ongoing research enhancing current mental health treatment, identifying new mental health interventions and developing effective prevention and at-risk identification protocols. Ongoing Congressional support for VA Mental Health Centers of Excellence (CoE), the Mental Illness Research, Education, and Clinical Centers (MIRECCs), and mental health research initiatives through the Health Services Research and Development Service (HSR&D) will be essential as VA continues to address access, mental health care, and suicide prevention.

Improves Support for Women Veterans

This Budget requests \$9.8 billion for all women Veterans' health care, including an estimated \$767 million to support women's gender-specific care. The Budget also includes \$134 million for women's health program efforts. VA continues outreach to women Service members and Veterans, to encourage them to enroll and use the services they have earned. As a result, the number of women Veterans enrolling in VA health care is rapidly increasing. More women are choosing VA for their health care than ever before, with women accounting for over 30% of the increase in Veterans served over the past 5 years. Investments support comprehensive specialty medical and surgical services for women Veterans at a VA facility or through referrals to the community. The number of women Veterans using VA services has more than tripled

since 2001, growing from 159,810 to more than 600,000 today. VA is committed to providing high quality, equitable care to women Veterans at all sites of care. To address the growing number of women Veterans who are eligible for health care, VA is strategically improving services and access.

VA is enhancing services and access for women Veterans by continuing to invest in hiring initiatives in 2022, providing funding for a total of over 800 women's health personnel nationally: primary care providers, gynecologists, mental health providers, and care coordinators. VA has also addressed clinical equipment needs such as those for mammography, exam tables designed for women with low mobility, and breastfeeding pods. Funds are available for programs that have traditionally not been offered by VA, such as pelvic floor physical therapy, lactation support and maternity care coordination.

The Budget fully funds women's health care provisions of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315), which improves access to VA care for women Veterans. The Budget also supports implementation of VA's zero tolerance policy for sexual harassment and assault.

The Budget further supports all Veterans by including a legislative proposal to enhance equity by expanding access to assisted reproductive technology, including in vitro fertilization and adoption reimbursement, and to eliminate cost sharing for contraception-related health care and services.

Increases Effort to End Veteran Homelessness

The 2023 Budget increases resources for Veterans' homelessness programs to \$2.7 billion, with the goal of ensuring every Veteran has permanent, sustainable housing with access to high-quality health care and other supportive services to end and prevent future Veteran homelessness. This Budget includes funds to assist with the design and development of project-based housing partnerships for aging Veterans, a growing need and area of focus for the Department of Housing and Urban Development (HUD) – VA Supportive Housing program. In addition, funds will be used to provide additional grant funds for special needs grants that provide transitional housing through the Grant and Per Diem program. Funds will be used to support the following staffing initiatives: 1) The Health Care for Homeless Veterans (program will hire an additional 140 social workers to assist homeless Veterans in enrolling in VA health care or community health care); 2) The Veterans Justice Programs will support outreach and linkages to VA services for justice-involved Veterans by providing funding to expand Veteran Justice Outreach to approximately 440 staff; and 3) The SSVF program will continue to maintain health care navigator positions to connect Veterans to VA or community health care.

Since 2010, VA and its Federal and nonprofit partners have helped house or prevent from experiencing homelessness more than 938,000 Veterans and family

members. These efforts have led to a 55% reduction in sheltered Veteran homelessness since 2010. On a single night in January 2021, there were 19,750 Veterans experiencing sheltered homelessness in the U.S. Between 2020 and 2021, the number of Veterans experiencing sheltered homelessness decreased by 10.4% (2,298 fewer people). However, COVID-19 impacted the ability of communities to do their counts in January 2021. The report is only able to provide national estimates on sheltered homelessness. Therefore, while it is an important snapshot of sheltered homelessness, the report does not provide a complete picture of homelessness in the United States.

As of March 21, 2022, there were 86 areas (83 communities and 3 States: Delaware, Connecticut and Virginia) that met the criteria and benchmarks established by the U.S. Interagency Council on Homelessness, VA and HUD, for eliminating Veteran homelessness and those areas have publicly announced an effective end to Veteran homelessness.

VA's goal is to prevent and end Veteran homelessness by providing support and services to homeless and at-risk Veterans that enable them to lead independent lives in the community of their choosing. In support of this, VA's homeless programs provide a comprehensive and practical range of services, including outreach, prevention assistance, housing solutions, employment assistance, health care, and justice and re-entry services. Notably, VA has set goals to permanently house more Veterans in calendar year 2022 and is actively collaborating with HUD, the US Interagency Council, and a broad range of state and local partners to achieve joint progress for Veterans and Americans.

Supports Research Critical to Veterans' Health Needs

The 2023 Budget requests \$916 million in appropriations for VA's Medical and Prosthetic Research account to continue the development of VA's research enterprise, including research in support of American Pandemic Preparedness plan goals. This request builds upon the historic investment from the 2022 Budget to continue to increase funding to advance the Department's research missions in MEE, traumatic brain injury, cancer and precision oncology and mental health. These efforts will be conducted under a recent enterprise strategy aimed at optimizing a range of capabilities and expertise in clinical, informatics/data science, genomics, and other biomedical research strengths that actively partner with VA clinical and operations partners to help bring real world impact to Veterans within the Nation's largest integrated health care system. VA research has been a leader in bringing many breakthrough advances for treatment and care to Veterans and the Nation. The Budget will help continue that leadership while also expanding into newer areas of science for which VA is uniquely positioned. These efforts have also enabled VA to be a partner of choice with Federal, academic and industry groups to provide more opportunities for Veterans through research and allowing them to further service their country by participating in groundbreaking science. Most recently, VA not only contributed to the Nation's understanding of COVID-19 vaccines and treatments, but also to better understanding

of possible long-term outcomes related to COVID-19 infection. These efforts capitalized on the extensive data that VA possesses to allow large-scale analyses that are not often possible in other settings.

The Budget is also poised to support activities in the Cancer Moonshot initiative, with an investment of \$81 million in research programs. Funds will support research in molecular diagnostics, accessing our diverse patient population. Through this population, we can identify genomic signatures that may be associated with carcinogens from MEE, identify druggable targets and pathways in rare and common cancers based on understanding of their unique characteristics and apply precision oncology approaches to cancer screening and early detection.

As you know, VA has ownership interests in inventions and patents that are licensed to commercial entities where the inventions were made in whole or in part with the support of VA resources, including funds, personnel, space, and equipment. The Department is taking important steps to strengthen its oversight and audit of its intellectual property rights, and we are accelerating our efforts to ensure that VA is able to recoup royalties from any invention that is licensed. This will benefit not only Veterans, but also taxpayers. We are ensuring that the hundreds of millions of dollars we spend on research not only go to advance medical understanding that helps Veterans, but that those expenditures also serve to produce a return on our investment to help our mission.

Leverages Technology to Support Service and Medical Care Delivery

VA is undergoing one of the most comprehensive information technology (IT) infrastructure modernizations in the Federal government, which will support seamless transition of health care information throughout an individual's journey from military service to Veteran status. Additionally, with Congressional support, VA is moving to significantly enhance filings, information collection and decisions on Veterans' claims through automation and improved digital interactions to include claimants, authorized agents or representatives. The 2023 Budget includes \$5.8 billion in appropriations for the Office of Information and Technology (OIT) to pilot application transformation efforts, support cloud modernization, deliver efficient IT services and enhance the customer service experience. The Budget prioritizes cybersecurity, Infrastructure Readiness Program (IRP) and claims automation, with the mission to ensure a seamless customer experience for Veterans. In particular, the Budget includes \$402 million for cybersecurity that will allow OIT to deliver enterprise-wide cybersecurity strategies, policy, governance, oversight, and network defenses to protect Veterans' information and VA's information systems. Further, the FY 2023 Budget strengthens platforms to support emerging business requirements and accelerates adoption and rollout of VA-requested Software as a Service products. This is necessary to respond to increased demand for new IT capabilities, increased growth identified by our business partners requesting new space and facility activations, as well as increased modernization to enhance and optimize the infrastructure.

Our main transformative projects are the implementation of the Electronic Health Record Modernization (EHRM) program and the adoption of a new financial and acquisition management system — our Financial Management Business Transformation (FMBT).

Renewed Focus on EHRM

VA has moved forward with the EHRM program following the strategic review and has incorporated lessons learned from initial operating capability deployment in Spokane, Washington. On March 26, 2022, VA deployed the new EHR solution to our second initial operating capability site, the Jonathan M. Wainwright Memorial VAMC in Walla Walla, Washington, and on April 30, 2022, the new EHR solution went live at the VA Central Ohio Health Care System in Columbus, Ohio. In addition, new EHR governance and management structures have been established, and the strategy has been updated to rebuild a core foundation to right size the organization with a focus on people, processes, policy and systems. The program is aligned to a revised schedule for the rollout of the EHR solution through early FY 2024, with deployments at sites in Veterans Integrated Service Networks (VISN) 10, 12 and 20.

In support of this effort, VA requests \$1.8 billion for FY 2023. This is in accordance with the new strategy, which re-baselined the requirements to align with VA's updated deployment plans. This funding is vital to support the 19 EHR deployments scheduled for FY 2023, as well as the pre-deployment activities at future sites, which are conducted 6 to 18 months in advance of go-live to ensure sites are equipped to receive the new EHR system. In FY 2023, VA plans to conduct EHR activities at 34 sites across four VISNs and infrastructure readiness activities at 68 sites across seven VISNs. The funding will provide for:

- **EHR Contract:** Contracts for site assessments, site transitions, enterprise integration and site implementation, which include activities such as site activation, training and workflow development.
- **Infrastructure Readiness:** Infrastructure upgrades to support the new EHR solution, which includes activities to update computers and network infrastructure, and efforts related to system interfaces and cybersecurity.
- **Program Management Office:** EHRM Integration Office (EHRM IO) hiring and retention of staff with the necessary expertise to support effective change management and implementation of the EHR.

Continuity of funding is integral to our ability to prepare sites for the deployment of the new EHR and execute VA's rollout schedule. By the end of FY 2022, EHRM IO plans to have invested infrastructure readiness funding across 15 of VHA's 18 VISNs. The vast majority of infrastructure modernization work will be completed in VISNs 10 and 20, with initial progress already made in 13 additional VISNs. The 2023 Budget supports security, server stack and Local Area Network work at the final three VISNs, which represent the initial set of infrastructure readiness items that the sites receive.

In addition to the funding requested for the EHRM account, VHA's Medical Facilities request includes \$505 million in Non-Recurring Maintenance (NRM) funding for infrastructure projects required to support EHRM.

Financial Management Business Transformation

The Financial Management Business Transformation (FMBT) program is increasing the transparency, accuracy, timeliness and reliability of financial and acquisition activities across the Department. The 2023 Budget includes \$350 million (including General Administration, Information and Technology, Supply Fund and Franchise Fund sources) for FMBT, a program that is improving fiscal accountability to taxpayers and enhancing mission outcomes for our employees who serve Veterans. We completed three successful deployments of the new Integrated Financial and Acquisition Management System (iFAMS) at NCA and VBA and identified opportunities to improve our approach. We are learning from these early deployments and adjusting our strategy to manage the complexities inherent in a financial and acquisition system implementation of this magnitude. Each implementation brings us one step closer to providing a modern, standardized and secure integrated solution that enables VA to meet its objectives and fully comply with financial management and acquisition mandates and directives. Deployment of iFAMS is taking place over 21 phased implementation "waves" across NCA, VBA, VHA, and VA staff offices. Four waves will have been completed by the end of FY 2022. As of April 2022, there have been over 400,000 transactions successfully processed in iFAMS, and over \$3.2 billion in payments made to the Department of Treasury. The next system the Office of Management and all Staff Offices it supports in October 2022. System rollouts will then continue across the remaining Administrations and Staff Offices until enterprise-wide implementation is complete.

Prioritizes VA Facilities

The 2023 Budget includes \$3 billion for construction requirements in 2023 -- \$2.1 billion in major and minor construction appropriations in addition to \$968 million in estimated unobligated balances from the Recurring Expenses Transformational Fund (RETF) planned for major and minor construction requirements. Funding for four medical facility and three national cemetery expansion projects are included in the request. The RETF will provide funding for three additional medical facility major construction projects, bringing the total to 10 major construction projects funded in FY 2023. In addition, VHA's Medical Facilities account includes \$2.5 billion for non-recurring maintenance (NRM).

VA operates the largest integrated health care, member benefits and cemetery system in the Nation, with more than 1,700 hospitals, clinics and other health care facilities; a variety of benefits and service locations; and national cemeteries. The VA infrastructure portfolio consists of approximately 184 million owned and leased square feet — one of the largest in the Federal Government.

While the median age of U.S. private sector hospitals is 11 years, the median age of VA's portfolio is 58 years, with 69% of VA hospitals over the age of 50. With aging infrastructure comes operational disruption, risk and cost. VA estimates between \$58 billion and \$70 billion will be needed over the next 10 years to maintain and enhance our infrastructure through our annual Strategic Capital Investment Planning process. However, efforts to fully address the aging infrastructure portfolio needs by recapitalization would exceed those funding estimates and occur over a longer timeline.

At current funding levels, some facility conditions will continue to degrade, and the highest priority selected improvements will continue to reflect short-term capital investments designed to meet immediate business needs versus long-term plans that meet the optimal service delivery objectives expected of modern health care delivery infrastructure. The funding originally proposed in the American Jobs Plan and the Build Back Better Bill would allow VA to begin structuring a recapitalization effort designed to fully upgrade and modernize our facilities, bringing them up to the standards Veterans deserve. This need still exists and VA will continue to develop our strategy to fully modernize or replace outdated medical centers with state-of-the-art facilities.

Transforming VA health care to achieve a safer, sustainable, pollution-free, person-centered national health care model is a priority for this Administration and we are committed to ensuring our facilities represent the best for Veterans. We look forward to working with Congress to achieve our shared goal of addressing VA's aging infrastructure.

AIR Commission

On March 14, 2022, VA published the Asset and Infrastructure Review (AIR) Commission recommendations in the Federal Register as required by the MISSION Act. The recommendations within this report are the result of years of research and analysis studying the VA health care system and the Veteran population. We solicited feedback from Veterans, collected and poured over data, visited VA facilities, talked to VA employees across the country, met with key partners and asked ourselves one question above all else: *what is best for the Veterans we serve?*

The result of asking that question over and over again, in markets across the country, is a set of recommendations that will:

- Cement VA as the primary, world-class provider, integrator and coordinator of Veterans' health care for generations to come.
- Build a health care network with the right facilities, in the right places, to provide the right care for Veterans in every part of the country.
- Ensure that the infrastructure that makes up VA in the decades ahead reflects the needs of 21st Century Veterans—not the needs and challenges of a health care system that was built, in many cases, 80 years ago; and
- Strengthen VA's dual roles as the leading health care researcher in the U.S. and the leading health care training institution in America.

In short, these recommendations represent a massive investment that will make VA stronger—and fortify our ability to deliver the timely, world-class health care that Veterans so rightly deserve.

Conclusion

Chairman Tester, Ranking Member Moran, I look forward to working with you and Committee. Thank you for the opportunity to appear before you today to discuss our progress at the Department and how the President's FY 2023 and FY 2024 Advance Appropriations Request will serve our Nation's Veterans.