

HONORABLE ERIC K. SHINSEKI, SECRETARY, DEPT. OF VETERANS AFFAIRS

STATEMENT OF THE HONORABLE ERIC K. SHINSEKI  
SECRETARY OF VETERANS AFFAIRS

FOR PRESENTATION BEFORE THE  
SENATE COMMITTEE ON VETERANS AFFAIRS

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Mr. Chairman, Senator Burr, distinguished members of the Committee:

Thank you for this opportunity to present an overview of the 2010 budget for the Department of Veterans Affairs (VA). President Obama has charged me with transforming VA into a 21st century organization—a transformation demanded by new times, new technologies, new demographic realities, and new commitments to today's Veterans.

The VA's proposed 2010 budget demonstrates the President's commitment to our Nation's Veterans and a transformed VA that is people-centric, results-driven, and forward-looking. The proposal would increase VA's budget to \$113 billion—up \$15 billion, or 16 percent, from the 2009 enacted budget. This is the largest one-year dollar and percentage increase for VA ever requested by a President.

Nearly two thirds of the increase (\$9.7 billion) would go to mandatory programs (up 20 percent); the remaining third (\$5.6 billion) would be discretionary funding (up 11 percent). The total budget would almost evenly split between mandatory funding (\$56.9 billion) and discretionary funding (\$55.9 billion).

The President's 2010 budget is the first step toward increasing VA funding by \$25 billion over the baseline over the next five years. This strong financial commitment will ensure Veterans receive timely access to the highest quality benefits and services we can provide and which they earned through their sacrifice and service to our Nation.

These resources will be critical to our mission of addressing Veterans' changing needs over time. This funding pledge ensures we can deliver state-of-the-art health care and benefits; grow and maintain a skilled, motivated, and client-oriented workforce; and implement a comprehensive training and leader development program for long-term professional excellence at VA.

The Administration is still developing the details of the President's 2010 budget request, to be released in late April. As a result, I cannot address today the funding for any specific program or activity. However, I want to summarize this budget's major focus areas that are critical to realizing the President's vision and fulfilling my commitment to Veterans.

#### Dramatically Increasing Funding for Health Care

VA's request for 2010 provides the funds required to treat more than 5.5 million Veteran patients. This is 9.0 percent above the Veteran patient total in 2008 and is 2.1 percent higher than the projected number in 2009. The number of patients who served in Operations Enduring Freedom

and Iraqi Freedom will rise to over 419,000 in 2010. This is 61 percent higher than in 2008 and 15 percent above the projected total this year.

The 2010 budget request enables VA to achieve the President's pledge of strengthening the quality of health care for Veterans. We will increase our emphasis on treating those with vision and spinal cord injury and meet the rising demand for prosthetics and sensory aids. We will respond to the needs of an aging population and a growing number of women Veterans coming to VA for health care. The delivery of enhanced primary care for women Veterans is one of VA's top priorities. The number of women Veterans is growing rapidly. In addition, women are becoming increasingly dependent on VA for their health care. More than 450,000 women Veterans have enrolled for care and this number is expected to grow by 30 percent in the next five years. We will soon have 144 full-time Women Veterans Program Managers serving at VA medical facilities. They will serve as advisors to and advocates for women Veterans to help ensure their care is provided with the appropriate level of privacy and sensitivity.

The Department will continue to actively collaborate with the Department of Defense (DoD) to establish a DoD/VA vision center of excellence in the prevention, diagnosis, mitigation, treatment, and rehabilitation of eye injuries. The FY 2010 budget request provides resources to continue development of a network of eye and vision care specialists to assist with the coordination and standardization of vision screening, diagnosis, rehabilitative management, and vision research associated with traumatic brain injury (TBI). This network will ensure a continuum of care from DoD military treatment facilities to VA medical facilities.

#### Expanding Health Care Eligibility

For the first time since 2003, the President's budget expands eligibility for VA health care to non-disabled Veterans earning modest incomes. This commitment recognizes that economic conditions have changed and there are many lower-income Priority 8 Veterans who are now facing serious financial difficulties due to the rising cost of health care. This year VA will open enrollment to Priority 8 Veterans whose incomes exceed last year's geographic and VA means-test thresholds by no more than 10 percent. We estimate that 266,000 more Veterans will enroll for care in 2010 due to this policy change. Furthermore, the budget includes a gradual expansion of health care eligibility that is expected to result in nearly 550,000 new enrollees by 2013. The Department's 2010 budget contains sufficient resources to ensure we will maintain our quality of care, which sets the national standard of excellence. Further, there will be no adverse impact on wait times for those already enrolled in our system.

#### Enhancing Outreach and Services Related to Mental Health Care and Cognitive Injuries, including Post-Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI), with a Focus on Access for Veterans in Rural Areas

The Department's 2010 budget provides the resources VA needs to expand inpatient, residential, and outpatient mental health programs. A key element of VA's program expansion is integrating mental health services with primary and specialty care. Veterans receive better health care when their mental and physical needs are addressed in a coordinated and holistic manner.

This budget allows us to continue our effort to improve access to mental health services across the country. We will continue to place particular emphasis on providing care to those suffering from PTSD as a result of their service in Operations Enduring Freedom and Iraqi Freedom. The Department will increase outreach to these Veterans as well as provide enhanced readjustment and PTSD services. Our strategy for improving access includes expanding our telemental health program, which allows us to reach thousands of additional mental health patients annually, particularly those living in rural areas.

To better meet the health care needs of recently discharged Veterans, the 2010 budget enables VA to expand its screening program for depression, PTSD, TBI, and substance use disorders. The Department will also enhance its suicide prevention advertising campaign to raise awareness among Veterans and their families of the services available to them.

In 2010, VA will expand the number of Vet Centers providing readjustment counseling services to Veterans, including those suffering from PTSD. The Department will also improve access to mental health services through expanded use of community-based mental health centers. We will continue to place VA mental health professionals in community-based programs to provide clinical mental health services to Veterans. Where appropriate, we will provide fee-basis access to mental health providers when VA services are not reasonably close to Veterans' homes. We will also expand use of Internet-based mental health services through "MyHealtheVet," which provides an extensive degree of health information to Veterans electronically. These steps are critical to providing care to Veterans living in rural areas.

The 2010 budget provides resources for vital research projects aimed at improving care and clinical outcomes for Veterans of Afghanistan and Iraq. Some of this key research will focus on TBI and polytrauma, specifically studies on blast-force-related brain injuries, enhancing diagnostic techniques, and improving prosthetics. We will strengthen our burn injury research to improve the rehabilitation and daily lives of Veterans who have suffered burns. VA will also enhance research on chronic pain, which afflicts one of every four recently discharged Veterans. And the Department will also advance research on access to care, particularly for Veterans in rural areas, by studying new telemedicine efforts focused on mental health and PTSD.

**Investing in Better Technology to Deliver Services and Benefits to Veterans with the Quality and Efficiency They Deserve**

Leveraging information technology (IT) is crucial to achieving the President's vision for transforming VA into a 21st Century organization that meets Veterans' needs. This is critical not only for today's demands, but also for laying a foundation for high-quality, timely, and accessible service to Veterans, whose use of VA services is expected to grow year to year.

IT is an integral component of VA's health care and benefits delivery systems. They enable VA's ability to deliver high-quality health care, ranging from emergency treatment to routine exams in medical centers, outpatient clinics, and in-home care and telehealth settings. These technologies are also the foundation of our benefits delivery systems, to include, for example, compensation, pensions, education assistance, and burial benefits. VA depends on a reliable and accessible IT infrastructure, a high-performing IT workforce, and modernized information systems that are flexible enough to meet both existing and emerging service delivery requirements. Only in this

way can we ensure system-wide information security and the privacy of our clients. The President's 2010 budget for VA provides the resources necessary to meet these vital IT requirements.

This budget strongly supports the most critical IT development program for medical care-advancement of VA's "HealtheVet" program, which is the future foundation of our electronic health record system. This system includes a health data repository, a patient scheduling system, and a reengineered pharmacy application. "HealtheVet" will equip our health care providers with the modern technology and tools they need to improve the safety and quality of care for Veterans.

The Secretary of Defense and I are collaborating to simplify the transition of military personnel into civilian status through a uniform approach to both registering into VA and accessing electronic records data. Through a cooperative effort, we seek to improve the delivery of benefits and assure the availability of medical data to support the care of patients shared by VA and DoD. This will enhance our ability to provide world-class care to Veterans, active-duty service members receiving care from both health care systems, and our wounded warriors returning from Iraq and Afghanistan.

The 2010 budget provides the funds necessary to continue moving toward the President's goal of reforming the benefits claims process to ensure VA's claims decisions are timely, accurate, fair, and consistent through the use of automated systems. VA's paperless processing initiative expands on current paperless claims processing already in place for some of our benefits programs and will improve both the timeliness and accuracy of claims processing. It will strengthen service to Veterans by providing them the capability to apply for and manage their benefits on-line. It will also reduce the movement of paper files and further secure Veterans' personal information. The initial features of the paperless processing initiative will be tested in 2010, and by 2012 we expect to complete the implementation of a fully electronic benefits delivery system.

#### Providing Greater Benefits to Veterans Who Are Medically Retired from Service

The President's 2010 budget provides for the first time concurrent receipt of disability benefits from VA in addition to DoD retirement benefits for disabled Veterans who are medically retired from service. Presently, only Veterans with at least 20 years of service who have service-connected disabilities rated 50 percent or higher by VA are eligible for concurrent receipt. Receipt of both VA and DoD benefits for all who were medically retired from service will be phased in starting in 2010.

#### Combating Homelessness by Safeguarding Vulnerable Veterans

The President has committed to expanding proven programs and launching innovative services to prevent Veterans from falling into homelessness. The 2010 budget includes funds for VA to work with the Departments of Housing and Urban Development, Labor, Education, Health and Human Services, and the Small Business Administration, in partnership with non-profit organizations, to improve the well-being of Veterans. This effort focuses on reducing homelessness and increasing employment opportunity among Veterans, and includes a pilot program aimed at maintaining

stable housing for Veterans at risk of homelessness while also providing them with ongoing medical care and supportive services.

### Facilitating Timely Implementation of the Comprehensive Education Benefits Veterans Earn through their Dedicated Military Service

The Department is on target to implement the Post-9/11 Veterans Educational Assistance Act starting August 1, 2009. VA is pursuing two parallel strategies to successfully implement this new education program, both of which are fully supported by the resources presented in the 2010 budget.

The short-term strategy relies upon a combination of manual claims processing and modifications to existing IT systems. Until a modern eligibility and payment system can be developed, VA will adjudicate claims manually and use the existing benefits delivery network to generate recurring benefit payments to schools and program participants. This budget includes funds to hire and maintain the additional staff required.

The long-term strategy is the development and implementation of an automated system for claims processing. The Department has teamed with the Space and Naval Warfare Systems Command to address the necessary IT components of this strategy. They are the premier systems engineering command for the Department of the Navy, and they have extensive experience in building state-of-the-art IT systems. The automated solution will be available by the end of calendar year 2010, by which time full operational control of the automated system will be in VA's hands.

### Closing

Veterans are VA's sole reason for existence and my number one priority-bar none. I am inspired by this committee's unwavering commitment to Veterans, and I look forward to working with you to transform VA into an organization that reflects the change and commitment our country expects and our Veterans deserve.