

**STATEMENT OF
THE HONORABLE DENIS MCDONOUGH
SECRETARY OF VETERANS AFFAIRS
DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
COMMITTEE VETERANS' AFFAIRS
UNITED STATES SENATE
REVIEW OF THE PRESIDENT'S FISCAL YEAR (FY) 2024 and FY 2025
ADVANCE APPROPRIATIONS REQUEST
MAY 17, 2023**

Chairman Tester, Ranking Member Moran and distinguished Members of the Subcommittee, thank you for the opportunity to testify today in support of the President's FY 2024 Budget and FY 2025 Advance Appropriations (AA) Request for VA and for your longstanding support of Veterans and their families.

Our Nation's most sacred obligation is to prepare and equip the troops we send into harm's way and to care for them and their families when they return home. VA is honored to fulfill the promise made to care for our brave Veterans throughout their lives. Over the last 2 years, we have delivered more care and more benefits to more Veterans than at any other time in our Nation's history. In FY 2022 alone, the Veterans Benefits Administration (VBA) completed more than 1.7 million disability compensation and pension claims for Veterans, and set a new VA record, breaking the previous year's record by 12%. VA is on track to set another year record in FY 2023. During this same period, the Veterans Health Administration (VHA) provided more than 115 million clinical encounters, with VA serving over 6.3 million patients. This included roughly 40 million in-person appointments; over 31 million tele-health and telephone appointments; and approximately 38 million community care appointments. VA's relentless commitment to Veterans and a continued emphasis on fundamentals contributed to VA meeting these goals.

I am incredibly proud to report that for the 7th consecutive year, the National Cemetery Administration (NCA) received the top rating among participating

organizations in the American Customer Satisfaction Index, with a score of 97 (out of 100), the highest result ever achieved for any organization in either the public or private sector. Committed to excellence and dignified committals, NCA interred nearly 150,000 Veterans and eligible family members in our national cemeteries in FY 2022, the highest number of annual interments VA has ever recorded. NCA delivered more than 350,000 headstones, markers and columbarium niche covers around the world and provided nearly 12,000 medallions in 2022 to mark the privately purchased headstones of Veterans.

VA appreciates the tremendous work the Congress has done to enable VA to achieve these exceptional results and we will continue to partner with Congress to secure authorities needed to improve our agility, responsiveness and accessibility to more Veterans than ever before. Both the Veterans Access, Choice, and Accountability Act (Choice Act) of 2014 (P.L. 113-146) and the VA Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act of 2018 (P.L. 115-182) made it easier for Veterans to receive care from non-VA community providers while continuing to benefit from VA's Veteran-centric care coordination. The Veterans Comprehensive Preventions, Access to Care and Treatment Act of 2020 (COMPACT Act; P.L. 116-214) enabled VA to provide health care services to all eligible individuals in acute suicidal crisis at no cost both in VA and in the community.

The enactment of the Johnny Isakson and David P. Roe, M.D., Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315) ushered in significant improvements to various GI Bill® programs, expanded the Veteran Employment through Technology Education Courses (VET TEC) program and enhanced education benefits for Veterans, Servicemembers, families and survivors. Both the Commander John Scott Hannon Veterans Mental Health Care Improvement Act of 2019 (Hannon Act; P.L. 116-171) and the Support the Resiliency of Our Nation's Great Veterans Act of 2022 (STRONG Veterans Act; Division V of P.L. 117-328) have broadened mental health care and suicide prevention programs and have advanced VA's efforts in promoting well-being among Veterans. The Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act (Cleland Dole Act;

Division U of P.L. 117-328) will enhance VA's ability to furnish health care and benefits to Veterans, including rural Veterans. These authorities build upon VA's ability to meet the unique needs of the Nations' heroes and ultimately save lives.

In 2022, Congress passed the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act; P.L. 117-168). The PACT Act represents the largest expansion of Veterans' benefits in a generation, and I am immensely proud that our broad efforts, spanning nearly every Administration and office within VA, have yielded positive results. We continue to see steady increases in the number of toxic exposure-related disability compensation claims filed and processed as Veterans' understanding of the PACT Act grows. Even with these early successes, there is more to do to ensure every possible eligible Veteran receives the benefits and health care they have earned. Our focus will remain on increasing Veteran outreach, processing claims timely, providing health care, modernizing our IT systems and having the right number of people in place to deliver on our promise to Veterans.

VA greatly appreciates Congress' commitment to providing VA the necessary funding to support the PACT Act through its establishment of the Cost of War Toxic Exposures Fund (TEF). As we continue to learn what the full resource requirements are for this incredibly important support to Veterans, we remain committed to transparency and will work closely with our partners, as demonstrated through our recent publicly available dashboard. The 2024 President's Budget request, including our TEF request, will ensure VA fulfills our responsibilities to Veterans, Congress and American taxpayers.

FY 2024 Budget and FY 2025 AA Request

The total 2024 request for VA is \$325.1 billion (mandatory and discretionary, including collections and the Recurring Expenses Transformational Fund (RETF)), a \$16.6 billion or 5.4% increase above the 2023 enacted level. This includes a discretionary budget request of \$142.2 billion (with \$4.3 billion from medical care collections), a \$3.4 billion or 2.4% increase above 2023. When combined with \$600 million from RETF, the total discretionary funding level is \$142.8 billion, including

collections. The 2024 mandatory funding request is \$182.3 billion, with \$20.3 billion for the TEF, an increase of \$13.6 billion or 8.1% above 2023.

The 2024 Budget again proposes to separate out the VA medical care program as a third category within the discretionary budget based on a recognition that VA medical care has grown much more rapidly than other discretionary spending over time, largely due to systemwide growth in health care costs. In 2024, the Budget reflects \$128.1 billion in enacted AA for VA medical care programs, together with a proposed cancellation of \$7.1 billion in unobligated balances, for a discretionary total of \$121 billion for VA medical care, which is in addition to a \$17.1 billion TEF request for medical care.

The 2025 Medical Care AA request includes a discretionary funding request of \$112.6 billion, together with a mandatory advance appropriation request of \$21.5 billion for the TEF. The 2025 mandatory AA request is \$193.0 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, Veterans Insurance and Indemnities), which, together with the TEF, results in a combined mandatory total of \$214.7 billion.

PACT Act

The PACT Act is a major factor in the expansion of care and benefits to Veterans. In FY 2024, VA will continue to work to provide a “One-VA” experience to all Veterans, survivors, family members and caregivers as we proactively work to deliver timely benefits, services and high-quality health care.

VA began nationwide PACT Act-related disability compensation claims processing on January 1, 2023. As of April 15, 2023, VA has received more than 484,000 PACT Act-related claims since August 10, 2022 and completed over 227,000 claims. Using the new PACT Act authorities, VA has granted service connection for over 2,800 terminally ill Veterans.

VA began a comprehensive, targeted outreach effort to encourage Veterans and survivors to apply immediately for PACT Act-related care and benefits. For example, VA

hosted 127 PACT Act “Week of Action” events in all 50 States, the District of Columbia and Puerto Rico. More than 50,000 attendees participated in person or online. During these events, VA completed 5,600 toxic exposure screenings and received 2,600 claims for benefits and more than 800 health care enrollment applications. As of April 19, 2023, more than 3 million toxic exposure screenings have been performed.

VA has been running a robust advertising campaign to educate Veterans and their families about the PACT Act. To date, VA has spent over \$4 million with digital, social and traditional media advertising across the country. The campaign’s focus is on maximizing awareness of the PACT Act, and the call to action to all eligible Veteran survivors to apply for these benefits that they have earned and deserve. In FY 2024, VA will continue to drive paid advertising campaigns as an important way to reach Veterans not currently connected with VA or Veterans Service Organizations (VSOs). VA will continue to focus on marketing efforts on reaching Veterans of all generations, races and genders.

One of the biggest challenges VA will continue to face in FY 2024 is identifying and contacting survivors, even more so now that many more are eligible for benefits under the PACT Act. We have mailed nearly 300,000 letters to potentially eligible survivors. VA is also leveraging social media and posting YouTube videos to provide easy to read information on the PACT Act. VA’s goal in FY 2024 is to continue to provide information on the PACT Act, not just to survivors themselves, but to anyone who may know a survivor so that VA’s message can reach as many impacted individuals as possible.

To ensure all eligible Veterans obtain the benefits and care they earned through their service, the Budget for VA medical care provides \$82 million for the Health Outcomes and Military Exposures (HOME) Office, an 85% growth over 2022. VHA will regularly screen enrolled Veterans for military-related toxic exposures and ensure clinicians understand how such exposures affect Veterans’ health. VA is working to improve the Airborne Hazards and Open Burn Pit (AHOBP) registry and will track the VHA health care utilization of the PACT Act-eligible cohort. To ensure these Veterans

receive the highest quality care available, the Budget also provides \$68 million for Military Occupations and Environmental Exposures research, which will yield improvements in the identification and treatment of medical conditions potentially associated with toxic exposures.

VA is also committed to recruiting, onboarding and integrating new employees across the enterprise to further implement the PACT Act for Veterans and survivors. In FY 2023, VA held a series of successful hiring fairs. Throughout the next year, VA will continue to hold hiring fairs across the country, with an emphasis on hiring Claims Examiners, HR Specialists, IT Specialists, nurses and more. In addition, VA has actively engaged the workforce through a variety of avenues and solicited feedback. These investments in employee engagement will continue to be critical as we look to continue to hire more employees than ever before. Under the initial TEF spend plan, Congressionally approved on October 6, 2022, VA allocated 1,871 positions towards claims processors and support staff. As of April 17, 2023, VA has hired 1,530 of the 1,871 positions (82%). VBA also plans to hire another 6,720 claims processors and support staff with the additional TEF funding provided in the FY 2023 appropriation. In addition, VBA Human Capital Services (HCS) secured a PACT Act direct hire authority (DHA) from the Office of Personnel Management (OPM) that will expedite the hiring of mission-critical occupations through September 30, 2027, for Human Resources Management, Human Resources Assistant, General Legal and Kindred and Veterans Claims Examining series positions. The DHA is used with a system of open continuous announcements that results in a steady flow of eligible and available applicants for selection at predetermined timeframes that suit the needs of the organization. VBA has also created opportunities to increase hiring by hosting on-site hiring events designed to connect job seekers nationwide with current PACT Act positions for Veterans Service Representative (VSR), Rating Veterans Service Representative (RVSR) and Legal Administrative Specialist (LAS) positions. VA will continue to leverage all available hiring options to ensure we meet our PACT Act hiring goals – including the use of expanded hiring authorities provided in Title IX of the PACT Act.

Investing in Our People

Providing world class health care is only possible with an enterprise-wide team of the best and brightest in their respective fields. We are hiring more staff across the Department to ensure that care and benefits are delivered in a timely manner while also focusing on improving the employee experience to deliver positive outcomes for Veterans, their families, caregivers and survivors. VA is investing in our people by dramatically increasing hiring, holding surge events to onboard staff more quickly, increasing the use of incentives for recruitment and retention, maximizing pay authorities and scheduling flexibilities, expanding scholarship opportunities and providing more education loan repayment awards than ever before. For example, using the recently approved DHA for mission critical occupations, VBA was able to increase its total workforce by more than 5% (more than 1,300 employees) in the first 4 months of FY 2023, compared to less than 1% growth in the workforce over the same time period in FY 2022.

A nationwide onboarding event held in November 2022 resulted in onboarding more new staff in VHA in the first quarter of FY 2023 (12,900 staff) than in the first quarter onboarding in any previous year. This was 86% higher than the historical average number onboarded in the first quarter. Onboarding for VHA continued to be high in January 2023 (5,603 new staff onboard, approximately 600 more than last January). VHA's emphasis on hiring has resulted in an overall net increase of onboard staff of 2.1% as of January 31, 2023. This is already two-thirds of VA's annual target of 3% growth just 4 months into the fiscal year.

In FY 2022, VHA nearly doubled the number of scholarships for clinical education offered to employees and increased the number of Education Debt Reduction Program (EDRP) awards to over 3,000. Additionally, the percentage of staff receiving recruitment, retention and relocation incentives (3Rs) more than doubled from 5.9% to 12.2%. At rural facilities, the use of 3Rs increased from 4.3% to 18.9%. In addition, for some critical shortage occupations, such as housekeeping aides (10.5% to 35%) and food service workers (2.1% to 18.7%), the use of 3Rs increased even more

dramatically. These incentives reduce losses in for critical shortage occupations and help VA successfully compete for health care and entry level staff.

Focus on Wellbeing of Veterans

VA's 2024 Budget will provide the resources to ensure we provide the benefits and services to support Veterans' health and economic wellbeing.

Veterans Benefits

The 2024 Budget includes \$3.9 billion in discretionary funding for the General Operating Expenses, VBA account, a \$36 million increase over the 2023 Budget. This includes funds for the Veteran Transitional Assistance Grant Program (VTAGP) required under P.L. 116-315, Section 4304, and increased overtime funding to support the timely processing of claims.

The President's Budget provides disability compensation and survivor benefits to over 6 million Veterans and their families; education and job training benefits to 928,000 Veterans and qualified dependents; guarantees about 553,000 home loans and funds 5.6 million total lives insured for Veterans, Service members and qualified dependents.

Last fiscal year, VBA set a record for the highest claims production with more than 1.7 million claims completed. As of April 15, 2023, VBA already has completed 1,008,879 claims, which is 13.1% more claims than last year at this time. Since the PACT Act was signed, as of April 15, 2023, Veterans and their survivors have filed more than 1,473,655 total claims, an increase of more than 28.5% over the same period last year. As mentioned above, VBA continues to hire to increase its claims processing capacity in anticipation of the influx of claims filed due to the PACT Act. VBA developed a robust claims projection model which shows what the claims inventory will look like with the inclusion of PACT Act claims. In addition to hiring, VBA is reviewing processes and developing technology to address the growing complexity of claims. Using Automated Decision Support technology, VBA is automating multiple administrative tasks within the claims process such as locating and compiling information from Veterans' electronic records, verifying military service eligibility for PACT Act claimants,

ordering examinations when required, and expediting claims that can be decided based on the evidence of record. The PACT Act authorizes the use of appropriations to modernize and expand the capabilities and capacity of information technology (IT) systems and infrastructure at VBA.

Prevent Veteran Suicide

VA has made suicide prevention a top clinical priority and is implementing a comprehensive public health approach to reach all Veterans. Funding for mental health, including suicide prevention, is \$16.6 billion in FY 2024, up from \$15 billion in FY 2023. 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. To support this nationwide effort, the budget specifies \$559 million for suicide prevention outreach programs, in addition to \$2.5 billion in suicide-specific medical treatment, which includes a new \$10 million program to further bolster these efforts under the authority of section 303 of the STRONG Veterans Act.

In 2022 and 2023, VA conducted a \$20 million open innovation grand challenge, known as "Mission Daybreak", to accelerate the development of solutions across the Nation to reduce Veteran suicide. "Mission Daybreak" is part of VA's 10-year strategy to end Veteran suicide through a comprehensive, public health approach. VA launched the multiphase challenge in May 2022, receiving more than 1,300 concept submissions from Veterans, VSOs, community-based organizations, health tech companies, industry startups and universities. Mission Daybreak Phase I selection of 30 Grand Challenge finalists was completed in November 2022 and 10 Mission Daybreak innovation winners were announced on February 16, 2023.

The Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP) awarded \$52.5 million to 80 community-based organizations in 43 States, the District of Columbia and American Samoa in FY 2022. These organizations provide or coordinate the provision of suicide prevention services for eligible individuals, including Veterans and their families. VA has provided technical assistance to grantees, who began providing suicide prevention services in January 2023. Twenty-one grantees serve Tribal lands including the Navajo Nation, Cherokee Nation, Choctaw Nation, Alaskan Native Tribes and others. Funding decisions prioritized grants to rural communities, Tribal lands, Territories of the United States, areas with medically underserved groups, areas with a high number or percentage of minority Veterans or women Veterans and areas with a high number or percentage of calls to the Veterans Crisis Line. In alignment with VA's National Strategy for Preventing Veteran Suicide, SSG Fox SPGP assists in further implementing a public health approach that blends community-based prevention with evidence-based clinical strategies through community efforts. The FY 2024 Budget plans to award \$52.5 million in grants.

The Veterans COMPACT Act created a new authority in 38 U.S.C. § 1720J for VA to provide health care services to all eligible individuals in acute suicidal crisis at no cost both in VA and in the community. This provision increases access to care and is in full alignment with VA's National Strategy for Preventing Veteran Suicide. VA published an interim final rule on January 17, 2023, and immediately began providing this new benefit to eligible individuals. As part of implementation VA developed a robust communications plan targeted toward eligible individuals, Veterans and community providers. VA continues to aggressively address critical cross-platform information technology enhancements to ensure that multiple administrative and clinical systems work seamlessly together to ensure timely and efficient care at no cost. We are committed to ongoing education and training efforts within VA and in the community as we deploy this new, life-affirming benefit in our ongoing suicide prevention efforts.

Women Veterans carry an especially high burden of mental health conditions. These include gender-specific conditions associated with heightened suicide risk, such as premenstrual dysphoric disorder, postpartum depression and perimenopausal

depression. Among eligible women receiving VHA care, nearly 60% are diagnosed with at least one mental health condition (as compared to 37.8% of eligible men), and many struggle with multiple mental health concerns, medical comorbidities and psychosocial challenges. VA has implemented numerous initiatives to ensure VHA mental health providers have the expertise to address women Veterans' unique and diverse treatment needs and assess and address their risk for suicide, and we are committed to expansion of these innovations. VA is also ramping up efforts to increase the visibility of all VA services for women Veterans, including developing a cadre of women Veteran-focused peer support resources and outreach campaigns. Today's women Veterans need to know what VA has to offer.

Among the risk factors for suicide, substance use disorder (SUD) is strongly implicated. In addition, drug overdose fatalities inclusive of suicide have escalated. Therefore, the need for effective interventions to address substance use cannot be overstated. The President's Budget includes \$254 million to improve VA's opioid safety initiative and to continue our joint work with DoD in the field of pain management, consistent with the requirements of the Comprehensive Addiction and Recovery Act of 2016 (P.L. 114-198, Title IX, Subtitle A, §§911-912, the Jason Simcakoski Memorial and Promise Act). VA is also expanding evidence-based SUD treatment and harm reduction initiatives consistent with the Biden-Harris Statement of Drug Policy Priorities. The President's Budget includes \$231 million supports VA staff initiatives to support Veterans specific needs, including employment, housing, case management, peer support, as well as in-patient and out-patient care.

Furthermore, VA's budget continues to support expansion of its Psychotropic Drug Safety Initiative to address the growing crisis of stimulant use overdose fatalities. This initiative ensures the safe and appropriate prescribing of stimulant medications as well as expanding Veterans' access to evidence-based treatments for stimulant use disorder. These include cognitive-behavioral therapy and contingency management, both of which are recommended by the 2021 VA-Department of Defense (DoD) Clinical Practice Guidelines for the Management of SUDs.

President Biden's continued focus on the national mental health crisis recognizes that access to mental health care is challenging. 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 increase 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, the Mental Illness Research, Education and Clinical Centers, and mental health research initiatives through the Health Services Research and Development Service will be essential as VA continues to address access, mental health care and suicide prevention.

Health Care Budget Request

Providing Veterans access to the soonest and best care is at the core of our mission. Over the last 2 years, VA has delivered more care to more Veterans through both VA and community care providers than during any time in the Nation's history. Veterans completed more than 73 million outpatient appointments in VA and an additional 38 million community care outpatient appointments in calendar year (CY) 2022. While enrolled Veterans continue to receive most of their outpatient care in VA, more than 3.5 million Veterans have completed at least one outpatient appointment with a community care provider since we implemented the VA MISSION Act of 2018. As such, more than one third of all Veterans enrolled in VA health care have been eligible for and chosen to receive at least one community care appointment at some point in the last 5 years.

Veterans today have more options for care through VA than ever. This includes care delivered both in-house and by our network of community providers. More specifically, VA has more than 1,100 VA medical centers (VAMCs) and community-based outpatient clinics (CBOCs) in which Veterans may receive their care. VA offers care in-person, over the phone or through video appointments as clinically appropriate.

VA's community care network has more than 1.3 million community care providers across all 50 States, Territories and possessions of the United States, The District of Columbia and the Commonwealth of Puerto Rico. Enrolled Veterans also have access to community urgent care, and all eligible individuals have access to emergent suicide care.

Whole Health

Whole Health is an approach to health care that empowers and equips Veterans with the ability to take charge of their health and well-being and to live their life to the fullest. Transforming VA into a Whole Health system of care has successfully launched and is receiving full support at both the national and local levels, including strong endorsement in a recent National Academy of Medicine report. In FY 2022, 16.3% of all Veterans receiving care through VA also received Whole Health services. This care was delivered to 1.1 million Veterans through 3,998,602 encounters which were both Whole Health-specific and which integrated the Whole Health approach into routine clinical encounters. Tele-Whole Health encounters have grown to include 98,000 unique Veterans participating in 513,000 encounters in FY 2022, an increase of 39.0% unique patients and 32.9% of encounters over FY 2021. Robust formal evaluations continue to focus on outcomes for Veterans and employees, which includes a review of specific cost avoidance that is traceable to implementation of Whole Health Services (e.g., opioid use reduction, decrease in spinal procedures). The 2024 President's Budget for Whole Health includes \$108 million. VA is fully committed to making the Whole Health approach an integral part of how we deliver care to Veterans and our employees.

Women Veterans

Women make up 17.2% of today's Active Duty military forces and 21.1% of National Guard and Reserves. VA continues to reach out 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 five 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 625,000 today. VA is committed to providing high quality, equitable care to women Veterans at all sites of care.

The Budget requests \$257 million for women's health and childcare programs, a 66% increase over 2023. This increase supports \$174 million for the Women's Health Innovation and Staffing Enhancement Initiative. VA is strategically enhancing services and access for women Veterans by hiring women's health personnel nationally to fill any gaps in capacity across all Veterans Integrated Service Networks (VISNs). In FY 2023 VA is providing funding for a total of over 1,000 women's health personnel nationally: primary care providers, gynecologists, mental health providers and care coordinators. VA is also addressing clinical equipment needs such as those for mammography, exam tables designed for women with low mobility, and breastfeeding privacy pods. VA is also expanding childcare benefits beyond the current pilot sites.

To support pregnant and postpartum Veterans, VA has developed a Maternity Care Coordination (MCC) program in all VA health care systems to ensure coordination of care both in VA and in the community. This program includes expanding follow-up with Veterans for the particularly vulnerable first year postpartum, as well as providing lactation services, training, toolkits and support community of practice.

VA is focusing on enhancing care coordination for preventive care, such as breast cancer screening. VA is implementing the Dr. Kate Hendricks Thomas Supported Expanded Review for Veterans in Combat Environments Act (SERVICE Act, P.L. 117-133); beginning in March 2023, VA is providing SERVICE Act breast cancer risk assessments to Veterans eligible under that Act (generally those who served in certain locations where burn pits were used during the Gulf War and the Post-9/11 era) with referral for mammography as clinically indicated. Breast and cervical cancer screening programs require meticulous tracking to ensure that all eligible Veterans receive appropriate screening and receive results of screening tests, and that follow-up care is arranged as needed. VA policy requires each facility to have a process for tracking

results and timely follow-up for breast and cervical cancer screening. VA policy also requires that facilities have personnel assigned to breast and cervical cancer care coordination. To ensure accuracy, timeliness and reliability, VA tracks the provision of breast and cervical cancer screening and the availability of breast and cervical cancer care coordinators across the system. VA is also implementing section 603 of the PACT Act by conducting toxic exposure screening for all enrolled Veterans, including women Veterans. The Breast and Gynecologic Cancer System of Excellence is providing state-of-the-art breast and gynecologic cancer care and care coordination across the system through VA's tele-oncology program.

Homeless Programs

VA's longstanding support for Veterans who are homeless or at risk of homelessness is enhanced through taking a Whole Health approach. VA will ensure Veterans who are housed in VA programs do not return to homelessness by implementing a case management model to mitigate risk factors. VA will also leverage its existing programs through targeted outreach to reduce the number of unsheltered Veterans.

The 2024 Budget increases resources for Veterans' homelessness programs to \$3.1 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 expanded services for aging and disabled Veterans, a growing need and area of focus for the Department of Housing and Urban Development (HUD) – VA Supportive Housing (VASH) program. In addition, funds will be used to provide a medical home model and population tailored approach to provide in-home primary care and wrap around services to Veterans actively enrolled in the HUD-VASH program, provide additional resources to increase outreach and community engagement efforts, as well as expansion of Veteran justice services, such as treatment courts and Veteran-focused criminal justice initiatives. Funding will also support the VA Grant and Per Diem (GPD) program to increase per diem rates to community partners actively supporting VA's effort to end Veteran homelessness.

On a single night in January 2022, there were 33,129 Veteran experiencing homelessness in the U.S. However, significant progress is being made to prevent and end Veteran homelessness. Since 2010, efforts by VA and our Federal partners have led to a more than 55% reduction in Veteran homelessness. Since 2015, there have been 83 communities and three States (Delaware, Connecticut and Virginia) that have met the criteria and benchmarks established by the U.S. Interagency Council on Homelessness, for effectively ending Veteran homelessness. Additionally, in CY 2022, VA permanently housed more than 40,000 homeless Veterans, exceeding our permanent housing goal for CY 2022 by more than 6%.

Research

The 2024 Budget requests a total of \$984 million for research through the Medical Prosthetics and Research account and TEF. These combined resources will improve Veterans' health and well-being via basic, translational, clinical, health services, rehabilitative, genomic and data science research; apply scientific knowledge to develop effective individualized care solutions for Veterans; attract, train and retain the highest-caliber investigators and nurture their development as leaders in their fields; and ensure a culture of professionalism, collaboration, accountability and the highest regard for research volunteers' safety and privacy.

Military Environmental Exposures

In FY 2024, the Office of Research and Development (ORD) will expand its investment in this important area and to coordinate with environmental exposure focused programs as part of the implementation of the PACT Act. Critical components of this effort in FY 2024 are building capacity (including the number of researchers funded to conduct military exposures research) and building inter-governmental partnerships. One major step forward is convening an interagency workgroup on toxic exposure research, called for in Section 501 of the PACT Act, to identify evidence gaps and craft a strategic plan to address gaps.

Traumatic Brain Injury (TBI)/Brain Health

Increased investment in TBI remains critical as it is the signature injury of post-9/11 Veterans who served in the wars in Iraq and Afghanistan. While the acute care of TBI has improved, treatments for the longer-term consequences most relevant to Veterans have proven elusive. This injury can lead to lifelong disabilities that can vary by severity, the characteristics of the event or events that caused the injury (e.g., blast versus blunt force) and the number of incidents of injury.

Mental Health, including continued execution of projects under the Hannon Act

This request supports mental health and suicide prevention research, including the Hannon Act. This effort also includes clinical trials and epidemiological studies on risk and prevention factors, as well as biomarker-driven precision mental health projects done in collaboration with VHA's Office of Mental Health and Suicide Prevention.

Cancer and Precision Oncology

VA is committed to promoting measurable progress toward President Biden's Cancer Moonshot initiative. To that end, VHA's research and clinical oncology programs both collaborate with the National Cancer Institute (NCI) and other external entities to maximize Veterans' benefit from cutting edge improvements in oncology care (for example, by increasing Veterans' access to clinical trials). The 2024 Budget includes \$94 million to support 369 research projects to improve our ability to diagnose and treat cancers.

Clinical trials are often part of standard clinical care for patients with cancer and are a second area of clinical-research integration in Precision Oncology. Together, these elements form a System of Excellence for the full spectrum of care for a particular cancer type. Systems of Excellence are established for Prostate/Genitourinary Cancers and Lung. In 2024, VA will expand on the Rare Cancers System of Excellence, add additional molecular testing capabilities, enhance the pathology and laboratory infrastructure and partner with DoD and others to improve cancer care through the White House Cancer Moonshot.

The Budget invests \$33.3 million within VA's cancer research programs, together with \$215.4 million within the VA medical care program, for precision oncology to provide access to the best possible cancer care for Veterans. The vision of VA's Precision Oncology Initiative is for Veterans to have access to care as close to their homes as possible that is comparable to the Nation's leading cancer centers. Funds support research and programs that address cancer care, rare cancers and cancers in women, as well as genetic counseling and consultation that advance tele-oncology and precision oncology care. The 2024 investment for precision oncology represents a 31% increase over 2023.

Caregivers

VA expanded its Program of Comprehensive Assistance for Family Caregivers (PCAFC) to eligible family members and eligible Veterans of all service eras on October 1, 2022. From that date through February 8, 2023, VA received over 44,300 applications. Originally, PCAFC was only available to eligible Veterans who incurred or aggravated a serious injury in the line of duty on or after September 11, 2001. On October 1, 2020, VA expanded the program to eligible Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975, or on or after September 11, 2001. As of February 8, 2023, there are over 45,500 Veterans participating in the PCAFC across the country, including U.S. Territories and 98% of PCAFC applications are dispositioned in under 90 days.

The Budget recognizes the important role of these family caregivers in supporting the health and wellness of Veterans. The \$2.4 billion included in this Budget supports staffing, stipend payments, the Program of General Caregiver Support Services (PGCSS), training and education, as well as other services to empower family caregivers of eligible Veterans. In addition, this funding allows for further improvements and enhancements, such as extending telemental health care to caregivers, allowing VA to reach and support more caregivers than before.

VA is currently undertaking a broad programmatic review of the PCAFC to ensure it meets the needs of Veterans and their family caregivers. While this review is underway, VA has suspended annual reassessments for participants of the PCAFC. VA

will not discharge or decrease any support to PCAFC participants and their family caregivers, based on reassessment, to include monthly stipends paid to primary family caregivers, as the current eligibility criteria are examined.

As we look to the year ahead, VA seeks to build upon the CSP program with an emphasis on the “Year of the Caregiver.” The Year of the Caregiver is about ensuring caregivers know they belong to a community that cares. Through this theme, VA is not only adding to what it offers to caregivers but focusing on how it is offered and implementing and improving support and services for caregivers of Veterans.

Transforming Systems, Processes, and Infrastructure

VA is transforming systems, processes and infrastructure in order to achieve operational excellence, increase productivity and ensure that systems and processes are easy to use by both the staff and the Veterans we serve. Outcomes for Veterans drive everything we do – because Veterans are the ultimate judges of our success.

Digital Transformation

VA continues its Digital Transformation journey with the Office of Information and Technology (OIT) providing the infrastructure, engineering, leadership and functions to deliver world-class IT products and services and to improve the end-user experience for Veterans, their families, caregivers and survivors.

Modern Veteran IT services include telehealth services with VA care teams, seamless transition of health care information from DoD to VA systems, acceleration of benefit claims processing, and improved customer digital interactions. To become the Best IT Organization in Government, OIT’s 2024 Budget includes \$6.4 billion in discretionary funding for continued transformation efforts from modernization of aging infrastructure, efficient delivery of IT services to VA employees and enhancement of the Veteran experience.

The Budget prioritizes Cybersecurity, the Infrastructure Readiness Program (IRP) to reduce technical debt, Financial Management Business Transformation (FMBT),

Human Resource IT Solutions, Telehealth Services and Claims Automation that allows for timely access to benefits and care for Veterans. Notably, the cybersecurity budget includes \$927 million (combined Base Budget and TEF) to deliver enterprise-wide cybersecurity strategies, policy, governance and oversight to protect Veteran data and VA critical information systems. Also, the 2024 Budget invests in the implement of Zero Trust Architecture (ZTA) principles. Our goal is to secure Veterans' data – where it may live – while allowing legitimate access to Veteran and VA data.

Further, the 2024 Budget includes re-platforming for VA's oldest legacy systems onto modern low-code/no-code Platform as a Service (PaaS) and Software as a Service (SaaS) solutions. This will satisfy the increased demand for new IT capabilities, free space for clinical purposes and enhance IT infrastructure services.

Electronic Health Record Modernization (EHRM)

We readily acknowledge there have been challenges with our efforts to modernize VA's electronic health record (EHR) system. As we work through the challenges, our commitment remains unwavering—to provide world-class patient care and prioritize patient safety for the Veterans we serve. Though there is still a lot of work to do, important progress has been made since our first go-live in Spokane. For example, VA requested corrective actions within the Oracle Cerner database configuration that resulted in an 8-month period without a complete outage. We also continue to improve the system based on feedback from our health care personnel in collaboration with Cerner. On February 17, 2023, the three priority pharmacy enhancements were installed as part of the Block 8 upgrade to the EHR system. These enhancements are an important step in resuming EHR system deployment and will reduce burden on personnel at the five sites using the new EHR.

Last week, I announced that future deployments of the new EHR will be halted while we prioritize improvements at the five sites that currently use the new EHR, as part of a larger program reset. During this reset, we are focused on assessing and remediating any identified issues at live sites, with a continued focus on patient safety. When we move forward with deployments, we will, of course, incorporate lessons

learned and implement continued improvements we have identified, so that we can achieve the benefits of a modern EHR system. We strive to have a system that will support improved access, outcomes and experiences for Veterans, through a single health record from entry into military service through their VA care.

VA and Cerner are currently working toward an amended contract that will increase Cerner's accountability to deliver a high-functioning, high-reliability, world-class EHR system. Also, as part of the reset, VA is committed to working with Congress on resource requirements. VA estimates FY 2023 costs will be reduced by \$400 million.

In addition to the funding requested for the EHRM account, VHA's Medical Facilities request includes \$750 million in Non-Recurring Maintenance (NRM) funding for facility EHR infrastructure projects, which will also support IT operational improvements.

The EHR has been deployed to five VAMCs, including 22 CBOCs and 52 remote sites with more than 10,000 medical personnel using the system, serving more than 200,000 Veterans. As improvements continue to be made over the next few months, VA will continually evaluate the readiness of each site as well as the EHR system to ensure success. To be clear, we will not go live at any site with unresolved safety critical findings, yet we remain firm in our resolve to continue modernizing the EHR.

FMBT

The FMBT program is increasing the transparency, accuracy, timeliness and reliability of financial and acquisition activities across the Department. The 2024 Budget includes \$394.7 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. So far, we have completed five successful deployments of the new Integrated Financial and Acquisition Management System (iFAMS) across NCA, VBA and staff offices, all of which have provided invaluable lessons learned and numerous opportunities to improve our approach. As part of FMBT's commitment to continuous improvement, we continue to work with stakeholders and end users to proactively adjust our deployment approach to better manage the complexities inherent in a financial and

acquisition system transformation effort 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. As of February 2023, there have been over 2.1 million transactions successfully processed in iFAMS, and over \$6 billion in payments made through the Department of the Treasury.

Deployment of iFAMS is taking place in phased implementations, called “waves,” across VA administrations and staff offices. In just a few months, we will go live with our largest system rollout yet. This includes some of VA’s largest staff offices and will increase the current iFAMS user base by almost 50%. In December 2023, we will deliver an iFAMS upgrade, which will provide substantial enhancements to system performance, functionality and ease of use. iFAMS will also go live for VBA Loan Guaranty later in FY 2024 and continue system rollouts across the remaining VA administrations and staff offices until enterprise-wide implementation is complete.

Infrastructure

The President’s 2024 Budget includes \$4.1 billion for construction requirements – \$3.5 billion in Major and Minor Construction appropriations in addition to \$600 million in estimated unobligated balances from RETF planned for Major Construction requirements. Funding for two major medical facility projects, including the St. Louis Replacement Bed Tower, Clinical Building Expansion, Consolidated Administrative Building and Warehouse, Utility Plan and Parking Garages project supporting over 149,000 Veteran enrollees, and two national cemetery expansion projects are included in the request. The 2024 Budget includes \$112 million in major construction funds for a gravesite development project at Tahoma National Cemetery and a gravesite expansion project at Jefferson Barracks National Cemetery. The Budget also includes \$182.6 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. RETF will provide funding for eight additional medical facility Major Construction

projects, bringing the total to 12 major construction projects funded in FY 2024. In addition, VHA's Medical Facilities account includes \$5.75 billion for NRM.

VA's robust FY 2024 capital request reflects infrastructure's importance in enabling the delivery of care and benefits and doing so in ways that are sustainable and resilient as guided by Executive Order 14057. For example, the PACT Act significantly expands benefits, and VA must plan for infrastructure required to support this increase in health care for Veterans.

The VA infrastructure portfolio consists of approximately 184 million owned and leased square feet which is one of the largest in the Federal Government, but is rapidly aging and deteriorating. While the median age of U.S. private sector hospitals is 13 years, the median age of VA's portfolio is 60 years. With aging infrastructure comes operational disruption, risk and cost. VA's 2024 Budget highlights the importance of modernizing our infrastructure to maintain and expand our portfolio and support the continuing mission growth.

As part of our Budget request, the Department has included mandatory funding for one ongoing Major Construction project and the completion of various Minor Construction projects that improve VHA facilities. This mandatory funding helps ensure appropriate and required investment in the infrastructure to prevent service delivery disruptions in the future.

Also included in VA's 2024 Budget request are 10 major medical facility leases totaling over 1.5 million square feet of space supporting cutting-edge research and a workload of over 1.7 million outpatient stops and bed days of care. These leases are key to modernizing VA's clinical points of care and increasing access for the increasing number of Veterans anticipated to access VA care because of benefit expansion offered by the PACT Act. These leases will also be the first to go through the new PACT Act committee resolution approval process.

VA has previously presented the need to fully upgrade and modernize our facilities to meet the service delivery objectives expected of modern health care delivery

infrastructure, bringing them up to the standards Veterans deserve. VA's aggressive 2024 Budget sets us on this path to modernize or replace outdated VAMCs with state-of-the-art facilities. Additionally, VA is aggressively working to pursue implementation of the goals of Executive Order 14057, which creates a broad set of challenging goals and requirements for Federal agencies to eliminate their carbon footprint and make their operations more sustainable and resilient.

Honoring Veterans' Legacies

The President's 2024 Budget includes \$480 million for NCA's operations and maintenance account, an increase of \$50 million (11.6%) over the 2023 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 140,472 interments, the perpetual care of almost 4.3 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 2,331 full-time equivalents needed to meet NCA's increasing workload, while maintaining our reputation as a world-class service provider.

While every eligible Veteran may be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that proximity to a cemetery is an important consideration in whether Veterans and family members choose a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95% of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or State Veterans cemetery within 75 miles of the Veteran's place of residence. VA has made continuous, significant progress towards meeting that target. In 2024, 93.9% of the Veteran population will be served with such access. The 2024 Budget also includes \$60 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.

Additionally, the 2024 Budget continues NCA's implementation of the Veterans Legacy Memorial (VLM), the Nation's first digital platform dedicated to the memory of more than 4.5 million Veterans interred in VA's national cemeteries and VA-funded state, territorial and tribal Veterans cemeteries. VLM allows family, friends and others to preserve their Veteran's legacy by posting tributes. NCA will also use grant funding requested in the 2024 Budget to provide Veterans Legacy Grants to tell the stories of Veterans interred in our national and grant-funded cemeteries, with an emphasis on those from underrepresented communities.

Conclusion

Chairman Tester, Ranking Member Moran, thank you for the opportunity to appear before you today to discuss our progress at the Department and how the President's FY 2024 and FY 2025 Advance Appropriations Request will serve the Nation's Veterans.