



DEPARTMENT OF VETERANS AFFAIRS

Under the President's leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges -- including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership -- not only for the year ahead, but for decades to come.

The Department of Veterans Affairs is charged with fulfilling President Lincoln's promise "*to care for him who shall have borne the battle, and for his widow and his orphan.*" To support this mission, the 2017 Budget provides \$75.2 billion in discretionary funding for VA, a 5.0 percent increase above the 2016 enacted level. In addition, the Budget includes \$3.6 billion in estimated medical care collections, for a total discretionary budget authority of \$78.7 billion. The Budget also includes \$102.5 billion in 2017 and \$103.9 billion in 2018 advance appropriations for VA's mandatory benefits programs.

This funding will provide the resources necessary to fulfill VA's mission to provide timely, quality health care and services to veterans. It will allow VA to operate the largest integrated health care system in the country, including nearly 1,300 VA facilities serving approximately 9 million veterans enrolled to receive care; the tenth largest life insurance provider, covering both active duty service members and enrolled veterans; a compensation and pension benefits program serving over 5.0 million veterans and survivors; an education assistance program serving 1.1 million students; a home mortgage program with a portfolio of over 2 million active loans guaranteed by VA; and the largest national cemetery system, one which leads the Nation as a high-performing organization, projected to inter 132,093 veterans and family members in 2017.



Funding Highlights:

The President's 2017 Budget provides \$78.7 billion in total discretionary budget authority for the Department of Veterans Affairs to provide needed care and other benefits to eligible veterans, their families, and survivors. This includes:

- With the 2017 advance appropriations, a total of \$65.0 billion for VA medical care to provide high-quality, timely health care services to veterans and other eligible beneficiaries. In addition, the Budget requests \$66.4 billion in 2018 advance appropriations.
- Supporting improvements in veterans' mental health care, telehealth care, life-saving treatment for Hepatitis C, specialized care for women veterans, long-term care, and benefits for veterans' caregivers.
- Investing \$1.6 billion in programs that will continue VA's gains toward ending veteran homelessness.
- Providing \$7.2 billion in discretionary funding for veterans' Care in the Community, which, combined with resources from the 2014 Veterans Choice Act, will support over 15.6 million medical procedures for veterans by non-VA providers.
- Strengthening veterans' benefits programs by improving the timeliness of non-disability claims and further enhancing disability claims processing accuracy and efficiency.
- Increasing burial access for veterans and eligible family members with the construction of new national cemeteries in Colorado and western New York, and national cemetery expansions in Jacksonville, Florida and South Florida.

Reforms:

- Continues the largest Department-wide transformation in VA's history through the MyVA initiative, which is changing VA's culture, processes, and capabilities to put the needs, expectations, and interests of veterans and their families first.
- Proposes a Simplified Appeals initiative to provide veterans with the timely, fair, and streamlined appeals decisions they deserve.
- Supports legislation to streamline the Care in the Community programs.



Sustaining and Strengthening Services for Veterans and Their Families

Improves Veterans' Access to Medical Care. The Budget provides \$65.0 billion for VA medical care, a 6.3 percent increase above the 2016 enacted level, to provide high-quality and timely health care services to veterans and other eligible beneficiaries. The Budget proposes \$66.4 billion in advance appropriations for the VA medical care programs in 2018, a 2.2 percent increase above the 2017 request. In addition, VA will direct \$969 million from the 2014 Veterans Choice Act to support increased access to VA care through critical investments in VA staffing and infrastructure improvements in 2017.

Protects Critical Funding for VA Medical Care. The 2017 Budget provides over \$7 billion to continue VA's focus on expanding and transforming mental health services for veterans to ensure accessible and patient-centered care, including treatment for post-traumatic stress, ensuring timely access to mental health care, and treatment for Military Sexual Trauma. In addition, the Budget requests \$1.5 billion for life-saving Hepatitis C treatments and clinical resources; \$725 million to support over 36,600 veterans' caregivers, up from about 30,600 in FY 2016; and \$8.5 billion for veterans' long-term care.

Continues the Commitment to End Veterans Homelessness. The 2017 Budget supports the President's commitment to ending veteran homelessness by emphasizing rescue for those who are homeless today, and prevention for those at risk of homelessness. Between 2010 and 2015, the overall number of veterans experiencing homelessness on a single night has declined by 36 percent, and we have achieved a nearly 50 percent decrease in unsheltered veteran homelessness. Through unprecedented partnerships with Federal and local partners, we have greatly increased access to permanent housing, a full range of health care including primary care, specialty care, and mental health care; employment; and benefits for homeless and at-risk for homeless veterans and their families. As a result of these investments, in Fiscal Year 2015 alone, nearly 65,000 veterans obtained permanent housing through VA homeless program interventions, and more than 36,000 veterans and their family members, including 6,555 children, were prevented from becoming homeless. Despite this significant progress, much work remains to end veterans' homelessness. The 2017 Budget requests \$1.6 billion for VA's homelessness-related programs, including case management support for the Department of Housing and Urban Development (HUD)-VA Supportive Housing program (HUD-VASH), the Grant and Per Diem Program, VA justice programs, and the Supportive Services for Veteran Families program.

Advances Medical and Prosthetic Research. The 2017 Budget includes \$663 million for development of innovative and cutting-edge medical research for veterans, their families, and the Nation. For example, the budget includes funds to continue the Million Veteran Program (MVP), a groundbreaking genomic medicine program, in which VA seeks to collect genetic samples and general health information from one million veterans in the next five years. MVP will help provide answers to many pressing medical questions and lead to improvements in care and prevention for veterans and the Nation. In addition to VA's direct research appropriation, medical research will be supported through an additional \$1.2 billion from VA's medical care program and grants. As part of the largest integrated health system in the United States, VA's



research program benefits from clinical care and research occurring together, allowing research to be directly coordinated with veterans' care.

Strengthens Veterans Benefits Programs. Improving quality and reducing the length of time it takes to process disability compensation claims are integral to VA's mission of providing the care and benefits that veterans have earned and deserve in a compassionate manner. VA has reduced the disability claims backlog from a peak of 611,083 in March 2013 to a low of 71,352 in September 2015 – an 88 percent reduction and the lowest number of backlogged claims in five years. While VA has processed an unprecedented number of rating claims in recent fiscal years (nearly 1.4 million in 2015, and over 1 million per year for the last six years), its success has resulted in other unmet workload demands. The 2017 Budget invests \$2.8 billion, \$118.4 million (4.4 percent) over the 2016 enacted level, and includes an additional 300 full-time equivalent (FTE) employees to help reduce the non-disability claims inventory and provide veterans with more timely decisions. The Budget also continues the Centralized Mail and National Work Queue initiatives – innovative approaches to increase the accuracy and efficiency of claims processing.

Provides Lasting Memorial Services and Increases Burial Access. The 2017 Budget includes \$286.2 million, an increase of 5.5 percent, for the National Cemetery Administration (NCA) for cemetery operations and maintenance, to uphold VA cemeteries as National Shrines, and to increase burial access for veterans and eligible family members. The Budget supports construction of two new national cemeteries in western New York and southern Colorado, and national cemetery expansions in Jacksonville, Florida and South Florida. These cemetery projects support NCA's goal to ensure that eligible veterans have access to a burial option within a reasonable distance from their residences. NCA anticipates conducting 132,093 internments of veterans and family members in 2017.

Advancing Key Reforms on Behalf of Veterans

Reimagines VA's Relationship with our Veterans through the MyVA Initiative. The 2017 Budget provides VA with an opportunity to develop a detailed framework to transform the entire Department by combining functions, simplifying operations, and providing veterans with improved care and services so that they see VA as MyVA—a world-class, customer-focused, veteran-centered service organization with a motivated and committed workforce. VA will use the resources the 2017 Budget provides to realize MyVA's five priorities: improving the veteran experience, improving the employee experience so we can better serve veterans, improving internal support services, establishing a culture of continuous improvement, and enhancing strategic partnerships.

Streamlines and Reforms the Appeals Process. Under current law, the VA disability claim appeals framework is complex, ineffective, and opaque. On average, veterans wait five years for a final resolution of an appeal that reaches the Board of Veterans' Appeals (BVA). Fundamental legislative reform is essential to ensure that veterans receive timely and quality appeals



decisions. The 2017 Budget proposes a Simplified Appeals Process – legislation and resources (i.e., people, process, and technology) to provide a simple, fair, streamlined appeal process so that, by Fiscal Year 2021, veterans will receive a final appeals decision within 365 days from filing of an appeal. The 2017 Budget provides \$156.1 million and 922 FTE for the Board of Veterans Appeals, an increase of \$46.2 million and 242 FTE above the FY 2016 enacted level, which provides a down payment on a long-term, sustainable plan to provide the best services to veterans.

Improves Programs for Veterans' Care in the Community. Currently, veterans can access medical care in non-VA settings, through Care in the Community, a multitude of programs with varying rules, requirements, and eligibility criteria. These bureaucratic obstacles result in programs that are plagued by inefficiency, inconsistency, and place unnecessary burdens on veterans. The 2017 Budget proposes legislation to implement necessary business process improvements to begin to address these problems. Proposed reforms will build on existing infrastructure to develop a high-performing network, streamline clinical and administrative processes, and implement a continuum of care coordination services. The proposed legislation is consistent with recommendations set forth in the *Independent Assessment of the Health Care Delivery Systems and Management Processes of the Department of Veterans Affairs* (Independent Assessment Report), which was required by Section 201 of the *Veterans Access, Choice, and Accountability Act of 2014*.