

**STATEMENT OF
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DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE**

**U.S. DEPARTMENT OF VETERANS AFFAIRS BUDGET REQUEST
FOR FISCAL YEAR 2022**

JUNE 16, 2021

Chairman Tester, Senator Moran, and distinguished Members of the Committee. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2022 Budget and FY 2023 Advance Appropriations Request for the Department of Veterans Affairs (VA), and for your longstanding support of Veterans and their families. I am accompanied by Mr. Jon Rychalski, Assistant Secretary for Management and Chief Financial Officer.

President Biden defined 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. It is the honor of my lifetime to join the dedicated, highly skilled professionals who constitute the VA workforce—many of them Veterans themselves. VA employees are committed to serving Veterans, their families, caregivers and survivors. The President's FY 2022 Budget Request reflects this commitment. This budget request will ensure VA is moving swiftly and smartly into the future, with much-needed monetary investments in our most successful and vital programs. 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.

VA faces critical challenges, many of them made even more complex by the COVID-19 pandemic. Getting our Veterans through this pandemic continues to be one of our department's highest priorities. As our country re-opens after 14 months of closures and necessary restrictions on some activities, all of us at VA remain focused on the robust clinical response to COVID-19. Our efforts include expanding COVID-19 vaccinations; ensuring Veterans stay connected to longitudinal care through telehealth and in person care where necessary; keeping employees safe; and, planning how to address the pandemic's future impacts on Veterans and our workforce in the health care, benefits and cemetery systems. VA has demonstrated resiliency through this crisis by providing continuous services in line with national policy, and we continue to update our safety guidelines in accordance with Centers for Disease Control and Prevention (CDC) guidance.

We encourage every Veteran to be vaccinated as soon as possible. That is why we thank Congress for providing additional authorities and we have expanded our efforts to include vaccinations for all Veterans, regardless of whether they are enrolled or eligible to enroll in VA health care, for Veterans' spouses, and for Veterans' caregivers, and, most recently, for some 12- to 17-year-olds, including those serving as Veteran caregivers and those who qualify as beneficiaries under VA's Civilian Health and Medical Program.

As of June 11, VA has fully vaccinated more than 3 million Veterans, family members, caregivers, employees, and federal partners. We are seeing the positive results of those efforts. I am honored and delighted to report that VA recorded zero deaths from COVID-19 in our facilities on May 24 for the first time in more than a year. That is a critically important indicator of significant progress in fighting this pandemic. As we prepared for Memorial Day, a time of special significance for us and our Veteran communities, we followed CDC guidance and relaxed restrictions at our National Cemeteries which allowed us to remember our fallen heroes in person again this year. We are seeking input from VA employees about how we can safely and confidently bring our teams back to work in a manner consistent with CDC guidance and data-driven facts. We look forward to our continued return to normal operations, while recognizing that this pandemic has had an impact on every aspect of daily life for Veterans, their families, and all Americans.

Fiscal Year 2022 Budget and 2023 Advance Appropriations

The President's FY 2022 Budget Request includes \$269.9 billion (with medical collections), a 10.0% increase above 2021. This includes a discretionary budget request of \$117.2 billion (with medical collections). The request includes \$101.5 billion (with collections) for VA medical care, \$8.7 billion or 9.4% above the 2021 enacted level. The 2022 mandatory funding request totals \$152.7 billion, an increase of \$14.9 billion or 10.8% above 2021. This funding is in addition to the substantial resources provided in the American Rescue Plan Act of 2021.

The 2023 Medical Care Advance Appropriations Request includes a discretionary funding request of \$115.5 billion (with medical care collections). The 2023 mandatory Advance Appropriations request is \$156.6 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities).

Strategic Focus

To fulfill our country's most sacred obligation, every decision I make will be determined by whether it increases Veterans' access to care and benefits and improves outcomes for them. I will work tirelessly to rebuild trust and restore VA as the premier agency for ensuring the well-being of America's Veterans through a persistent focus on the three core responsibilities of the Department:

1. Providing our Veterans with timely world-class health care;
2. Ensuring our Veterans and their families have timely access to their benefits; and
3. Honoring our Veterans with their final resting place and lasting tributes to their service.

Under my leadership, the Department will make it a priority to implement management reforms to improve accountability and ensure Veterans receive the care and benefits they have earned. In addition to the funding for medical care, this Budget includes \$3.4 billion for the General Operating Expenses - Veterans Benefits Administration (VBA) account, including funds to hire 429 new disability compensation claims processors, and \$394 million for the National Cemetery Administration (NCA). The Budget fully funds operation of the largest integrated health care system in the United States, with over 9.2 million enrolled Veterans, provides disability compensation benefits to nearly 6 million Veterans and their survivors and administers pension benefits for over 350,000 Veterans and their survivors.

In addition to focusing on these three core responsibilities, President Biden also tasked me with:

1. Getting our Veterans through this COVID-19 pandemic;
2. Helping our Veterans build civilian lives of opportunity with the education and jobs worthy of their skills and talents;
3. Ensuring VA welcomes all our Veterans, including women Veterans, Veterans of color, and LGBTQ+ Veterans; and Diversity, Equity and Inclusion are woven into the fabric of the Department;
4. Working to eliminate Veteran homelessness and prevent suicide; and
5. Keeping faith with our families and caregivers.

Key Challenges:

As VA addresses the numerous challenges brought on or exacerbated by the COVID-19 pandemic, we also will need to tackle other longstanding issues that are essential to the Department's ability to sustainably and effectively execute its mission, including (1) establishing the right balance of direct care and purchased care, (2) delivering timely access to high-quality mental health care, including substance use disorder care, and preventing Veteran suicide, (3) increasing support to families and caregivers, (4) increasing support for the growing number of women Veterans who utilize VA services, (5) providing a whole of government solution to drive progress to eliminate Veteran homelessness, (6) improving support for transitioning servicemembers through improvements to the Transition Assistance Program (TAP), education and job training programs, and (7) addressing an aging medical infrastructure.

Establishing the Right Balance of VA and Community Care

Providing Veterans with timely access to high quality health care is essential. VA remains committed to a strong, thriving direct VA health care system, augmented by a robust and high-quality community care network. We will continue to expand access, innovate, and leverage our research and education missions to push the boundaries of what is possible in serving our Nation's Veterans. In short, we will lead – empowering each Veteran with the confidence that their trusted system will lead with sustained excellence on their behalf and on behalf of future generations of Veterans. For the Veterans listening today: VA is here as a welcoming, steady force ready to help you grow your health and well-being with the excellence you expect from us.

Access to Mental Health and Suicide Prevention

VA has made suicide prevention a top clinical priority and is implementing a comprehensive public health approach to reach all Veterans. The 2022 Budget Request includes \$598 million, nearly \$287 million above the 2021 enacted level, for existing programs dedicated to suicide prevention outreach and related activities, including funding to increase the capacity of the Veterans Crisis Line. Funding for mental health in total grows to \$13.5 billion in 2022, up from \$12.0 billion in 2021. 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.

VA developed the *National Strategy for Preventing Veteran Suicide* (2018),¹ which laid the foundation for VA's approach to suicide. This national vision for preventing Veteran suicide is grounded in three major tenets in which we firmly believe: (1) suicide is preventable, (2) suicide requires a public health approach, combining community-based and clinical approaches and (3) everyone has a role to play in suicide prevention. While the development of the National Strategy was groundbreaking in defining the vision of reaching and serving Veterans within and outside Veterans Health Administration (VHA) clinical care, VA moved to translate the vision of the 10-year National Strategy into operational plans of actions in: Suicide Prevention 2.0 (SP 2.0) combined with the Suicide Prevention Now initiative.

My promise to Veterans remains the same: (1) to promote, preserve and restore Veterans' health and well-being, (2) to empower and equip them to achieve their life goals using a whole health approach and (3) to provide state-of-the-art clinical

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.

treatments. We will continue to invest and share resources with community organizations in the fight against Veteran suicide. We understand Veterans possess unique characteristics and experiences related to their military service that may increase their risk of suicide. Additionally, Veterans also tend to possess skills and protective factors, like resilience and a strong sense of belonging to a group.

Supporting Caregivers

The 2022 request includes \$1.4 billion, an increase of \$350 million above 2021, in funding dedicated to the Caregiver Support Program (CSP). The CSP empowers caregivers to provide care and support to Veterans with a wide range of resources through the Program of General Caregiver Support Services (PGCSS) and the Program of Comprehensive Assistance for Family Caregivers (PCAFC). As a result of the *John S. McCain III, Daniel Akaka, and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018*, or the *VA MISSION Act of 2018*, VA began a major expansion of PCAFC.

PCAFC expansion rolls out in two phases. The first phase, which began on October 1, 2020, expands PCAFC eligibility to include eligible Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975. Effective October 1, 2022, the second phase will expand PCAFC eligibility to include eligible Veterans who incurred or aggravated a serious injury in the line of duty between May 7, 1975, and September 11, 2001.

Expansion of this Program was contingent upon the implementation and certification of the new IT system, Caregiver Record Management Application (CARMA). CARMA automates manual processes and integrates with other VA systems, increasing efficiencies and effectiveness, and allowing for more effective monitoring and management of the program for caregivers and VA staff.

CARMA supports consistency through systematic calculations of monthly stipend payments and provides a mechanism for CARMA users to identify upcoming reassessments of PCAFC participants, among other key functions. A new digital version of VA FORM 10-10CG allows online PCAFC applications.

VA also expedited the hiring of key staff with clinical qualifications and organizational skills to support program needs, provide a strong infrastructure and standardize application processing and adjudication, ensuring consistent eligibility decision-making. The expansion funded by this request will support providing training and education to over 1,900 field-based staff dedicated to the caregiver program. CSP has already expanded to approximately 1,800 staff. These changes will help ensure Veterans and caregivers receive timely, accurate assessments and eligibility determinations, as well as an improved customer experience.

Improving Support for Women Veterans

As the number of women Veterans enrolling in VA health care continues to increase, VA must be prepared to meet their needs. Women make up 16.5% of today's Active Duty military forces and 19% of National Guard and Reserves. Based on the trend, the expected number of women Veterans using VA health care will rise rapidly. More women are choosing VA for their health care than ever before, with women accounting for over 30% of the increase in Veterans enrolled over the past 5 years. The number of women Veterans using VA health care services has more than tripled since 2001, growing from 159,810 to more than 550,000 today. To support the growing number of women Veterans, VA will increase total planned obligations from all funding sources for gender-specific care from \$630 million in 2021 to \$706 million in 2022, an increase of \$76 million, or 12%.

To address the needs of the growing number of women Veterans who are eligible for VA health care, VA is strategically enhancing services and access for women Veterans by hiring women's health personnel nationally to fill any gaps in capacity to provide gender specific care — this includes hiring primary care providers, gynecologists, mental health care providers and care coordinators across all VISNS so that VA is able to fulfill the mission of caring for those we serve. Funds also are available for programs such as pelvic floor physical therapy or lactation support. These efforts will be sustained by the 2022 request, which includes \$105 million for the Office of Women's Health.

Each of the 171 VA medical centers across the United States now has a full-time Women Veterans Program Manager tasked with advocating for the health care needs of women Veterans. Mini residencies in women's health with didactic and practicum components have been implemented to enhance clinician proficiency. Since 2008, more than 7,600 health care providers and nurses have been trained in the local and national mini-residency programs and even more have participated in monthly webinars and Talent Management System (TMS) trainings, not only developing women's health experts, but also enhancing competency of all clinicians across the system.

Under a new collaboration with the Office of Rural Health, we established a pathway for accelerating access to women's health training for rural primary care providers. VHA actively recruits providers with experience in women's health care to join its care team. VHA has launched numerous initiatives to improve access to state-of-the-art reproductive health services, mental health services and emergency services for women Veterans, as well as focusing on enhancing care coordination through technological innovations such as registries and mobile applications.

To provide the highest quality of care to women Veterans, VA offers women Veterans trained and experienced designated Women's Health Primary Care Providers (WH-PCP). National VA satisfaction and quality data indicate women who are assigned to WH-PCPs have higher satisfaction and higher quality of gender specific care than those assigned to other providers. Importantly, we also find women assigned to WH-

PCPs are twice as likely to choose to stay in VA health care over time. Designated WH-PCPs are available across all VA Health Care Systems, and VA is actively recruiting additional new providers with even more enhanced proficiency in women's health care. VA provides full services to meet specific needs of women Veterans, such as gynecology, maternity care, infertility services, reproductive mental health services and military sexual trauma assistance.

Eliminating Veteran Homelessness

VA remains committed to ending Veteran homelessness. The 2022 Budget Request includes \$2.2 billion for Veteran homelessness programs, an increase of 8.4% over the 2021 enacted level (base funding only). In addition, VA will obligate \$486 million in ARP funding in 2022, for a total of \$2.6 billion dedicated to reducing Veteran homelessness in 2022. The goal is to ensure every Veteran has permanent, sustainable housing with access to high-quality health care and other supportive services to prevent Veteran homelessness. VA has partnered closely with other Federal agencies and with State and local programs across the country to:

- Identify all Veterans experiencing homelessness;
- Provide shelter immediately to any Veteran experiencing unsheltered homelessness;
- Provide service-intensive transitional housing to Veterans who prefer and choose such a program;
- Move Veterans swiftly into permanent housing; and
- Have resources, plans, partnerships and system capacity in place should any Veteran become homeless or be at risk of homelessness.

VA has made significant progress to prevent and end Veteran homelessness. The number of Veterans experiencing homelessness in the United States has declined by nearly half since 2010. On any given night in January 2020, an estimated 37,252 Veterans were experiencing homelessness. Since 2010, over 850,000 Veterans and their family members have been permanently housed or prevented from becoming homeless. Efforts to end Veteran homelessness have resulted in an expansion of services available to permanently house homeless Veterans and the implementation of new programs aimed at prevention, including low-threshold care/engagement strategies and monitoring homeless outcomes. VA offers a wide array of interventions designed to find Veterans experiencing homelessness, engage them in services, find pathways to permanent housing and prevent homelessness from reoccurring.

Economic Opportunity

As an overall group, Veterans fare better economically than the average American. However, Veterans and their spouses still face economic challenges. Helping Veterans build civilian lives of opportunity with the education and jobs worthy of their skills and talents is a critical priority. The budget request supports this commitment by making key investments in VBA, including an increase of \$81.5 million to support the Digital GI Bill Modernization effort, as well as an increase of \$5 million for the Veterans'

Clean Energy Job Training program in conjunction with the Department of Labor, and \$3.6 million for the VA Disability Employment Pilot Project to assist Veterans with service-connected disabilities seeking employment opportunities.

VA military-to-civilian transition programs are designed to give transitioning Service members the best possible start to their post-military lives. The VA Benefits and Services course, as part of the interagency Transition Assistance Program (TAP), helps Service members and their spouses understand how to access the VA benefits and services they have earned. VA TAP provides resources and tools Service members need to achieve emotional and physical health, attain economic stability in civilian life and become career ready. Although TAP has evolved significantly over the years, we continue to assess its effectiveness and evolve where appropriate to promote meaningful and economically enriching lives for Veterans and their families.

Addressing an Aging Infrastructure

The 2022 request includes \$2.2 billion, a 26.8% increase over 2021, for Major and Minor Construction. The Major Construction request includes funding for 12 medical facility and two cemetery expansion projects. Additionally, the President requests \$18 billion in mandatory funding in the American Jobs Plan (AJP) to modernize VA health care facilities with \$3 billion to address immediate infrastructure needs within VA health care facilities and the remaining \$15 billion to fully modernize or replace outdated medical centers with state-of-the-art facilities. We look forward to working with Congress to achieve our shared goal of addressing VA's aging infrastructure.

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. The median age of U.S. private sector hospitals is 11 years; however, 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 that between \$49 and \$59 billion in short- and medium-term investments will be needed to maintain our infrastructure using our annual Strategic Capital Investment Planning process. However, any effort to fully address the aging infrastructure portfolio needs would likely far exceed those estimates and occur over a significant timeline.

VA's market assessments have been on-going for nearly two years, allowing VA to gain significant insights into trends and needs in the VA health care delivery system – with enhancing Veteran access and outcomes at the core. The VA MISSION Act requires VA to continue construction, leasing, budgeting, and long-range capital planning activities while the market assessment and Asset and Infrastructure Review (AIR) Commission activities are occurring. The additional AJP investment would enable planning to start sooner to address facilities we know are not conducive to future health care delivery, while still being informed by outcomes of the AIR process.

Health care innovation is occurring at an exponential pace and the comparative age between VA facilities and private sector facilities is informed by these trends. The architects who designed and constructed many VA facilities in the decades following World War II could not have anticipated the requirements of today's medical technology and the key role infrastructure—and technological infrastructure—now plays in delivering safe and high-quality health care. As a result, many of VA's facilities were not designed with these technology and infrastructure requirements, which limits our agility and ability to meet the evolving health care needs of Veterans.

The experience of responding to the COVID-19 pandemic brought critical lessons. Uncertainty regarding the timing and location of the next surge or surges in cases across the country underscored the importance of portable capabilities (e.g., 24-bed Intensive Care Unit that can be transported) for VA health care's Fourth Mission role in future public health emergencies.

Transforming VA health care to achieve a safer, sustainable, greener, person-centered national health care model requires VA to leverage innovations in medical technology and clinical procedures. As technology-enabled trends in U.S. medicine bring health care closer to individuals and communities, there is less demand for prodigious, sprawling campuses and more demand for emphasis on ambulatory facilities and virtual care. Many surgical, medical and diagnostic procedures that once required a hospital stay now are performed safely in the outpatient setting, and telehealth and tele-service delivery bring expertise to a patient's own home.

This evolving landscape requires VA to rebalance and recapitalize its infrastructure to optimize the mix of traditional inpatient hospitals with outpatient hospitals, multi-specialty Community Based Outpatient Clinics, single specialty Community Based Outpatient Clinics and virtual care.

Leveraging 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. The 2022 Budget Request includes \$4.8 billion in appropriations for the Office of Information and Technology to pilot application transformation efforts, support cloud modernization, deliver efficient IT services and enhance customer service experience. Our three main transformative projects are the implementation of the Electronic Health Record Modernization (EHRM); the replacement of VA's multiple, aging systems to manage its inventory and assets with the enterprise-wide inventory management system used by the Department of Defense (DoD)—the Defense Medical Logistics Standard Support (DMLSS); and the adoption of a new financial and acquisition management system—our Financial Management Business Transformation (FMBT).

EHRM

In October 2020, VA deployed a new electronic health record (EHR) system at the Mann-Grandstaff VA Medical Center in Spokane, Washington. This effort is one of the most complex and transformational enterprise-wide endeavors in the Department's history. The Budget includes \$2.7 billion in FY 2022, which maintains a significant level of investment in FY 2022 and in future years and ensures necessary infrastructure upgrades are in place. This EHRM appropriation is in addition to the request for the central IT appropriation. The vision for the new EHR system is to empower Veterans, Service members and care teams with longitudinal health care information to enable the achievement of health and life goals from Service in the military to Veteran status. The new EHR system also presents the opportunity to achieve unprecedented interoperability with the DoD and functions as a catalyst for advancing VA's leadership of health care in the United States.

In my first weeks in VA, I directed a 12-week strategic review of the EHRM program, which consists of a full assessment of ongoing activities in order to ensure the success of future EHR deployments. Based on opportunities identified at the first "go-live" site in Mann-Grandstaff, the strategic review is focused on ensuring patient safety, identifying areas for additional productivity and clinical workflow optimization, change management and team-based training; and driving enhanced rigor into VA's management of cost, schedule, and performance. Additionally, we are conducting a human-centered design initiative to optimize the patient portal experience. We intend not only to get this right but to drive the industry forward alongside DoD. Furthermore, establishing strong, effective management of the EHRM program sets the tone for our other key efforts: modernizing supply chain management and enhancing financial and business transactions.

VA Logistics Redesign (VALOR)

VA's response to COVID-19 highlighted the shortcomings of the software and business practices supporting VA procurement, logistics and infrastructure operations, including a 50-year-old inventory system, separate procurement system and multiple stand-alone systems to manage property accountability, distribution and transportation. VA also uses multiple, stand-alone systems for health care technology and facility management, which limit enterprise visibility of assets and their respective readiness conditions. VA is requesting \$299 million in FY 2022, an increase of \$103 million (53%) from FY 2021, to continue its efforts in replacing these systems.

VHA is adopting DoD's proven software platform implementing the Defense Medical Logistics Standard Support (DMLSS) information technology system to modernize and standardize our supply chain, property, health care technology and facility management business lines. This improvement will allow us to manage the VHA supply chain and support functions and operate like other integrated medical systems. In doing so, we will ensure clinicians have the supplies and equipment where and when

needed to provide safe and high-quality care to our Veterans. VA completed the first DMLSS deployment at the James A. Lovell Federal Health Care Center in Chicago, Illinois, on September 21, 2020, and is continuing deployment on an accelerated schedule. We are grateful for the ARP funds that will help facilitate the continued modernization of VA's badly antiquated supply chain system.

By implementing DMLSS and standardizing our business practices, leaders at every level will be able to leverage new capabilities and capitalize on enterprise data to drive insights into operations and enable evidence-based decision-making. This implementation, too, offers significant opportunity for cost avoidance.

Financial Management Business Transformation

In support of VA fiscal stewardship, the Financial Management Business Transformation (FMBT) program is increasing the transparency, accuracy, timeliness and reliability of financial and acquisition activities across the Department. The 2022 Budget includes \$357 million for FMBT, a program that is improving fiscal accountability to taxpayers and enhancing mission outcomes for those who serve Veterans. Our recent roll-out of the new Integrated Financial and Acquisition Management System (iFAMS) at NCA and VBA has not been without challenges and has exposed the incredible complexities inherent in a financial and acquisition system implementation of this magnitude. We are learning from these early deployments and adjusting our strategy accordingly. Nonetheless, these implementations bring 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 legislation and directives. The next system rollout is Enterprise Acquisition for NCA, which is scheduled for April 2022. System rollouts will then continue across the remaining Administrations and Staff Offices until enterprise-wide implementation is complete.

An Evolving Landscape Will Influence How VA Cares for Veterans

As VA addresses challenges and longstanding issues, several long-term demographic and fiscal trends will shape VA's ability to serve Veterans in the future. Although the U.S. Veteran population is aging and shrinking and simultaneously becoming more diverse, demand for VA services continues to increase. As the Veteran population continues to evolve, it also continues to use VA more—most likely the result of nearly 20 years of sustained conflict, longer average terms of service for military personnel and rising health care and educational costs that will incentivize more Veterans to use the VA benefits they have earned. U.S. health care is changing, too, from a hospital-centric model of care to dispersed (and even virtual) care that can be delivered through networks of direct and purchased-care providers.

Congressional Support

Over the past several years, Congress has generously supported VA's budget requests, which have enabled the Department to address new and growing challenges. More recently, Congress passed the ARP, which will, among other things:

1. Help ensure health care access for the 9.2 million enrolled Veterans who may have delayed care or have more complex health care needs because of the COVID-19 pandemic;
2. Forgive Veteran health care copayments and other cost shares and reimburse copays and other cost shares for care and prescriptions from April 6, 2020 through September 30, 2021;
3. Fund construction grants and payments to State Veterans Homes to greatly improve the living conditions of our most vulnerable Veterans;
4. Provide up to 12 months of training and employment assistance for unemployed Veterans to enter high demand occupations; and
5. Help reduce the backlog of disability compensation and pension claims, which has grown from 73,000 in March 2020 to 188,000 in May 2021.

The Department is grateful for the ARP, which not only will enhance VA's ability to deliver world class services to Veterans and their families, but also will ease thousands of Veterans' worries by forgiving some debt, speed up VA disability compensation claims adjudication and provide much needed funding to retrain Veterans in high-demand occupations. We will work diligently to ensure these funds are effectively and efficiently used.

New Statutory Authorities

Over the past 3 years, Congress has passed into law numerous, far-reaching pieces of legislation, including the *John S. McCain III, Daniel K. Akaka, and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (VA MISSION Act of 2018)*, the *Commander John Scott Hannon Veterans Mental Health Care Improvement Act of 2019*, the *Veterans Comprehensive Prevention, Access to Care, and Treatment Act of 2020 (Veterans COMPACT Act of 2020)*, the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020* and the *National Defense Authorization Act (NDAA) for Fiscal Year 2021*.

The 2022 Budget Request includes over \$500 million within VA's Medical Care accounts to begin implementing new and recently expanded health care programs for Veterans, including a new grant program for suicide prevention outreach, increased eligibility for emergency suicide prevention treatment, new investments in women's health programs, expansion of homeless programs, and military sexual trauma services. The funding also will further support the Department's efforts to address substance use disorders.

Environmental Exposures

For some medical conditions that develop after military service, the information needed to connect these conditions to military service may be incomplete. Information may be needed about specific in-service exposures or there may be incomplete scientific or medical evidence as to whether an exposure causes a particular condition. These issues loom large for all Veterans, represented currently by post-9/11 Veterans, whose exposures to airborne and other environmental hazards may result in unknown long-term health impacts. I am committed to a full review of how VA provides health care and benefits to Veterans exposed to environmental hazards to be responsive to the Veterans we serve. I believe it is possible to strike a balance between the needs of Veterans and the need for an evidentiary scientific basis for action.

In 2019, Congress passed legislation expanding benefits to tens of thousands of Blue Water Navy (BWN) Vietnam Veterans. As of May 1, 2021, VA has completed more than 54,000 BWN claims and paid out nearly 900 million in retroactive benefits. More recently, VA added three new diseases to the Agent Orange presumptive conditions list in the FY 2021 NDAA. VA will begin implementing these provisions so that Vietnam Veterans will no longer wait for these earned benefits. As the Department harnesses its resources to execute these new requirements and ensure Veterans receive the benefits they have earned, I have also recommended initiation of rulemaking to establish a presumption of service connection for respiratory conditions related to exposure to particulate matter and other airborne hazards, which may include such conditions as asthma, rhinitis, and sinusitis for Gulf War Veterans. This decision was based on the first iteration of a newly formed internal VA process to review scientific evidence relating to exposures. VA will conduct broad outreach efforts to reach impacted Veterans and encourages them to participate in the rulemaking process.

Research

The Budget includes \$882 million, the largest year-over-year increase in recent history, for medical and prosthetic research. This historic investment will advance the Department's understanding of the impact of traumatic brain injury (TBI) and toxic exposure on long-term health outcomes while continuing to prioritize research focused on the needs of Veterans to include Mental Health and Suicide, Rare Cancers and Prosthetics as well as other disease areas.

Increased TBI investment will enhance cutting-edge diagnostics and treatments such as investigating the role genomics plays in resilience and recovery from blast exposure, validating blast models, and studying the link between TBI and suicide. Further investment in environmental exposure includes the VA Military Exposures Research Program (MERP), capacity building with Federal partners, and expanding the workforce in military exposures research and training.

VA will also invest additional resources, including from the American Rescue Plan, to advance the Department's understanding of coronavirus related research and

impacts. To remain on the cutting edge of technology, VA will focus on software-as-a-service, cloud computing, and data security, and will continue to partner with the Department of Energy (DOE) to capitalize on DOE's computing power and technical expertise to put Veteran data to work.

Diversity, Equity and Inclusion

Diversity, equity, and inclusiveness are standards fundamental to everything we do. We will welcome all Veterans, including women Veterans, Veterans of color, and LGBTQ+ Veterans. Every person entering a VA facility must feel safe, free of harassment and discrimination, and we will never accept discrimination, harassment or assault at any VA facility. We will provide a safe, inclusive environment for Veterans and VA employees.

Diversity is a strength, never a weakness, among Veterans, VA employees and all of America. Leveraging diversity, equity and inclusiveness will produce the excellence in all our interactions with Veterans. I recently instructed my team to establish a 120-day task force on diversity, equity and inclusion. The task force's goal is to offer concrete, actionable recommendations while building solidarity across the VA system on diversity, equity and inclusion. To support the Department's commitment to strengthening VA's diversity program and preventing and resolving discrimination at the early stages, the Office of Human Resources and Administration created the new Office of Resolution Management, Diversity, and Inclusion (ORMDI) by consolidating the Office of Diversity and Inclusion and with the Office of Resolution Management. The budget for this combined office will increase by \$12.9 million and 74 FTE. These resources will also provide a robust harassment prevention program and counseling services while advancing equity for all who have been historically underserved.

The Budget Request also furthers the commitment of the VHA Office of Health Equity to help eliminate health disparities based on race, gender, age, religion, socio-economic status or disability by improving health outcomes for underserved Veteran populations.

Empowering Leaders to Implement Positive Change

I am mindful VA's capabilities have not always risen to the needs of our Veterans. Consistent throughout many of these past shortcomings has been a theme of leadership inconsistency and cultural challenges. To rebuild trust and restore VA as the premier agency for ensuring the well-being of America's Veterans, I am focusing on building a diverse team of professional, experienced leaders who bring a great breadth and depth of knowledge in government and Veterans issues. To that end, we recently stood up a commission to identify candidates to lead and manage VHA.

At the same time, I also am working to retain the talented and hard-working leaders we currently have by empowering them to make decisions in a structure that allows them to do what's right for Veterans. As an initial step in support of that effort, I

recently signed a memo for VA employees emphasizing my intent to lead with VA's ICARE Core Values—Integrity, Commitment, Advocacy, Respect and Excellence – and have been seeking opportunities to engage with leaders across the system to drive this point home. VA's success as a team—our ability to deliver world-class care for our Veterans—also depends on how employees treat one another and Veterans. Our respect for our fellow VA employees and the Veterans we serve is critical to everything we do.

Essential to ensuring a healthy and accountable culture at VA is the Office of Inspector General's oversight. The 2022 Budget includes the OIG's request of \$239 million for 1,100 FTE to support its programs and operations through independent audits, inspections, reviews, and investigations. The OIG's efforts have a significant impact on the services and benefits provided to Veterans. This funding level is prudent to safeguard the significant investments in VA and to help improve services and benefits for Veterans and their families.

I take full responsibility to ensure VA employees have everything they need to carry out the important work before us and we operate in a culture that celebrates and draws strength from our country's great diversity. To ensure a welcoming environment for Veterans, we must foster fair and inclusive VA workplaces where the experiences and perspectives of our diverse employees are valued. The success of our mission depends on everyone being able to contribute their expertise, experience, talents, ideas and perspectives. I commit to advancing equity in VA and providing all employees with opportunities to reach their full potential. I commit to these principles and will make sure my senior leadership team reflects and embeds them in everything we do.

At this moment when our country must come together, caring for our country's Veterans and their families is a mission that can unite us all, and I look forward to working with this Committee, Congress as a whole and our many other partners to embrace our collective responsibility to serve Veterans.

Mr. Chairman, Ranking Member Moran, I look forward to working with you and this Committee. Thank you for the opportunity to appear before you today to discuss my priorities for the Department and how the President's FY 2022 and FY 2023 Advance Appropriations Request will serve our Nation's Veterans.