Congressional Research Service
Informing the legislative debate since 1914

Veterans' Medical Care: FY2016 Appropriations

Updated March 11, 2016

Congressional Research Service
https://crsreports.congress.gov
R44301

CRS REPORT
Prepared for Members and
Committees of Congress

Summary

The Department of Veterans Affairs (VA) provides benefits to veterans who meet certain eligibility criteria. Benefits to veterans range from disability compensation and pensions to hospital and medical care. The VA provides these benefits through three major operating units: the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA). This report focuses on funding for the VHA.

The President submitted his FY2016 budget request to Congress on February 2, 2015. The President's request for the VHA is approximately $60.6 billion (without collections), an additional $1.3 billion (for the three medical care accounts) above the enacted 2016 advance appropriations for VHA, which was $58.7 billion. When the $622 million request for the medical and prosthetic research account is taken into consideration, the total amount requested for VHA is a $1.9 billion increase over the FY2015 amount.

The House Appropriations Committee approved the FY2016 Military Construction and Veterans Affairs appropriations bill (MILCON-VA appropriations bill) on April 22, 2015. The House passed the measure (H.R. 2029, H.Rept. 114-92) on April 30. The House-passed bill provides approximately $60.3 billion for the VHA (without collections).

Because none of the FY2016 regular appropriations bills were enacted by October 1, 2015, on September 30 Congress passed and the President signed into law a continuing resolution (CR) for the period October 1, 2015, through December 11, 2015. The Continuing Appropriations Act, 2016 (P.L. 114-53), funds most VA programs through a formula using the FY2015 level of appropriations minus an across-the-board rescission of 0.2108%.

Although the Senate Appropriations Committee approved its version of the MILCON-VA appropriations bill (H.R. 2029; S.Rept. 114-57) on May 21, 2015, the Senate did not consider the measure until November. On November 10, 2015, the Senate passed the MILCON-VA appropriation bill, 2016, as amended by S.Amdt. 2763, as amended, in the nature of a substitute, to H.R. 2029. For the VHA, the Senate-passed version of the MILCON-VA appropriations bill provides $62.4 billion (without collections), which is $1.8 billion more than the Administration's request for FY2016.

On December 18, 2015, the President signed the Consolidated Appropriations Act, 2016 (H.R. 2029; P.L. 114-113). Division J of the act contained the FY2016 Military Construction and Veterans Affairs Appropriations Act. The enacted measure provides $162.7 billion for the VA for FY2016 as whole. Of this amount, the MILCON-VA Appropriations Act provides $61.8 billion for VHA (without collections). This includes $2.5 billion in addition to the enacted FY2016 advance appropriations for VHA, which was $58.7 billion, and approximately $631 million for the medical and prosthetic research account. In total, the FY2016-enacted amount for VHA is $1.2 billion above the President's request for FY2016, and $5.3 billion above the FY2015-enacted amount of $56.4 billion (without collections).

The appendixes of this report provide funding levels for all VA accounts from FY1995 to FY2015 (including rescissions and supplements).

Contents

Introduction 1
The Veterans Access, Choice, and Accountability Act of 2014 (Choice Act) 2
The Veteran Patient Population 3
Advance Appropriations 6
Department of Veterans Affairs Budget 7
Overview of Veterans Health Administration's Budget Formulation 9
Funding for the VHA 11
Medical Services 11
Medical Support and Compliance (Previously Medical Administration) 12
Medical Facilities 12
Medical and Prosthetic Research 12
Medical Care Collections Fund (MCCF) 12
FY2015 Budget Summary 13
FY2016 VHA Budget 14
President's Request 14
House Action 14
Continuing Appropriations Act, 2016 (P.L. 114-53) 15
Senate Action 16
Consolidated Appropriations Act, 2016 (H.R. 2029; P.L. 114-113) 16
Explanatory Statement Health Care Highlights 17

Figures

Figure 1. FY2015 VA Budget Enacted 8
Figure 2. FY2016 VA Budget Request 9

Tables

Table 1. Veteran Population, VA Enrollees, and VA Patients, FY2000-FY2016 3
Table 2. VHA Unique Enrollees, FY2012-FY2016 4
Table 3. VHA Unique Patients, FY2012-FY2016 5
Table 4. Department of Veterans Affairs, Budget Formulation Time Line 10
Table 5. VA and VHA Appropriations, FY2015-FY2016, and Advance VHA Appropriations, FY2017 19
Table 6. VHA Appropriations by Account, FY2015-FY2016, and Advance Appropriations, FY2017 21

Table A-1. Priority Groups and Their Eligibility Criteria 23
Table B-1. Department of Veterans Affairs, Enacted Appropriations FY1995-FY1999 25
Table B-2. Department of Veterans Affairs Enacted Appropriations, FY2000-FY2004 28
Table B-3. Department of Veterans Affairs Enacted Appropriations, FY2005-FY2010 31

Table B-4. Department of Veterans Affairs Enacted Appropriations, FY2011-FY2015 34

Appendixes

Appendix A. Priority Groups..... 23
Appendix B. Department of Veterans Affairs, Enacted Appropriations FY1995-FY2015..... 25

Contacts

Author Information..... 37
Acknowledgments 37

Introduction

The Department of Veterans Affairs (VA) provides a range of benefits and services to veterans[1] who meet certain eligibility rules; these benefits include medical care, disability compensation and pensions, education, vocational rehabilitation and employment services, assistance to homeless veterans, home loan guarantees, administration of life insurance as well as traumatic injury protection insurance for servicemembers, and death benefits that cover burial expenses.

The VA carries out its programs nationwide through three administrations and the Board of Veterans Appeals (BVA).[2] The Veterans Benefits Administration (VBA) is responsible for, among other things, providing compensation, pensions, and education assistance. The National Cemetery Administration (NCA)[3] is responsible for maintaining national veterans' cemeteries; providing grants to states for establishing, expanding, or improving state veterans' cemeteries; and providing headstones and markers for the graves of eligible persons, among other things.

The Veterans Health Administration (VHA) is responsible for health care services and medical and prosthetic research programs.[4] The VHA is primarily a direct service provider of primary care, specialized care, and related medical and social support services to veterans through the nation's largest integrated health care system. Inpatient and outpatient care are also provided in the private sector to eligible dependents of veterans under the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA).[5] In addition, the VHA provides health care education and training for physician residents and other health care trainees.[6] The other statutory missions of VHA are to serve as a contingency backup to the Department of Defense (DOD) medical system during a national security emergency,[7] and to provide support to the National Disaster Medical System and the Department of Health and Human Services as necessary.[8]

[1] In general, payments of benefits made to, or on account of, a beneficiary under any law administered by the VA are exempt from federal taxation. Furthermore, benefits are exempt, in most cases, from "attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary" (38 U.S.C. §5301(a)(1)).

[2] The BVA is part of the Department of Veterans Affairs, located in Washington, DC, and makes the final determination on an appeal within the VA. The BVA reviews all appeals for entitlement to veterans' benefits, including claims for service connection, increased disability ratings, pension, insurance benefits, educational benefits, home loan guaranties, vocational rehabilitation, dependency and indemnity compensation, health care services, and fiduciary matters.

[3] Established by the National Cemeteries Act of 1973 (P.L. 93-43).

[4] 38 U.S.C. §7301 and 38 U.S.C. §7303.

[5] For more information on CHAMPVA, see CRS Report RS22483, *Health Care for Dependents and Survivors of Veterans*, by Sidath Viranga Panangala.

[6] 38 U.S.C. §7302.

[7] 38 U.S.C. §8111A.

[8] 38 U.S.C. §1785.

In general, eligibility for VA health care is based on previous military service,[9] presence of service-connected disabilities,[10] and/or other factors.[11] Veterans generally must enroll in the VA health care system to receive medical care. Once enrolled, veterans are assigned to one of eight categories (see **Appendix A**).[12] It should be noted that in any given year, not all enrolled veterans obtain their health care services from the VA. While some veterans may rely solely on the VA for their care, others may receive the majority of their health care services from other sources, such as Medicare, Medicaid, private health insurance, and the military health system (TRICARE).[13] VA-enrolled veterans do not pay premiums or enrollment fees to receive care from the VA; however, they may incur some out-of-pocket costs, such as copayments for VA care related to conditions that are not service-connected.[14]

The Veterans Access, Choice, and Accountability Act of 2014 (Choice Act)

In response to the crisis of access to medical care at many VA hospitals and clinics across the country reported in 2014,[15] Congress passed the Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146 as amended by P.L. 113-175, P.L. 113-235, P.L. 114-19, and P.L. 114-41). On August 7, 2014, President Obama signed the bill into law. The act, as amended, makes a number of changes to programs and policies of the VHA that aim to increase access and lower wait times for veterans who seek care at VA facilities. Among other things, the act establishes a new program (the Veterans Choice Program) that would allow the VA to authorize care for veterans outside the VA health care system if they meet certain criteria.[16] Congress also provided mandatory funding for the Choice Program, with a total of $10 billion over three years (through 2017). In addition, Section 801(a) of the Choice Act provided an additional mandatory funding of

[9] Veteran status is established by active-duty status in the U.S. Armed Forces and a discharge or release there from under conditions other than dishonorable (38 U.S.C.§101(2); 38 C.F.R. §3.1(d)). Generally, persons enlisting in one of the Armed Forces after September 7, 1980, and officers commissioned after October 16, 1981, must have completed two years of active duty or the full period of their initial service obligation to be eligible for VA health care benefits. An exception may be granted if the servicemember was discharged or released because of an early out or hardship (10 U.S.C. §§1171 or 1173); was discharged or released for a service-connected disability directly due to service; or has a compensable service-connected disability (38 U.S.C. §5303A; 38 C.F.R. §3.12a).

[10] A service-connected disability is a disability that was incurred or aggravated in the line of duty in the U.S. Armed Forces (38 U.S.C. §101 (16)). The VA determines whether veterans have service-connected disabilities and, for those with such disabilities, assigns ratings from 0% to 100% based on the severity of the disability. Percentages are assigned in increments of 10 (38 C.F.R. §§4.1-4.31).

[11] For information on eligibility for VA health care, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*, by Sidath Viranga Panangala.

[12] Ibid.

[13] TRICARE provides medical care to active duty servicemembers and other eligible beneficiaries (such as military retirees) through a combination of direct care in military clinics and hospitals and civilian-purchased care. For more information on TRICARE, see CRS Report RL33537, *Military Medical Care: Questions and Answers*, by Don J. Jansen.

[14] For more information on VA cost-sharing requirements, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*, by Sidath Viranga Panangala.

[15] For details, see CRS Insight IN10063, *Wait Times for Veterans Health Not New*, by Sidath Viranga Panangala.

[16] For a section-by-section description of all the provisions in the act, see CRS Report R43704, *Veterans Access, Choice, and Accountability Act of 2014 (H.R. 3230; P.L. 113-146)*, by Sidath Viranga Panangala et al. For issues pertaining to implementation of the Veterans Choice Program, see CRS In Focus IF10224, *Implementation of the Veterans Choice Program (VCP)*, by Sidath Viranga Panangala.

$5 billion to increase veterans' access to health care by hiring more physicians and staff and to improve VA's physical infrastructure.

Although these mandatory funds are not part of the regular annual appropriations provided in the MILCON-VA appropriations bill and *not* shown in the tables of this report, these funds are in addition to the funds provided in the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235), and the House-passed FY2016 MILCON-VA appropriations bill and the Senate-passed amounts in its version of the FY2016 MILCON-VA appropriations bill. For more details on the VHA's request to Congress to authorize the use of approximately $3.3 billion provided for the Veterans Choice Fund (Section 802 of P.L. 113-146, as amended) for Veterans' Care in the Community programs, including up to $500 million for Hepatitis C pharmaceutical expenses, and Congress's passage of the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (H.R. 3236; P.L. 114-41), see the "FY2015 VHA Budget Shortfall" section below.

The Veteran Patient Population

In FY2016, the VA estimates that there will be approximately 21.4 million living veterans who served during World War II, Korea, Vietnam, and the Gulf War (which includes Operation Desert Shield/Operation Desert Storm and Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn [OEF/OIF/OND]), along with those who served in various other military operations and in peacetime.[17] Of this number, approximately 9.4 million are estimated to be enrolled in the VA health care system (see **Table 1** and **Table 2**) in FY2016. **Table 1** provides the total living veteran population, the number of veterans enrolled in the VA health care system, and the number of veteran and non-veteran patients (such as certain dependents of veterans) for each year from FY2000 through FY2016 (note that FY2015 and FY2016 are estimates). As shown in **Table 1**, between FY2000 and FY2016, the total veteran population decreased by 14% and the number of veterans enrolled in the VA health care system increased by 90.1%, from about 4.9 million enrollees to approximately 9.4 million enrollees. Furthermore, compared with the total living veteran population, the proportion of veterans enrolled in the VA health care system increased from 18.5% in FY2000 to 44% in FY2016. **Table 2** provides the unique veteran enrollees, arranged by priority group from FY2012 through FY2016.[18]

Table 1. Veteran Population, VA Enrollees, and VA Patients, FY2000-FY2016

Year	Total Veteran Population	VA-Enrolled Veterans	Patients Using VA Health Care During the Year		
			Veterans	Non-Veterans	Total Patients
FY2000	26,745,368	4,936,259	3,462,082	355,191	3,817,273
FY2001	26,092,046	6,073,264	3,890,871	356,333	4,247,204
FY2002	25,627,596	6,882,488	4,246,084	380,320	4,671,037
FY2003	25,217,342	7,186,643	4,504,508	417,023	4,961,453
FY2004	24,862,857	7,419,851	4,713,583	453,250	5,166,833

[17] Department of Veterans Affairs, *Department of Veterans Affairs FY2014-2020 Strategic Plan*, Washington, DC, 2014, p. 12. Also see Department of Veterans Affairs, *FY2016 Budget Submission, Supplemental Information and Appendices*, Volume 1 of 4, February 2015, p. Supplemental Information-7.

[18] The VA classifies veterans into eight enrollment Priority Groups based on an array of factors, including (but not limited to) service-connected disabilities or exposures, 24 prisoner of war (POW) status, receipt of a Purple Heart or Medal of Honor, and income.

Year	Total Veteran Population	VA-Enrolled Veterans	Patients Using VA Health Care During the Year		
			Veterans	Non-Veterans	Total Patients
FY2005	24,521,247	7,746,201	4,862,992	445,322	5,308,314
FY2006	24,179,183	7,872,438	5,030,582	435,488	5,466,070
FY2007	23,816,018	7,833,445	5,015,689	463,240	5,478,929
FY2008	23,442,489	7,834,763	5,078,269	498,420	5,576,689
FY2009	23,066,965	8,048,560	5,221,583	523,110	5,744,693
FY2010	23,031,892	8,343,117	5,441,059	559,051	6,000,110
FY2011	22,676,149	8,574,198	5,582,171	584,020	6,166,191
FY2012	22,328,279	8,762,548	5,680,374	652,717	6,333,091
FY2013	21,972,964	8,926,546	5,803,890	680,774	6,484,664
FY2014	21,999,108	9,078,615	5,955,725	677,010	6,632,735
FY2015	21,680,534	9,236,287	6,080,182	691,996	6,772,178
FY2016	21,368,156	9,382,605	6,192,154	703,235	6,895,389

Sources: Total Veteran Population numbers are from VetPop2011 (FY2010-FY2014), available at http://www.va.gov/vetdata/Veteran_Population.asp, and an archived copy of an earlier version no longer available on the website (FY2000-FY2009). VA-Enrolled Veterans numbers and Patients Using VA Health Care During the Year numbers were obtained from the Department of Veterans Affairs (VA) and/or the VA budget submissions to Congress for FY2002-FY2016; the number for each fiscal year is taken from the budget submission two years later (e.g., the FY2000 number is from the FY2002 budget submission).

Note: FY2015 and FY2016 numbers are estimates.

Table 2. VHA Unique Enrollees, FY2012-FY2016

Priority Groups	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Estimate	FY2016 Estimate
1	1,539,632	1,712,369	1,884,562	2,017,123	2,145,650
2	680,339	704,737	726,914	744,983	761,402
3	1,173,673	1,200,952	1,229,504	1,243,997	1,256,582
4	241,626	242,257	239,206	237,305	235,366
5	2,215,449	2,147,686	2,082,350	2,067,632	2,054,542
6	593,478	610,414	596,843	601,410	602,726
Subtotal Priority Groups 1-6	*6,444,197*	*6,618,415*	*6,759,379*	*6,912,450*	*7,056,268*
7	171,031	196,593	421,496	422,332	422,787
8	2,147,320	2,111,538	1,897,740	1,901,505	1,903,550
Subtotal Priority Groups 7-8	*2,318,351*	*2,308,131*	*2,319,236*	*2,323,837*	*2,326,337*
Total Enrollees	**8,762,548**	**8,926,546**	**9,078,615**	**9,236,287**	**9,382,605**

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs and data from Department of Veterans Affairs, *FY2016 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, February 2015, p. VHA-24.

Note: For a description of Priority Groups, see **Appendix A**.

For FY2016, VHA estimates that it will treat about 6.2 million unique veteran patients; of these, VA anticipates treating more than 844,000 Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF), and Operation New Dawn (OND) veterans (see **Table 3**).[19] In FY2016, OEF, OIF, and OND patients would represent approximately 12.3% of the overall patients served by the VA (see **Table 3**).[20] Between FY2012 and FY2016, the number of unique veteran patients treated by the VA will have grown by 9%.

The VHA also provides medical care to certain non-veterans; in FY2016, this population is expected to increase by more than 11,000 patients over the FY2015 level.[21] In total, including non-veterans, it is estimated the VHA will treat nearly 6.9 million patients in FY2016, a slight increase of 1.8% over the number of patients treated in FY2015 (see **Table 3**). Between FY2012 and FY2016, the number of patients (both veteran and non-veteran) treated by the VA will have grown by 8.9%.

Table 3. VHA Unique Patients, FY2012-FY2016

Priority Groups	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Estimate	FY2016 Estimate
1	1,307,750	1,451,707	1,600,012	1,732,282	1,851,347
2	456,050	473,841	489,579	505,001	518,940
3	697,548	721,576	742,624	758,333	772,583
4	191,521	192,241	193,978	194,429	194,848
5	1,464,198	1,409,341	1,356,343	1,322,099	1,291,105
6	272,043	275,799	276,420	283,512	290,069
Subtotal Priority Groups 1-6	*4,389,110*	*4,524,505*	*4,658,956*	*4,795,656*	*4,918,892*
7	155,093	167,538	193,738	201,030	207,369
8	1,136,171	1,111,487	1,103,031	1,083,496	1,065,893
Subtotal Priority Groups 7-8	*1,291,264*	*1,279,385*	*1,296,769*	*1,284,526*	*1,273,262*
Subtotal Unique Veteran Patients	**5,680,374**	**5,803,890**	**5,955,725**	**6,080,182**	**6,192,154**
OEF/OIF/OND veterans included in the above total	*539,970*	*616,487*	*697,479*	*773,513*	*844,695*
Non-veterans[a]	652,717	680,774	677,010	691,996	703,235

[19] On September 1, 2010, the combat mission in Iraq (Operation Iraqi Freedom, OIF) formally ended and transitioned to Operation New Dawn (OND), which ended on December 15, 2011. VA considers OND to be part of the same contingency operation that was formerly called OIF. Therefore, VA considers participants in OND to be eligible for health care under the legal authorities pertaining to OIF. OEF/OIF/OND data from Department of Veterans Affairs, *FY2016 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, February 2015, p.VHA-11.

[20] In a given year not all enrolled veterans receive care from the VA, either because they are not sick or because they have other sources of care such as the private sector.

[21] Non-veterans include Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) patients (certain dependents of veterans), reimbursable patients in VA affiliated hospitals and clinics, care provided on a humanitarian basis, veterans of World War II allied nations, and employees receiving preventive occupational immunizations such as Hepatitis A&B and flu vaccinations.

Priority Groups	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Estimate	FY2016 Estimate
Total Unique Veteran and non-Veteran Patients	**6,333,091**	**6,484,664**	**6,632,735**	**6,772,178**	**6,895,389**

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs and data from Department of Veterans Affairs, *FY2015 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, February 2015, p.VHA-24. OEF/OIF/OND data from Department of Veterans Affairs, *FY2016 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, February 2015, p. VHA-11.

Notes: For a description of Priority Groups, see **Appendix A**. Unique patients are those who receive at least one episode of care from the VA or whose treatment is paid for by the VA and is counted only once in a given fiscal year.

a. Non-veterans include Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) patients (certain dependents of veterans), reimbursable patients with VA-affiliated hospitals and clinics, care provided on a humanitarian basis, veterans of World War II allied nations, and employees receiving preventive occupational immunizations such as Hepatitis A&B and flu vaccinations.

The rest of this report focuses on appropriations for VHA.[22] It begins with a brief overview of VHA's budget formulation, a description of the accounts that fund the VHA, and a summary of the FY2015 VHA budget. The report ends with a section discussing recent legislative developments pertaining to the FY2016 VHA budget.

Advance Appropriations[23]

To understand annual appropriations for the Veterans Health Administration (VHA), it is essential to understand the role of advance appropriations. In 2009, Congress enacted the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), authorizing advance appropriations for three of the four accounts that compose the VHA: medical services, medical support and compliance, and medical facilities.[24] The fourth account, the medical and prosthetic research account, is not funded with an advance appropriation. P.L. 111-81 also required the Department of Veterans Affairs to submit a request for advance appropriations for VHA with its budget request each year. Congress first provided advance appropriations for the three VHA accounts in the FY2010 appropriations cycle; the Consolidated Appropriations Act, 2010 (P.L. 111-117), provided advance appropriations for FY2011.

Subsequently, each successive appropriation measure has provided advance appropriations for the VHA accounts:

- the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), provided advance appropriations for FY2012;

[22] For an overview of the VA budget including funding for the Veterans Benefits Administration and the components of the Department, see CRS Report R44241, *Department of Veterans Affairs FY2016 Appropriations: In Brief*, by Sidath Viranga Panangala.

[23] In general, an appropriations act makes budget authority available beginning on October 1 of the fiscal year for which the appropriations act is passed ("budget year"). However, some types of appropriations do not follow this pattern; among them are advance appropriations. An advance appropriation means an appropriation of new budget authority that becomes available one or more fiscal years beyond the fiscal year for which the appropriations act was passed (i.e., beyond the budget year). For more information on advance appropriations, see CRS Report R43482, *Advance Appropriations, Forward Funding, and Advance Funding: Concepts, Practice, and Budget Process Considerations*, by Jessica Tollestrup.

[24] Codified at 38 U.S.C. §117.

- the Consolidated Appropriations Act, 2012 (P.L. 112-74), provided advance appropriations for FY2013;
- the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), provided advance appropriations for FY2014;
- the Consolidated Appropriations Act, 2014 (P.L. 113-76), provided advance appropriations for FY2015; and
- the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235), provided advance appropriations for FY2016.

In addition, the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235), amended 38 U.S.C §117 and included three more accounts to the Advance Appropriations list of accounts. Currently, three mandatory VA accounts exist under the Veterans Benefits Administration (VBA): compensation and pensions, readjustment benefits, and veterans insurance and indemnities are authorized to receive advance appropriations. Beginning with the FY2016 MILCON-VA Appropriations bill, those accounts would receive advance appropriations for FY2017 in addition to the three VHA accounts already authorized to receive advance appropriations.

Under current budget scoring guidelines, advance appropriations of budget authority are scored as new budget authority in the fiscal year in which the funds become newly available for obligation, not in the fiscal year the appropriations are enacted.[25] Therefore, throughout the funding tables of this report, advance appropriations numbers are shown under the label "memorandum" and in the corresponding fiscal year column. For example, funding shown for FY2015 does not include advance appropriations provided in FY2015 by P.L. 113-235 for use in FY2016. Instead, the advance appropriation provided in FY2015 for use in FY2016 is shown in the FY2016 column under the label "memorandum." Similarly, advance appropriations provided for FY2017 in the FY2016 MILCON-VA appropriations bill appear in the FY2017 column and under the label "memorandum."

Department of Veterans Affairs Budget

The VA budget includes both mandatory[26] and discretionary funding.[27] Mandatory accounts fund disability compensation, pensions, vocational rehabilitation and employment, education, life insurance, housing, and burial benefits (such as grave liners, outer burial receptacles, and headstones), among other benefits and services. Discretionary accounts fund medical care, medical research, construction programs, information technology, and general operating expenses, among other things. **Appendix B** provides enacted VA appropriations from FY1995 to FY2015, including all three administrations that compose the VA: VBA, VHA, and NCA.

[25] Executive Office of the President, Office of Management and Budget (OMB), *Appendix A-Scorekeeping Guidelines*, OMB Circular No. A-11, PART 7, July 2013, p. 2.

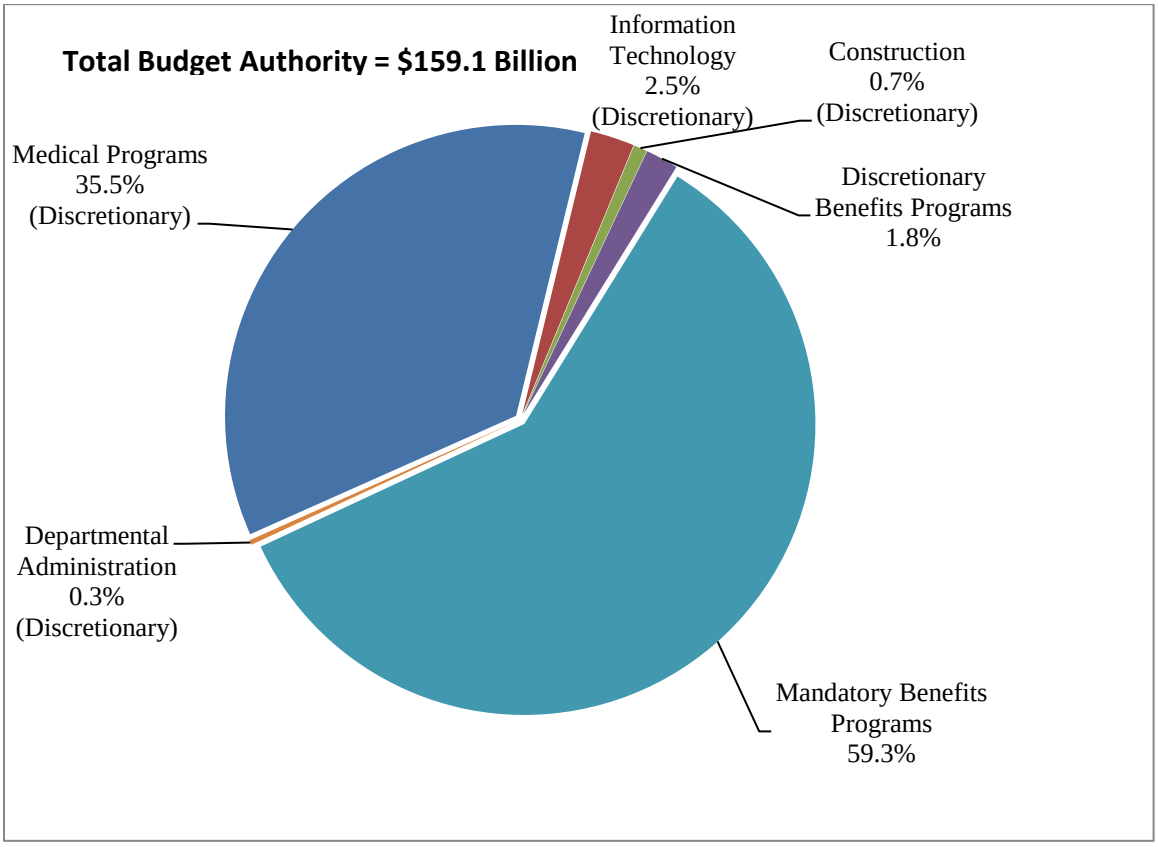
[26] Mandatory programs funded through the annual appropriations process are commonly referred to as appropriated entitlements. In general, appropriators have little control over the amounts provided for appropriated entitlements; rather, the authorizing statute establishes the program parameters (e.g., eligibility rules, benefit levels) that entitle certain recipients to payments. If Congress does not appropriate the money necessary to meet these commitments, entitled recipients (e.g., individuals, states, or other entities) may have legal recourse. For an overview of mandatory spending, see CRS Report RL33074, *Mandatory Spending Since 1962*, by Mindy R. Levit, D. Andrew Austin, and Jeffrey M. Stupak.

[27] Funding for discretionary programs are provided and controlled through the annual appropriations process. For more information, see CRS Report R41726, *Discretionary Budget Authority by Subfunction: An Overview*, by D. Andrew Austin.

Figure 1 provides a breakdown of FY2015 budget allocations for both mandatory and discretionary programs. In FY2015, the total VA budget authority was approximately $159.1 billion; discretionary budget authority accounted for about 40.7% ($65 billion) of the total, with about 87.0% ($56.4 billion) of this discretionary funding going toward supporting VA health care programs, including medical and prosthetic research. The VA's mandatory budget authority accounted for about 59.3% ($94.3 billion) of the total VA budget authority, with about 83.9% ($79.1 billion) of this mandatory funding going toward disability compensation and pension programs.

Figure 2 provides the FY2016 budget request for both mandatory and discretionary programs. For FY2016 the President's budget requested approximately $164.6 billion in new budget authority for the VA as a whole. A majority of the discretionary programs budget (36.8% of the total VA budget) is for medical care for veterans, whereas almost the entire mandatory programs budget is for benefits such as disability compensation, pensions, and readjustment benefits; mandatory programs account for about 57.5% of the total VA budget.

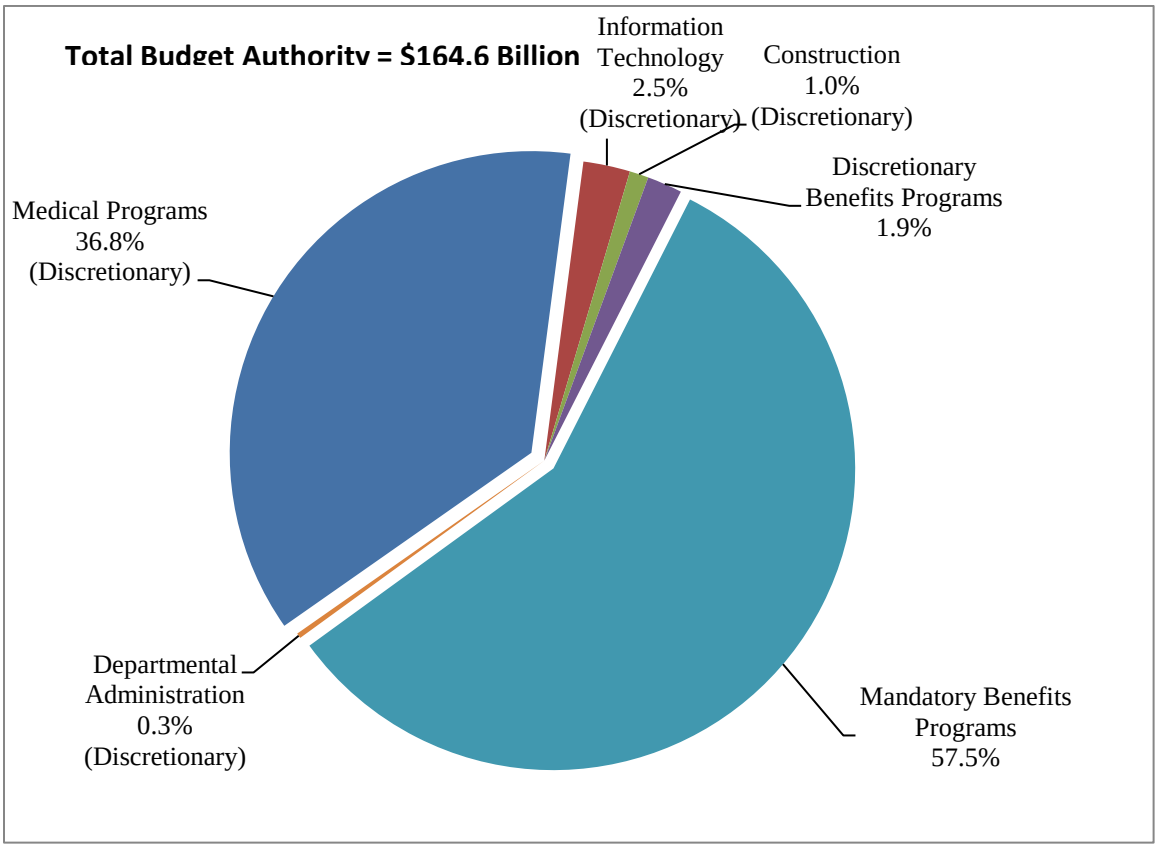
Figure 1. FY2015 VA Budget Enacted



Source: Chart prepared by the Congressional Research Service based on U.S. Congress, House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015,* report to accompany H.R. 2029, 114th Congress, 1st session, April 24, 2015, H.Rept. 114-92, pp. 6-11.

Notes: Discretionary budget authority includes medical programs; information technology; construction; other discretionary benefits, such as operation and maintenance of VA's national cemeteries; and departmental administration. Mandatory benefits include disability compensation, pensions, education, and vocational rehabilitation and employment services, among other benefits and services. Totals may not add due to rounding.

Figure 2. FY2016 VA Budget Request



Source: Chart prepared by the Congressional Research Service based on U.S. Congress, House Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2015,* report to accompany H.R. 2029, 114th Congress, 1st session, April 24, 2015, H.Rept. 114-92, pp. 6-11.

Notes: Discretionary budget authority includes medical programs; information technology; construction; other discretionary benefits, such as operation and maintenance of VA's national cemeteries; and departmental administration. Mandatory benefits include disability compensation, pensions, education, and vocational rehabilitation and employment services, among other benefits and services. Totals may not add due to rounding.

Overview of Veterans Health Administration's Budget Formulation[28]

Similar to most federal agencies, the VA begins formulating its budget request approximately 10 months before the President submits the budget to Congress, generally in early February. The VHA's budget request to Congress begins with the formulations of the budget based on the Enrollee Health Care Projection Model (EHCPM)[29] and the Civilian Health and Medical Program

[28] A major part of this discussion was drawn from U.S. Government Accountability Office, *Veterans' Health Care: VA Uses a Projection Model to Develop Most of Its Health Care Budget Estimate to Inform the President's Budget Request*, GAO-11-205, January 2011, pp. 4-8; and U.S. Government Accountability Office, V*eterans' Health Care Budget: Better Labeling of Services and More Detailed Information Could Improve the Congressional Budget Justification*, GAO-12-908, September 2012, pp. 5-6.

[29] The Veterans' Health Care Eligibility Reform Act of 1996 (P.L. 104-262) required the VHA to manage the provision of hospital care and medical services through an enrollment system based on a system of priorities.

Veterans Administration (CHAMPVA) Model. The two models collectively estimate the amount of budgetary resources VHA will need to meet the expected demand for most of the health care services it provides.

The EHCPM's estimates are based on three basic components: the projected number of veterans who will be enrolled in VA health care, the projected utilization of VA's health care services—that is, the quantity of health care services enrollees are expected to use—and the projected unit cost of providing these services. Each component is subject to a number of adjustments to account for the characteristics of VA health care and the veterans who access VA's health care services. The EHCPM makes projections three or four years into the future. Each year, VHA updates the EHCPM estimates to "incorporate the most recent data on health care utilization rates, actual program experience, and other factors, such as economic trends in unemployment and inflation."[30] For instance, in 2014, VHA used data from FY2013 to develop its health care budget estimate for the FY2016 request, including the advance appropriations request for FY2017.[31]

The CHAMPVA Model is a more recent model adopted by VHA in 2010. The CHAMPVA model projects the cost of providing medical coverage to CHAMPVA-eligible beneficiaries.[32] The CHAMPVA Model is composed of two major components: the enrollment model and the claims cost model. The enrollment model projects the number of beneficiaries enrolled in CHAMPVA, and the claims cost model projects expenditures for providing care to beneficiaries. According to the VHA, the "2013 CHAMPVA Model was developed using data from fiscal years 2005 to 2012, publically available research, and input from a development team (including subject matter experts from VHA and VHA's CHAMPVA program)."[33]

Table 4 provides an approximate timeline for formulating the revised FY2016 VHA budget request and the FY2017 advance appropriations request.

Table 4. Department of Veterans Affairs, Budget Formulation Time Line

(FY2016 budget request)

Month, Year	Activity
April, 2014	VA issues internal call letter for FY2016/FY2017 budget proposals.
May, 2014	VA Administrations (VBA, VHA, and NCA) develop FY2016 budget, program, and legislative proposals; VA also develops the FY2017 Advance Appropriations request.
June, 2014	VA construction budget proposals for FY2016 prioritized through Strategic Capital Investment Planning (SCIP) process.
July, 2014	VA leadership considers the FY2016/FY2017 budget proposals.
August, 2014	VA prepares the budget submission to Office of Management and Budget (OMB)
September, 2014	VA submits 2016 budget to OMB and the FY2017 Advance Appropriations request.

[30] Department of Veterans Affairs, *FY2014 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, February 2013, p. 1A-6.

[31] VHA uses methodologies other than the EHCPM to develop estimates of the amount of resources needed for state-based long-term care programs, readjustment counseling, legislation recently enacted, expansions to homeless veterans programs, and care provided to non-veterans patients.

[32] For more information on CHAMPVA, see CRS Report RS22483, *Health Care for Dependents and Survivors of Veterans*, by Sidath Viranga Panangala.

[33] Department of Veterans Affairs, *FY2015 Budget Submission, Medical Programs and Information Technology Programs*, Volume 2 of 4, March 2014, p. VHA-46.

Month, Year	Activity
November, 2014	VA receives OMB Passback of 2016/2017 budget decisions.
December, 2014	VA and OMB reach agreement on budget amounts.
January, 2014	VA prepares the FY2016 Congressional Budget Submissions.
February, 2015	President's FY2016 Budget Request and the Advance Appropriations for FY2017 Submitted to Congress.

Source: Table prepared by CRS based on U.S. Congress, House Committee on Veterans' Affairs, *U.S. Department of Veterans Affairs Budget Request For Fiscal Year 2013*,112th Congress, 2nd session, February 15, 2012, p. 143.

Funding for the VHA

As noted previously, the VHA is funded through four appropriations accounts. These are supplemented by other sources of revenue. Although the appropriations account structure has been subject to change from year to year, the appropriation accounts used to support the VHA traditionally included medical care, medical and prosthetic research, and medical administration. In FY2004, "to provide better oversight and [to] receive a more accurate accounting of funds," Congress changed the VHA's appropriations structure.[34] Specifically, the Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 2004 (P.L. 108-199, H.Rept. 108-401), funded VHA through four accounts: (1) medical services, (2) medical administration (currently known as medical support and compliance), (3) medical facilities, and (4) medical and prosthetic research. Brief descriptions of these accounts are provided below.

Medical Services

The medical services account covers expenses for furnishing inpatient and outpatient care and treatment of veterans and certain dependents, including care and treatment in non-VA facilities; outpatient care on a fee basis; medical supplies and equipment; salaries and expenses of employees hired under Title 38, *United States Code* (U.S.C.); cost of hospital food service operations;[35] aid to state veterans' homes; and assistance and support services for family caregivers of veterans authorized by the Caregivers and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163). For FY2013, the President's budget request proposed the transfer of funding for biomedical engineering services from the medical facilities account to this account.[36] The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), approved this transfer. All subsequent appropriations acts have continued to fund biomedical engineering services under this account.

[34] U.S. Congress, Conference Committees, *Consolidated Appropriations Act, 2004*, conference report to accompany H.R. 2673, 108th Cong., 1st sess., H.Rept. 108-401, p. 1036.

[35] In its FY2008 budget request to Congress, the VA requested the transfer of food service operations costs from the medical facilities appropriations to the medical services appropriations. The House and Senate Appropriations Committees concurred with this request. The cost of food service operations support hospital food service workers, provisions, and supplies related to the direct care of patients.

[36] Biomedical engineering services include the maintenance and repair of all medical equipment used in the treatment, monitoring, diagnosis, and therapy of patients.

Medical Support and Compliance (Previously Medical Administration)

This account provides for expenses related to the management, security, and administration of the VA health care system through the operation of VA medical centers and other medical facilities, such as community-based outpatient clinics (CBOCs) and Vet Centers.[37] It also funds 21 Veterans Integrated Service Network (VISN)[38] offices and facility director offices; chief of staff operations; public health and environmental hazard programs; quality and performance management programs; medical inspection; human research oversight; training programs and continuing education; security; volunteer operations; and human resources management.

Medical Facilities

The medical facilities account funds expenses pertaining to the operations and maintenance of the VHA's capital infrastructure. These expenses include utilities and administrative expenses related to planning, designing, and executing construction or renovation projects at VHA facilities. It also funds leases, laundry services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, and property disposition and acquisition.

Medical and Prosthetic Research

As required by law, the medical and prosthetic research program (medical research) focuses on research into the special health care needs of veterans.[39] This account provides funding for many types of research, such as investigator-initiated research; mentored research; large-scale, multi-site clinical trials; and centers of excellence. VA researchers receive funding not only through this account but also from the Department of Defense (DOD), the National Institutes of Health (NIH), and private sources.

In general, VA's research program is intramural; that is, research is performed by VA investigators at VA facilities and approved off-site locations. Unlike other federal agencies, such as NIH and DOD, the VA does not have the statutory authority to make research grants to colleges and universities, cities and states, or any other non-VA entities.

Medical Care Collections Fund (MCCF)

In addition to the appropriations accounts mentioned above, the committees on appropriations include medical care cost recovery collections when considering funding for the VHA. Congress has provided VHA the authority to bill some veterans and most health care insurers for

[37] Vet Centers are community-based counseling centers that provide a wide range of social and psychological services, such as professional readjustment counseling to veterans who have served in a combat zone, military sexual trauma (MST) counseling, bereavement counseling for families who experience an active duty death, substance abuse assessments and referral, medical referral, veterans' benefits explanation and referral, and employment counseling, among other services.

[38] VISN offices provide management and oversight to the medical centers and clinics within their assigned geographic areas. Each VISN office is responsible for allocating funds to facilities, clinics, and programs within its region and coordinating the delivery of health care to veterans.

[39] 38 U.S.C. §7303(a)(3). The Office of Research and Development (ORD) within the Veterans Health Administration (VHA) manages the medical research program. The medical research program encompasses, among other things, biomedical laboratory research, clinical trials, health services research, and rehabilitation research.

nonservice-connected care provided to veterans enrolled in the VA health care system, to help defray the cost of delivering medical services to veterans.[40] Funds collected from first- and third-party (copayments and insurance) bills are retained by the VA health care facility that provided the care for the veteran. The VA estimates that MCCF total collections will be approximately $2.4 billion in 2016.

FY2015 Budget Summary[41]

The President's FY2015 budget request was submitted to Congress on March 4, 2014. The President's budget requested $158.6 billion in budget authority for the VA as a whole. This included $93.5 billion in mandatory funding and $65.1 billion in discretionary funding. For FY2015, the Administration requested $56.6 billion for VHA. This included $45.4 billion for the medical services account, $5.9 billion for the medical support and compliance account, $4.7 billion for the medical facilities account, and nearly $589 million for the medical and prosthetic research account. Furthermore, as required by the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), the President's budget requested $58.6 billion in advance appropriations for the three medical care accounts (medical services, medical support and compliance, and medical facilities) for FY2016.

On April 3, 2014, the House Military Construction and Veterans Affairs Subcommittee approved its version of a Military Construction and Veterans Affairs and Related Agencies Appropriations bill for FY2015 (MILCON-VA Appropriations bill). The full House Appropriations Committee approved a draft measure by voice vote on April 9, 2014, and the House passed the MILCON-VA Appropriations bill for FY2015 (H.R. 4486; H.Rept. 113-416) on April 30, 2014. The House-passed version of the MILCON-VA Appropriations bill for FY2015 proposed a total of $158.2 billion for the VA as whole. For FY2015, H.R. 4486 proposed $56.2 billion for VHA. On May 20, 2014, the Senate Military Construction, Veterans Affairs, and Related Agencies Subcommittee marked up its version of the MILCON-VA Appropriations bill for FY2015. The full Senate Appropriations Committee approved the measure (H.R. 4486; S.Rept. 113-174) on May 22. The committee-approved bill proposed $158.6 billion for the VA as a whole. For FY2015, H.R. 4486 (S.Rept. 113-174) proposed $56.4 billion for VHA.

A MILCON-VA Appropriations bill funding most of the VA (excluding the three medical care accounts: medical services, medical support and compliance, and medical facilities) was not enacted prior to the beginning of FY2015, and Congress passed several continuing appropriations resolutions (CRs) to fund the VA. The President signed the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235), on December 16, 2014. Division I of P.L. 113-235 contained the FY2015 MILCON-VA Appropriations Act. The act provided appropriations

[40] The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), enacted into law in 1986, established means testing for veterans seeking care for nonservice-connected conditions. The Balanced Budget Act of 1997 (P.L. 105-33) established the Department of Veterans Affairs Medical Care Collections Fund (MCCF) and gave the VHA the authority to retain these funds in the MCCF. Instead of returning the funds to the Treasury, the VA can use them, without fiscal year limitations, for medical services for veterans. In FY2004, the Administration's budget requested consolidating several existing medical collections accounts into one MCCF. The conferees of the Consolidated Appropriations Act of 2004 (H.Rept. 108-401) recommended that collections that would otherwise be deposited in the Health Services Improvement Fund (former name), Veterans Extended Care Revolving Fund (former name), Special Therapeutic and Rehabilitation Activities Fund (former name), Medical Facilities Revolving Fund (former name), and the Parking Revolving Fund (former name) should be deposited in MCCF. The Consolidated Appropriations Act of 2005 (P.L. 108-447, H.Rept. 108-792) provided the VA with permanent authority to deposit funds from these five accounts into the MCCF.

[41] For a detailed discussion of the VHA appropriations for FY2015, see CRS Report R43547, *Veterans' Medical Care: FY2015 Appropriations*, by Sidath Viranga Panangala.

totaling $159.1 billion for FY2015 for the functions of the VA as a whole and $56.4 billion for VHA. The MILCON-VA Appropriations Act, 2015, included $58.7 billion in advance FY2016 funding for the medical services, medical support and compliance, and medical facilities accounts.

FY2016 VHA Budget

This section of the report provides a chronological overview of the FY2016 VHA appropriations process. It begins with the President's request submitted to Congress in February 2015 and ends with the enactment of the Consolidated Appropriations Act, 2016 (P.L. 114-113), in December 2015. In between the President's request and the final passage of the Consolidated Appropriations Act, 2016, the House passed its version of the MILCON-VA appropriations bill for FY2016 (H.R. 2029; H.Rept. 114-92) in April 2015, which was followed by continuing resolutions (CRs) that funded parts of the Department at the beginning of FY2016 (VHA accounts were not affected since these accounts had already received advance appropriations for FY2016 in P.L. 113-235). This was followed by the Senate passage of its version of the MILCON-VA appropriations bill (H.R. 2029; S.Rept. 114-57) in November 2015. In the intervening period, and outside of the regular FY2016 appropriations process, Congress addressed a budget shortfall at the VA. This is described in the text box below under the heading "FY2015 Budget Shortfall."

President's Request

The President submitted his FY2016 budget request to Congress on February 2, 2015. The Administration's FY2016 budget requested $164.6 billion for the VA as a whole (**Table 5**). For VHA, the Administration requested $60.6 billion (without collections). For the three medical care accounts (medical services, medical support and compliance, and medical facilities), the President requested $1.3 billion over the advance appropriated amount of $58.7 billion for FY2016 (**Table 6**). These additional funds were requested for the costs associated with newer pharmaceutical therapies for Hepatitis C treatment; higher usage of caregiver stipends related to the Program of Comprehensive Assistance for Family Caregivers, established by the Caregivers and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163); and higher projected utilization of the VA homeless veterans programs. Furthermore, as required by the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81), the President's budget requested approximately $63.3 billion in advance appropriations for the three medical care accounts (medical services, medical support and compliance, and medical facilities) for FY2017 (**Table 6**).

House Action

On April 22, 2015, the House Appropriations Committee approved its version of the MILCON-VA Appropriations bill for FY2016 (H.R. 2029; H.Rept. 114-92). The House passed the measure on April 30. The House-passed measure provides approximately $60.3 billion for VHA (without collections) for FY2016. This includes $972 million over the advance appropriated amount of $58.7 billion for FY2016 for three of the four accounts that compose the VHA (**Table 6**). This amount is 25% less than the President's requested additional amount of $1.3 billion over the FY2016 advance appropriated amount. According to the committee report (H.Rept. 114-92) "the current year budget request is unusually large and has worked to provide more than 85 percent of the request. Within the funds provided, the Committee expects the resources to be used for unbudgeted costs of Hepatitis C treatment, higher than anticipated usage of Caregivers program

stipends, and projected utilization of homelessness programs."[42] The House-passed measure also includes $63.3 billion in advance appropriations for the three medical care accounts (medical services, medical support and compliance, and medical facilities) for FY2017 (**Table 6**).

FY2015 VHA Budget Shortfall

On June 23, 2015, the VA transmitted a proposal to Congress seeking the transfer of funds from the Veterans Choice Fund (established by Section 802 of P.L. 113-146, as amended) to the discretionary medical care accounts for FY2015. The VA's proposal requested a transfer of up to $3 billion to meet demand for care outside of the VA health care system (Care in the Community), of which no more than $500 million was for Hepatitis C treatment. A majority of these funds were to replenish expenses incurred in the medical services account since May 2015 to provide Care in the Community.[43] During a hearing on the FY2015 budget shortfall held on June 25 before the House Veterans Affairs Committee, the Deputy Secretary of Veterans Affairs testified that the VHA expected to spend $10.1 billion in FY2015 for Care in the Community, whereas the FY2015 budget had estimated only $7.3 billion for this function. Furthermore, the VA stated its Hepatitis C treatment costs to be approximately $1.1 billion in FY2015. The VHA had reallocated approximately $697 million out of other activities to fund Hepatitis C treatments, and it needed approximately $400 million to bridge the shortfall for FY2015.[44]

On July 31, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114-41) was enacted into law. Among other things, P.L. 114-41 made modifications to the Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-46 as amended)[45] and authorized not more than $3.3 billion from the Veterans Choice Fund to be transferred to other discretionary medical care accounts for Care in the Community and to replenish those accounts for expenses incurred on or after May 1, 2015. Of this amount, no more than $500 million was for pharmaceutical expenses relating to the treatment of Hepatitis C. This transfer authority ended on October 1, 2015. Furthermore, P.L. 114-41 required the VA Secretary to provide Congress with a plan to consolidate all non-VA health care programs by establishing a new, single program to be known as the "Veterans Choice Program" to furnish hospital care and medical services to veterans enrolled in the VA health care system at non-VA facilities. The plan was submitted to Congress on October 30, 2015.[46] These transfers are not shown in **Table 5** and **Table 6** of this report.

Continuing Appropriations Act, 2016 (P.L. 114-53)[47]

Because none of the regular FY2016 appropriations bills, including the MILCON-VA appropriations bill, were enacted before the start of FY2016, on September 30, Congress passed and the President signed into law a continuing resolution (CR) for the period October 1, 2015, through December 11, 2015. The Continuing Appropriations Act, 2016 (P.L. 114-53), funds most VA programs through a formula using the FY2015 level of appropriations minus an across-the-broad rescission of 0.2108%.

The Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235), provided advance appropriations of $58.7 billion for FY2016 for the medical services, medical support and compliance, and medical facilities accounts, which became available on October 1,

[42] H.Rept. 114-92, p. 35.

[43] For more information and accompanying VA documents, see http://www.va.gov/opa/pressrel/pressrelease.cfm?id=2718.

[44] U.S. Congress, House Committee on Veterans' Affairs, *The State of VA's [Veterans Affairs] Fiscal Year 2015 Budget*, 114th Cong., 1st sess., June 25, 2015.

[45] See CRS Report R43704, *Veterans Access, Choice, and Accountability Act of 2014 (H.R. 3230; P.L. 113-146)*, by Sidath Viranga Panangala et al.

[46] The full plan can be found at http://www.va.gov/opa/publications/VA_Community_Care_Report_11_03_2015.pdf, and a fact sheet produced by the VA on the plan is available at http://bit.ly/1MpV1R8.

[47] For more information, see CRS Report R44214, *Overview of the FY2016 Continuing Resolution (H.R. 719)*, by Jessica Tollestrup.

2015. Section 115 of P.L. 114-53 would require that the across-the-broad rescission of 0.2108% be applied to rescind funds from the FY2016 advanced appropriated accounts for VHA.

Senate Action

Following the passage of the Bipartisan Budget Act of 2015 (P.L. 114-74), which increased the discretionary spending caps for FY2016 and FY2017, on, November 5, 2015, the Senate agreed to consider its version of the MILCON-VA Appropriations bill for FY2016. It should be noted that on May 21, 2015, the Senate Appropriations Committee approved its version of the MILCON-VA appropriations bill (H.R. 2029; S.Rept. 114-57). Senator Kirk then proposed S.Amdt. 2763 in the nature of a substitute to H.R. 2029 (S.Rept. 114-57).[48] The Senate passed S.Amdt. 2763 in the nature of a substitute to H.R. 2029, as amended, on November 10. The Senate-passed version of the MILCON-VA Appropriations bill (H.R. 2029; S.Amdt. 2763, as amended) provides $165.8 billion for the VA as a whole, which is $1.1 billion more than the President's request of $164.6 billion for FY2016 (**Table 5**). For the VHA, the Senate-passed version of the MILCON-VA appropriations bill provides $62.4 billion (without collections), which is $1.8 billion more than the Administration's request for FY2016 (**Table 5** and **Table 6**). Furthermore, the bill provides approximately $3.1 billion over the previously advanced appropriated amount of $47.6 billion for the medical services account for FY2016 (**Table 6**).

The Senate-passed version of the MILCON-VA Appropriations bill (H.R. 2029; S.Amdt. 2763, as amended) directs that of the total amount provided for the medical services account for FY2016, $900 million shall be for Hepatitis C Virus treatments. Furthermore, the Senate-passed MILCON-VA appropriations bill provides $8.9 million more than the President's request of $621.8 million for the medical and prosthetic research account, requires the VA to spend not less than $10 million to hire additional caregiver support coordinators for the Comprehensive Assistance for Family Caregivers program, and requires the VA to use not less than $5 million from the medical services account for FY2016 to carry out a pilot program to assess the feasibility and advisability of establishing a grants program to provide furniture, household items, and other assistance to formerly homeless veterans who are moving into permanent housing. All other amounts reflect the Senate Appropriations Committee-approved version of the MILCON-VA appropriations bill (H.R. 2029; S.Rept. 114-57) (**Table 6**).

Consolidated Appropriations Act, 2016 (H.R. 2029; P.L. 114-113)

On December 18, 2015, the President signed the Consolidated Appropriations Act, 2016, completing the FY2016 appropriations process. Division J of the Consolidated Appropriations Act, 2016, contained the MILCON-VA Appropriations Act. The enacted measure provides $162.7 billion for the VA for FY2016 of this amount for VHA, P.L. 114-113, provides a total of $61.8 billion (without collections). For the medical services account, the Consolidated Appropriations Act, 2016, provides $2.4 billion for FY2016 in addition to advance appropriations amount of $47.6 billion that was provided in P.L. 113-235 (see **Table 6**). Similarly, for the medical facilities account, P.L. 114-113 provides $105 million for FY2016 in addition to the $4.9 billion that was provided as advance appropriations in P.L. 113-235. For the medical and prosthetic research account, the Consolidated Appropriations Act, 2016 (H.R. 2029; P.L. 114-113), provides $631 million, which is $8.9 million above the President's request for FY2016. Furthermore, Section 243 of Division J P.L. 114-113 establishes a Recurring Expenses Transformational Fund for VA. This fund will receive expired (after five fiscal years) discretionary unobligated balances of

[48] "Amendments Submitted and Proposed," *Congressional Record*, daily edition, vol. 161, No. 165 (November 5, 2015), pp. S7823-S7832.

budget authority and will be available in this fund until expended. The funds in this account would be used for VA medical facility infrastructure improvements, including nonrecurring maintenance, at existing VA hospitals and clinics, and information technology systems improvements.

Explanatory Statement Health Care Highlights

The explanatory statement accompanying Division J of the Consolidated Appropriations Act, 2016 (MILCON-VA Appropriations Act, 2016), included several areas of concern and interest that are of importance to the appropriations committees. These include among other areas the following (this is not an exhaustive list):[49]

Veterans Choice Program

Among other things, the explanatory statement expresses concern about uncertainty of funding among the myriad of non-VA community care programs, VA provided care, and the Veterans Choice Program established by the Veterans Access, Choice and Accountability Act of 2014 (P.L.113-146 as amended). In addition, the explanatory statement acknowledges that the Veterans Access, Choice and Accountability Act of 2014 may have created "significant unfunded liabilities"[50] and provides bill language permitting the VA to transfer funds between multiple appropriations accounts and the medical services account.

Caring for Veterans with Hepatitis C

The MILCON-VA Appropriations Act, 2016, includes bill language requiring the VA to spend at least $1.5 billion for Hepatitis C treatments in FY2016. This includes the costs associated with new Hepatitis C treatment regimens.

Program of Comprehensive Assistance for Family Caregivers

The MILCON-VA Appropriations Act, 2016, provides additional funding for the Program of Comprehensive Assistance for Family Caregivers established by the Caregivers and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163). This additional funding would fund increasing demand for the program, increasing costs associated with the tax free stipend paid directly to the designated primary family caregiver, and the recruitment of additional caregiver support coordinators.

Vet Centers

The MILCON-VA Appropriations Act, 2016, provides additional funding for Vet Center services. This includes "mobile Vet Centers, to address the unmet mental health needs of veterans in rural and highly rural areas."[51]

---

[49] For a complete discussion, see Explanatory Statement Submitted By Mr. Rogers of Kentucky, Chairman of The House Committee On Appropriations Regarding House Amendment No. 1 To The Senate Amendment on H.R. 2029-Continued, *Congressional Record*, daily edition, vol. 161, Book III (December 17, 2015), pp. H10394-H10401.

[50] Ibid., p. H10394.

[51] Ibid., p. H10395.

Health Care for Veterans in Rural Communities

Division J of the Consolidated Appropriations Act, 2016 (MILCON-VA Appropriations Act, 2016), continues funding for VHA's Office of Rural Health and "permits the transfer of up to $20 million from the Office of Rural Health budget to the Grants to States for Construction of Extended Care Facilities in order to ensure the needs of rural and highly rural areas are taken into account in the allocation of these construction funds."[52]

Veteran Homelessness—Furniture Pilot

Among other things, the explanatory statement accompanying the MILCON-VA Appropriations Act, 2016, directs the VA to carry out a pilot program to assess the feasibility and advisability of establishing a grants program to provide furniture, household items, and other assistance to formerly homeless veterans who are moving into permanent housing.

Mental Health

Among other things, the explanatory statement urges the VA to implement a program that would designate a VA liaison to coordinate with local law enforcement authorities to address the needs of veterans who are considered an immediate threat to themselves and others. Furthermore, it encourages the VA in consultation with the Department of Defense (DOD) to "enter into a contract with an independent third party to carry out a study on the impact combat service has had on suicide rates and serious mental health issues among veterans."[53]

Health Care for Women Veterans

The explanatory statement accompanying the MILCON-VA Appropriations Act, 2016, directs the VA to ensure that VA clinicians that treat women veterans are "trained to treat and address the unique health issues facing women veterans."[54] Furthermore, it directs the Secretary to conduct an internal analysis to ensure that each Veterans Integrated Service Network (VISN) is integrating the unique needs of female veterans into each component of VA's healthcare system.[55]

Transportation Pilot Program

Among other things, explanatory statement urges the VA to conduct a pilot program that would use mobile applications (mobile apps) to transport veterans to VA medical facilities and non-VA community providers. The pilot program would use mobile apps of companies offering transportation services on demand to transport veterans for medical care in at least three metropolitan areas in three different VISNs.[56]

---

[52] Ibid., p.H10395.

[53] Ibid., p.H10395.

[54] Ibid., p.H10395.

[55] Ibid., p.H10395.

[56] Ibid., H10396.

Table 5. VA and VHA Appropriations, FY2015-FY2016, and Advance VHA Appropriations, FY2017

($ in thousands)

	Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235)		President's Request		House-Passed (H.R. 2029; H.Rept. 114-92)		Senate-Passed (H.R. 2029; S.Amdt. 2763, as amended)		Consolidated Appropriations Act, 2016 (H.R. 2029; P.L. 114-113)	
	FY2015	FY2016	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017
Total Department of Veterans Affairs (VA)	$159,144,807[0]	—	$164,649,778	—	$163,206,916	—	$165,792,416	—	$162,671,005	—
Total Mandatory	$94,131,393[0]	—	$94,546,757	—	$94,546,757	—	$94,546,757	—	$91,256,062	—
Total Discretionary	$65,013,414	—	$70,103,021	—	$68,660,159	—	$71,215,569	—	$71,414,943	—
Total Veterans Health Administration (VHA)[a]	$56,432,338[b]	—	$60,583,305	—	$60,255,569	—	$62,388,212	—	$61,767,227	—
Memorandum:[c] Advance appropriations VHA	—	$58,662,202	—	$63,271,000	—	$63,271,000	—	$63,271,000	—	$63,271,000

Source: Table prepared by the Congressional Research Service based on U.S. Congress, House Committee on Appropriations, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 2029, 114th Congress, 1st session, April 24, 2015, H.Rept. 114-92; U.S. Congress, Senate Committee on Appropriations, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 2029,114th Congress, 1st session, May 21, 2015, S.Rept. 114-57; "Amendments Submitted and Proposed," *Congressional Record,* daily edition, vol. 161, No. 165 (November 5, 2015), pp. S7823-S7832; and "Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2016" *Congressional Record,* daily edition, vol. 161, No. 167 (November 10, 2015), pp. S7878-S7881; Explanatory Statement Submitted By Mr. Rogers of Kentucky, Chairman of The House Committee On Appropriations Regarding House Amendment No. 1 To The Senate Amendment on H.R. 2029—Continued, *Congressional Record*, daily edition, vol. 161, Book III (December 17, 2015), pp. H10403-H10411.

Notes: This amount reflects rescissions included in the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). This amount does not include mandatory funding of $15 billion authorized and appropriated in the Veterans Access, Choice, and Accountability Act of 2014 (H.R. 3230; P.L. 113-146) as amended by P.L. 113-175, P.L. 113-235, P.L. 114-19, and P.L. 114-41.

a. Includes funding for medical services, medical support and compliance, medical facilities, and medical and prosthetic research accounts, and excludes collections deposited into the Medical Care Collections Fund (MCCF).

b. This amount does not reflect any rescissions included in the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

c. The Veterans Health Care Budget Reform and Transparency Act 2009 (P.L. 111-81; codified at 38 U.S.C. §117) provided for advance appropriations (appropriations that become available one fiscal year after the fiscal year for which the appropriations act was enacted) for VA's medical services, medical support and compliance, and medical facilities appropriations accounts, and requires the VA to submit a request for advance appropriation with its annual congressional budget submission. Under current budget scoring guidelines, new budget authority for an advance appropriation is scored in the fiscal year in which the funds become available for obligation. Therefore, in this table the advance appropriations budget authority for FY2016 provided in the Further Continuing Appropriations Act, 2015 (P.L. 113-235), is recorded in the FY2016 column. Likewise, the Administration's advance appropriations request for FY2017 and advance appropriations budget authority for FY2017 provided in the Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2016 (H.R. 2029; P.L. 114-113) are recorded in the FY2017 column.

Table 6. VHA Appropriations by Account, FY2015-FY2016, and Advance Appropriations, FY2017

($ in thousands)

Account	Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235)		President's Request		House-Passed (H.R. 2029; H.Rept. 114-92)		Senate-Passed (H.R. 2029; S.Amdt. 2763, as amended)		Consolidated Appropriations Act, 2016 (H.R. 2029; P.L. 114-113)	
	FY2015	FY2016	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017
Medical Services	$45,015,527	—	$47,603,202	—	$47,603,202	—	$47,603,202	—	$47,603,202	—
Additional funding over FY2015 Advance Appropriation	209,189	—	—	—	—	—	—	—	—	—
Additional funding over FY2016 Advance Appropriation	—	—	1,124,197	—	971,554	—	3,095,275	—	2,369,158	—
Subtotal Medical Services	*45,224,716*	—	*48,727,399*	—	*48,574,756*	—	*50,698,477*	—	*49,972,360*	—
Medical Support and Compliance	5,879,700	—	6,144,000	—	6,144,000	—	6,144.000	—	6,144,000	—
Additional funding over FY2016 Advance Appropriation	—	—	69,961	—	—	—	—	—	—	—
Subtotal Medical Support and Compliance	*5,879,700*	—	*6,213,961*	—	*6,144,000*	—	*6,144,000*	—	6,144,000	—
Medical Facilities	4,739,000	—	4,915,000	—	4,915,000	—	4,915,000	—	—	—
Additional funding over FY2016 Advance Appropriation	—	—	105,132	—	—	—	—	—	105,132	—
Subtotal Medical Facilities	*4,739,000*	—	*5,020,132*	—	*4,915,000*	—	*4,915,000*	—	*5,020,132*	—
Medical and Prosthetic Research	588,922	—	621,813	—	621,813	—	630,735	—	630,735	—
Subtotal Medical and Prosthetic Research	*588,922*	—	*621,813*	—	*621,813*	—	*630,735*	—	*630,735*	—
Total VHA Appropriations (without collections)	**56,432,338**	—	**60,583,305**	—	**60,255,569**	—	**62,388,212**	—	**61,767,227**	—
Medical Care Collection Fund (MCCF)	2,456,000	—	2,445,000	—	2,445,000	—	2,445,000	—	2,445,000	—
Total VHA Appropriations (with collections)	**$58,888,338**	—	**$63,028,305**	—	**$62,700,569**	—	**$64,833,212**	—	**$64,212,227**	—

Account	Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235)		President's Request		House-Passed (H.R. 2029; H.Rept. 114-92)		Senate-Passed (H.R. 2029; S.Amdt. 2763, as amended)		Consolidated Appropriations Act, 2016 (H.R. 2029; P.L. 114-113)	
	FY2015	FY2016	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017
Memorandum:[a]										
Advance Appropriations										
	FY2015	**FY2016**	**FY2016**	**FY2017**	**FY2016**	**FY2017**	**FY2016**	**FY2017**	**FY2016**	**FY2017**
Medical Services	—	$47,603,202	—	$51,673,000	—	$51,673,000	—	$51,673,000	—	$51,673,000
Medical Support and Compliance	—	6,144,000	—	6,525,000	—	6,525,000	—	6,525,000	—	6,524,000
Medical Facilities	—	4,915,000	—	5,074,000	—	5,074,000	—	5,074,000	—	5,074,000
Total VHA Advance Appropriations	—	**$58,662,202**	—	**$63,271,000**	—	**$63,271,000**	—	**$63,271,000**	—	**$63,271,000**

Source: Table prepared by the Congressional Research Service based on U.S. Congress, House Committee on Appropriations, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 2029, 114th Congress, 1st session, April 24, 2015, H.Rept. 114-92; U.S. Congress, Senate Committee on Appropriations, *Military Construction, Veterans Affairs, And Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 2029,114th Congress, 1st session, May 21, 2015, S.Rept. 114-57; "Amendments Submitted and Proposed," *Congressional Record,* daily edition, vol. 161, No. 165 (November 5, 2015), pp. S7823-S7832; and "Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2016" *Congressional Record,* daily edition, vol. 161, No. 167 (November 10, 2015), pp. S7878-S7881; Explanatory Statement Submitted By Mr. Rogers of Kentucky, Chairman of The House Committee On Appropriations Regarding House Amendment No. 1 To The Senate Amendment on H.R. 2029-Continued, *Congressional Record*, daily edition, vol. 161, Book III (December 17, 2015), pp. H10403-H10411.

a. The Veterans Health Care Budget Reform and Transparency Act 2009 (P.L. 111-81; codified at 38 U.S.C. §117) provided for advance appropriations (appropriations that become available one fiscal year after the fiscal year for which the appropriations act was enacted) for VA's medical services, medical support and compliance, and medical facilities appropriations accounts, and requires the VA to submit a request for advance appropriation with its annual congressional budget submission. Under current budget scoring guidelines, new budget authority for an advance appropriation is scored in the fiscal year in which the funds become available for obligation. Therefore, in this table the advance appropriations budget authority for FY2016 provided in the Further Continuing Appropriations Act, 2015 (P.L. 113-235), is recorded in the FY2016 column. Likewise, the Administration's advance appropriations request for FY2017 and advance appropriations budget authority for FY2017 in the Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2016 (H.R. 2029; P.L. 114-113) are recorded in the FY2017 column.

Appendix A. Priority Groups

Table A-1. Priority Groups and Their Eligibility Criteria

Priority Group 1

Veterans with service-connected disabilities rated 50% or more disabling

Veterans determined by VA to be unemployable due to service-connected conditions

Priority Group 2

Veterans with service-connected disabilities rated 30% or 40% disabling

Priority Group 3

Veterans who are former POWs[a]

Veterans awarded the Purple Heart[b]

Veterans in receipt of the Medal of Honor[c]

Veterans whose discharge was for a disability that was incurred or aggravated in the line of duty

Veterans with service-connected disabilities rated 10% or 20% disabling

Veterans awarded special eligibility classification under Title 38, U.S.C., Section 1151, "benefits for individuals disabled by treatment or vocational rehabilitation"

Priority Group 4

Veterans who are receiving aid and attendance or housebound benefits

Veterans who have been determined by VA to be catastrophically disabled

Priority Group 5

Nonservice-connected veterans and noncompensable service-connected veterans rated 0% disabled whose previous year's gross household income (earned and unearned income) is below the established VA means test thresholds[d]

Veterans receiving VA pension benefits

Veterans eligible for Medicaid benefits

Priority Group 6

Compensable 0% service-connected veterans

Mexican Border War veterans

Veterans solely seeking care for disorders associated with:

—exposure to herbicides while serving in Vietnam between January 9,1962, and May 7,1975; or

—ionizing radiation during atmospheric testing or during the occupation of Hiroshima and Nagasaki; or

—Project 112/SHAD (Shipboard Hazard and Defense) participants; or

—for disorders associated with service in the Gulf War and who served between August 2, 1990, and November 11, 1998; or

—for any illness associated with service in combat in a war after the Gulf War or during a period of hostility after November 11, 1998, as follows:

—Veterans discharged from active duty before January 27, 2003, and did not enroll on or before such date, for a three-year period beginning on January 27, 2008

—Veterans discharged from the active duty after January 27, 2003, for a five-year period beginning on the date of such discharge or release

—Veterans discharged from active duty after January 1, 2009, and before January 1, 2011, but did not enroll during the five-year period of post discharge eligibility, there is a one-year period to enroll beginning

on the date of the enactment of the Clay Hunt Suicide Prevention for American Veterans Act (February 12, 2015) [e]

Veterans who served on active duty at Camp Lejeune in North Carolina for not less than 30 days during the period beginning on August 1,1953, and ending on December 31, 1987, for any of the 15 medical conditions specified in 38 U.S.C. 1710(e)(1)(F).[f]

Priority Group 7

Veterans who agree to pay specified copayments with income and/or net worth above the VA means test threshold and income below the VA national geographic income thresholds

Priority Group 8

Veterans who agree to pay specified copayments with income and/or net worth above the VA means test threshold and the VA national geographic threshold

Subpriority a: Noncompensable 0% service-connected and enrolled as of January 16, 2003, and who have remained enrolled since that date and/or placed in this subpriority due to changed eligibility status

Subpriority b: Noncompensable 0% service-connected and enrolled on or after June 15, 2009, whose income exceeds the current VA means test threshold or VA national geographic income thresholds by 10% or less

Subpriority c: Nonservice-connected veterans enrolled as of January 16, 2003, and who have remained enrolled since that date and/or placed in this subpriority due to changed eligibility status

Subpriority d: Nonservice-connected veterans enrolled on or after June 15, 2009, whose income exceeds the current VA means test threshold or VA national geographic income thresholds by 10% or less

Subpriority e: Noncompensable 0% service-connected veterans not meeting the above criteria (*currently not eligible for enrollment*)

Subpriority g: Nonservice-connected veterans not meeting the above criteria (*currently not eligible for enrollment)*

Source: Department of Veterans Affairs.

Notes: Service-connected disability means, with respect to disability, that such disability was incurred or aggravated in the line of duty in the active military, naval, or air service.

a. Veterans who are former Prisoners of War (POWs) are placed in Priority Group 3. This change occurred with the enactment of the Former Prisoner of War Benefits Act of 1981 (P.L. 97-37) on August 14, 1981.

b. Veterans in receipt of a Purple Heart are in Priority Group 3. This change occurred with the enactment of the Veterans Millennium Health Care and Benefits Act (P.L. 106-117) on November 30, 1999.

c. Veterans in receipt of the Medal of Honor are in Priority Group 3. This change occurred with the enactment of the Caregiver and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163) on May 5, 2010.

d. To align VA's health care program with other federal health care programs' financial assessment requirements, effective January 1, 2015, VA stopped collecting veterans' net worth information for purposes of financial assessment for health benefits.

e. These changes were made by the Clay Hunt Suicide Prevention for American Veterans Act (P.L. 114-2).

f. Veterans who served on active duty at Camp Lejeune in North Carolina between August 1, 1953, and December 31, 1987, are placed in Priority Group 6. These veterans are eligible to receive free medical care for the following 15 illnesses or conditions: esophageal cancer; lung cancer; breast cancer; bladder cancer; kidney cancer; leukemia; multiple myeloma; myleodysplasic syndromes; renal toxicity; hepatic steatosis; female infertility; miscarriage; scleroderma; neurobehavioral effects; and non-Hodgkin's lymphoma. This change originally occurred with the enactment of the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154) on August 6, 2012. The previous time period of January 1, 1957, through December 31, 1987, contained in P.L. 112-154 was then amended by the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83; P.L. 113-235).

Appendix B. Department of Veterans Affairs, Enacted Appropriations FY1995-FY2015

Table B-1. Department of Veterans Affairs, Enacted Appropriations FY1995-FY1999

($ in Thousands)

	FY1995 Enacted	FY1996 Enacted	FY1997 Enacted	FY1998 Enacted	FY1999 Enacted
Veterans Benefits Administration (VBA)					
Compensation and Pensions	$17,626,892	$18,331,561	$18,671,259	$19,932,997	$21,857,058
Supplemental	—	$100,000	$928,000	$550,000	—
Readjustment Benefits	$1,286,600	$1,345,300	$1,377,000	$1,366,000	$1,175,000
Veterans Insurance and Indemnities	$24,760	$24,890	$38,970	$51,360	$46,450
Education Loan Program Account	$196	$196	$196	$201	$207
Loan Guaranty Program Account	$78,035	$75,088	$47,901	—	—
Guaranty & Indemnity Program Account	$428,120	$569,348	$263,869	—	—
Direct Loan Program	$1,042	$487	$110	—	—
Veterans Housing Benefit Program Fund	—	—	—	$192,447	$263,587
Veterans Housing Benefit Program Fund Administrative Expenses	—	—	—	$160,437	$159,121
Vocational Rehabilitation Loan Program	$54	$54	$49	$44	$55
Vocational Rehabilitation Loan Program Administrative Expenses	$767	$377	$377	$388	$400
Native American Veterans Housing Loan Program Administrative Expenses	$218	$205	$205	$515	$515
Subtotal VBA	**$19,446,684**	**$20,447,506**	**$21,327,936**	**$22,254,389**	**$23,502,393**
Veterans Health Administration (VHA)					
Medical Care	$16,232,756	$16,564,000	$17,013,447	$17,057,396	$17,306,000
Rescission	-$84,762	-$21,250	—	—	-$35,373

	FY1995 Enacted	FY1996 Enacted	FY1997 Enacted	FY1998 Enacted	FY1999 Enacted
Medical Administration and Miscellaneous Operating Expenses (MAMOE)	$69,808	$63,602	$61,207	$59,860	$63,000
Rescission	-$44	-$86	—	—	-$67
Health Professional Scholarships	$10,386	—	—	—	—
Medical and Prosthetic Research	$252,000	$257,000	$262,000	$272,000	$316,000
Rescission	-$574	-$322	—	—	-$348
Medical Care Collections Fund (MCCF)	—	—	—	$666,579	$587,000
Subtotal VHA	**$16,479,570**	**$16,862,944**	**$17,336,654**	**$18,055,835**	**$18,236,212**
National Cemetery Administration (NCA)	$72,663	$72,604	$76,864	$84,183	$92,006
Rescission	-$128	-$97	—	—	-$122
Subtotal NCA	**$72,535**	**$72,507**	**$76,864**	**$84,183**	**$91,884**
Departmental Administration					
General Operating Expenses	$890,600	$848,143	$827,584	$786,135	$855,661
Rescission	-$879	-$1,127	—	—	-$1,558
Office of Inspector General	$31,819	$30,900	$30,900	$31,013	$36,000
Rescission	-$32	-$42	—	—	-$43
Construction, Major Projects	$355,612	$136,155	$250,858	$175,000	$142,300
Rescission	-$32,337	-$186	-$32,100	—	-$13
Construction, Minor Projects	$153,540	$190,000	$175,000	$177,900	$175,000
Rescission	-$634	-$260	—	—	-$16
Supplemental	—	—	—	$32,100	—
Parking Fund	$16,300	—	$12,300	—	—
Rescission	—	—	—	—	-$23
Grants to Republic of the Philippines	$500	—	—	—	—

	FY1995 Enacted	FY1996 Enacted	FY1997 Enacted	FY1998 Enacted	FY1999 Enacted
Grants for State Extended Care Facilities	$47,397	$47,397	$47,397	$80,000	$90,000
Grants for State Veterans Cemeteries	$5,378	$1,000	$1,000	$10,000	$10,000
Subtotal Departmental Administration	**$1,467,264**	**$1,251,980**	**$1,312,939**	**$1,292,148**	**$1,307,308**
Total Department of Veterans Affairs with MCCF	**$37,466,053**	**$38,634,937**	**$40,054,393**	**$41,686,555**	**$43,137,797**
Total Department of Veterans Affairs without MCCF	**$37,466,053**	**$38,634,937**	**$40,054,393**	**$41,019,976**	**$42,550,797**
Total Mandatory	**$19,445,449**	**$20,446,674**	**$21,327,109**	**$22,092,804**	**$23,342,095**
Total Discretionary with MCCF	**$18,020,604**	**$18,188,263**	**$18,727,284**	**$19,593,751**	**$19,795,702**
Total Discretionary without MCCF	**$18,020,604**	**$18,188,263**	**$18,727,284**	**$18,927,172**	**$19,208,702**

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs, Office of Management, Office of Budget.

Note: Totals may not add up due to rounding.

Table B-2. Department of Veterans Affairs Enacted Appropriations, FY2000-FY2004

($ in Thousands)

	FY2000 Enacted	FY2001 Enacted	FY2002 Enacted	FY2003 Enacted	FY2004 Enacted
Veterans Benefits Administration (VBA)					
Compensation and Pensions	$21,568,364	$22,766,276	$24,944,288	$28,949,000	$29,845,127
Supplemental	—	$589,413	$1,100,000	—	—
Readjustment Benefits	$1,469,000	$1,634,000	$2,135,000	$2,264,808	$2,529,734
Supplemental	—	$347,000	—	—	—
Veterans Insurance and Indemnities	$28,670	$19,850	$26,200	$27,530	$29,017
Education Loan Program Account	$215	$221	$65	$71	$71
Guaranteed Transitional Housing for Homeless Veterans	$48,250	—	—	—	—
Veterans Housing Benefit Program Fund	$282,342	$165,740	$203,278	$437,522	$305,834
Veterans Housing Benefit Program Fund Administrative Expenses	$156,958	$162,000	$164,497	$168,207	$154,850
Rescission	—	-$356	-$123	-$1,093	-$914
Vocational Rehabilitation Loan Program	$57	$52	$72	$54	$52
Vocational Rehabilitation Loan Program Administrative Expenses	$415	$432	$274	$289	$300
Rescission	—	-$1	—	-$2	-$2
Native American Veterans Housing Loan Program Administrative Expenses	$520	$532	$544	$558	$571
Rescission	—	-$1	—	-$4	-$3
Subtotal VBA	**$23,554,791**	**$25,685,156**	**$28,574,095**	**$31,846,939**	**$32,864,636**
Veterans Health Administration (VHA)					
Medical Care	$19,006,000	$20,281,587	$21,331,164	$23,889,304	—
Supplemental	—	—	$142,000	—	—
Rescission	-$79,519	-$46,234	-$16,084	—	—
Medical Administration and Miscellaneous Operating Expenses (MAMOE)	$59,703	$62,000	$66,731	$74,716	—

	FY2000 Enacted	FY2001 Enacted	FY2002 Enacted	FY2003 Enacted	FY2004 Enacted
Rescission	—	-$136	-$50	-$486	—
Medical Services	—	—	—	—	$17,867,220
Rescission	—	—	—	—	-$103,823
Medical Administration	—	—	—	—	$5,000,000
Rescission	—	—	—	—	-$29,500
Medical Facilities	—	—	—	—	$4,000,000
Rescission	—	—	—	—	-$23,600
Medical and Prosthetic Research	$321,000	$351,000	$371,000	$400,000	$408,000
Rescission	—	-$772	-$278	-$2,600	-$2,407
Medical Care Collections Fund (MCCF)	$563,755	$767,687	$1,133,214	$1,474,716	$1,708,026
Subtotal VHA	**$19,870,939**	**$21,415,132**	**$23,027,697**	**$25,835,650**	**$28,823,916**
National Cemetery Administration (NCA)	$97,256	$109,889	$121,169	$133,149	$144,203
Rescission	—	-$241	-$91	-$865	—
Supplemental	—	$217	—	—	-$851
Subtotal NCA	**$97,256**	**$109,865**	**$121,078**	**$132,284**	**$143,352**
Departmental Administration:					
General Operating Expenses	$912,594	$1,050,000	$1,195,728	$1,254,000	$1,283,272
Rescission	—	-$2,382	-$900	-$8,151	-$7,571
Supplemental	—	—	$2,000	$100,000	—
Office of Inspector General	$43,200	$46,464	$52,308	$58,000	$62,000
Rescission	—	-$102	-$39	-$377	-$366
Construction, Major Projects	$65,140	$66,040	$183,180	$99,777	$273,190
Rescission	—	-$145	—	-$649	-$1,612

	FY2000 Enacted	FY2001 Enacted	FY2002 Enacted	FY2003 Enacted	FY2004 Enacted
Construction, Minor Projects	$160,000	$162,000	$210,900	$226,000	$252,144
Rescission	—	-$366	—	-$1,469	-$1,488
Supplemental	—	$8,840	—	—	—
Parking Fund	—	—	$4,000	—	—
Rescission	—	-$14	—	—	—
Grants for State Extended Care Facilities	$90,000	$100,000	$100,000	$100,000	$102,100
Rescission	—	-$220	$25,000	-$650	-$602
Grants for State Veterans Cemeteries	$25,000	$25,000	—	$32,000	$32,000
Rescission	—	-$55	—	-$208	-$189
Subtotal Departmental Administration	**$1,295,934**	**$1,455,060**	**$1,772,177**	**$1,858,273**	**$1,992,878**
Total Department of Veterans Affairs with MCCF	**$44,818,920**	**$48,665,214**	**$53,495,047**	**$59,673,147**	**$63,824,783**
Total Department of Veterans Affairs without MCCF	**$44,255,165**	**$47,897,527**	**52,361,833**	**$58,198,431**	**$62,116,757**
Total Mandatory	**$23,348,376**	**$25,522,279**	**$28,408,766**	**$31,678,860**	**$32,709,712**
Total Discretionary with MCCF	**$21,470,544**	**$23,142,935**	**$25,086,281**	**$27,994,287**	**$31,115,071**
Total Discretionary without MCCF	**$20,906,789**	**$22,375,248**	**$23,953,067**	**$26,519,571**	**$29,407,045**

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs, Office of Management, Office of Budget.

Note: Totals may not add up due to rounding.

Table B-3. Department of Veterans Affairs Enacted Appropriations, FY2005-FY2010

($ in Thousands)

	FY2005 Enacted	FY2006 Enacted	FY2007 Enacted	FY2008 Enacted	FY2009 Enacted	FY2010 Enacted
Veterans Benefits Administration (VBA)						
Compensation and Pensions	$32,607,688	$33,897,787	$38,172,360	$41,236,322	$43,111,681	$47,396,106
Supplemental	—	—	—	—	$700,000	—
Readjustment Benefits	$2,556,232	$3,309,234	$3,262,006	$3,300,289	$3,832,944	$9,232,369
Veterans Insurance and Indemnities	$44,380	$45,907	$49,850	$41,250	$42,300	$49,288
Veterans Housing Benefit Program Fund	$43,784	$64,586	$66,234	$17,389	$2,000	$23,553
- Credit Subsidy	—	—	—	-$108,000	—	—
Veterans Housing Benefit Program Fund Administrative Expenses	$154,075	$153,575	$154,284	$154,562	$157,210	$165,082
Rescission	-$1,233	—	—	—	—	—
Vocational Rehabilitation Loan Program	$47	$53	$53	$71	$61	$29
Vocational Rehabilitation Loan Program Administrative Expenses	$311	$305	$306	$311	$320	$328
Rescission	-$2.865	—	—	—	—	—
Native American Veterans Housing Loan Program Administrative Expenses	$571	$580	$584	$628	$646	$664
Rescission	-$4.569	—	—	—	—	—
Subtotal VBA	**$35,405,848**	**$37,472,027**	**$41,705,677**	**$44,642,822**	**$47,847,162**	**$56,867,419**
Veterans Health Administration (VHA)						
Medical Services	$19,472,777	$21,322,141	$25,518,254	$29,104,220	$30,969,903	$34,707,500
- Budget Supplemental	$1,500,000	$1,225,000	$466,800	—	—	—
- Hurricane Supplemental	$38,783	$198,265	—	—	—	—

	FY2005 Enacted	FY2006 Enacted	FY2007 Enacted	FY2008 Enacted	FY2009 Enacted	FY2010 Enacted
- Pandemic Influenza Supplemental	—	$27,000	—	—	—	—
Rescission	-$155,782	—	—	—	—	—
Total Medical Services	*$20,855,778*	*$22,772,406*	*$25,985,054*	*$29,104,220*	*$30,969,903*	*$34,707,500*
Medical Administration	$4,705,000	$2,858,442	$3,177,968	$3,517,000	$4,450,000	$4,930,000
Supplemental	$1,940	—	$250,000	—	—	—
Rescission	-$37,640	—	—	—	—	—
Medical Facilities	$3,745,000	$3,297,669	$3,569,533	$4,100,000	$5,029,000	$4,859,000
Supplemental	$46,909	—-	$595,000	—	$1,000,000	—
Rescission	-$29,960	—	—	—	—	—
Medical and Prosthetic Research	$405,593	$412,000	$413,980	$480,000	$510,000	$581,000
Supplemental	—	—	$32,500	—	—	—
Rescission	-$3,245	—	—	—	—	—
Medical Care Collections Fund (MCCF)	$1,953,020	$2,170,000	$2,198,154	$2,414,000	$2,544,000	$2,847,565
Subtotal VHA	**$31,642,395**	**$31,510,517**	**$36,222,190**	**$39,615,220**	**$44,502,903**	**$47,925,065**
National Cemetery Administration (NCA)	$148,925	$156,447	$160,747	$195,000	$230,000	$250,000
Rescission	-$1,191	—	—	—	$50,000	—
Supplemental	$50	$200	—	—		—
Subtotal NCA	**$147,784**	**$156,647**	**$160,747**	**$195,000**	**$280,000**	**$250,000**
Departmental Administration:						
General Operating Expenses	$1,324,753	$1,410,520	$1,481,472	$1,605,000	$1,801,867	$2,086,707
Rescission	-$10,598	—	—	—	—	-$6,100
Supplemental	$545	$24,871	$83,200	$100,000	$157,100	—
Filipino Veterans Equity Compensation Fund	—	—	—	—	$198,000	—
Office of Inspector General	$69,711	$70,174	$70,641	$80,500	$87,818	$109,000

	FY2005 Enacted	FY2006 Enacted	FY2007 Enacted	FY2008 Enacted	FY2009 Enacted	FY2010 Enacted
Rescission	-$558	—	—	—	$1,000	—
Information Technology	—	$1,213,820	$1,213,820	$1,966,465	$2,489,391	$3,307,000
Supplemental	—	—	$35,100	$20,000	$50,100	—
Construction, Major Projects	$458,800	$607,100	$399,000	$1,069,100	$923,382	$1,194,000
Rescission	-$3,670	—	—	—	—	—
Supplemental	—	$953,419	—	$396,377	—	—
Construction, Minor Projects	$230,779	$198,937	$198,937	$630,535	$741,534	$703,000
Rescission	-$1,846	—	—	—	—	—
Supplemental	$36,343	$1,800	$326,000	—	—	—
Grants for State Extended Care Facilities	$105,163	$85,000	$85,000	$165,000	$175,000	$100,000
Rescission	-$841	—	—	—	$150,000	—
Grants for State Veterans Cemeteries	$32,000	$32,000	$32,000	$39,500	$42,000	$46,000
Recission	-$256	—	—	—	—	—
Subtotal Departmental Administration	**$2,240,324**	**$4,597,641**	**$3,925,171**	**$6,072,477**	**$6,817,192**	**$7,539,607**
Total Department of Veterans Affairs with MCCF	**$69,436,351**	**$73,736,832**	**$82,013,784**	**$90,525,519**	**$99,447,257**	**$112,582,091**
Total Department of Veterans Affairs without MCCF	**$67,483,331**	**$71,566,832**	**$79,815,630**	**$88,111,519**	**$96,903,257**	**$109,734,526**
Total Mandatory	**$35,252,084**	**$37,317,514**	**$41,550,450**	**$44,487,250**	**$47,688,925**	**$56,701,316**
Total Discretionary with MCCF	**$34,184,267**	**$36,419,318**	**$40,463,334**	**$46,038,269**	**$51,758,332**	**$55,880,775**
Total Discretionary without MCCF	**$32,231,247**	**$34,249,318**	**$38,265,180**	**$43,624,269**	**$49,214,332**	**$53,033,210**

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs, Office of Management, Office of Budget.

Note: Totals may not add up due to rounding.

Table B-4. Department of Veterans Affairs Enacted Appropriations, FY2011-FY2015

($ in Thousands)

	FY2011 Enacted	FY2012 Enacted	FY2013 Enacted	FY2014 Enacted	FY2015 Enacted
Veterans Benefits Administration (VBA)					
Compensation and Pensions	$53,978,000	$51,237,567	$60,599,855	$71,476,104	$79,071,000
Readjustment Benefits	$10,396,245	$12,108,488	$12,023,458	$13,135,898	$14,997,136
Veterans Insurance and Indemnities	$77,589	$100,252	$104,600	$77,567	$63,257
Veterans Housing Benefit Program Fund	$19,078	$318,612	$184,859	$2,036,607	$459,807
Veterans Housing Benefit Program Fund Administrative Expenses	$165,082	$154,698	$157,605	$158,430	$160,881
Rescission	-$330	—	—	—	—
Vocational Rehabilitation Loan Program	$29	$19	$19	$5	$10
Rescission	-$1	—	—	—	—
Vocational Rehabilitation Loan Program Administrative Expenses	$337	$343	$346	$354	$361
Rescission	-$10	—	—	—	—
Native American Veterans Housing Program Administrative Expenses	$707	$1,116	$1,087	$1,109	$1,130
Rescission	-$44	—	—	—	—
Subtotal VBA	**$64,636,683**	**$63,921,095**	**$73,071,830**	**$86,886,074**	**$94,753,582**
Veterans Health Administration (VHA)					
Medical Services	$37,136,000	$39,649,985	$41,509,000	$43,557,000	$45,015,527
- Budget Supplemental	—	—	—	$40,000	$209,189
- Hurricane Supplemental	—	—	$21,000	—	—
Rescission	-$74,272	—	-$14,937	-$179,000	-$28,830

	FY2011 Enacted	FY2012 Enacted	FY2013 Enacted	FY2014 Enacted	FY2015 Enacted
Total Medical Services	*$37,061,728*	*$39,649,985*	*$41,515,063*	*$43,418,000*	*$45,195,886*
Medical Administration	$5,307,000	$5,535,000	$5,746,000	$6,033,000	$5,879,700
Rescission	-$44,546	—	-$2,039	-$50,000	-$5,609
Medical Facilities	$5,740,000	$5,426,000	$5,441,000	$4,872,000	$4,739,000
Supplemental	—	—	$6,000	$85,000	—
Rescission	-$26,450	—	-$1,991	—	-$1,999
Medical and Prosthetic Research	$590,000	$581,000	$581,905	$585,664	$588,922
Rescission	-$10,162	—	—	—	-$409
Medical Care Collections Fund (MCCF)	$2,775,214	$2,830,302	$2,903,092	$3,087,990	$3,223,932
Subtotal VHA	**$51,392,784**	**$54,022,287**	**$56,189,031**	**$58,031,654**	**$59,619,422**
National Cemetery Administration (NCA)	$250,000	$250,934	$258,284	$250,000	$256,800
Rescission	-$500	—	-$341	-$1,000	-$170
Supplemental	—	—	$2,100	—	—
Subtotal NCA	**$249,500**	**$250,934**	**$260,043**	**$249,000**	**$256,630**
Departmental Administration:					
VBA - General Operating Expenses	$2,622,110	$2,018,764	$2,164,074	$2,465,490	$2,534,254
Rescission	-$87,834	—	-$2,856	—	-2,355
General Administration	—	$416,737	$424,737	$415,885	$321,591
Rescission	—	—	-$561	-$2,000	-446
Office of Inspector General	$109,367	$112,391	$114,848	121,411	$126,411
Rescission	-$585	—	—	—	—
Information Technology	$3,307,000	$3,111,376	$3,323,053	$3,703,344	$3,903,344
Rescission	-$166,396			—	-1,066

	FY2011 Enacted	FY2012 Enacted	FY2013 Enacted	FY2014 Enacted	FY2015 Enacted
Construction, Major Projects	$1,151,036	$589,604	$531,767	$342,130	$561,800
Rescission	-$2,302	—	—	—	—
Construction, Minor Projects	$467,700	$482,386	$606,728	$714,870	$495,200
Rescission	-$935	—	—	—	—
Supplemental	—	—	—	511,200	—
Grants for State Extended Care Facilities	$85,000	$85,000	$84,888	$85,000	$90,000
Rescission	-$170	—	—	—	—
Grants for State Veterans Cemeteries	$46,000	$46,000	$45,939	$46,000	$46,000
Rescission	-$92	—	—	—	—
Subtotal Departmental Administration	**$7,454,899**	**$6,862,258**	**$7,499,618**	**$8,403,330**	**$8,173,912**
Total Department of Veterans Affairs with MCCF	**$123,733,866**	**$125,056,574**	**$ 137,020,522**	**$153,570,058**	**$162,803,546**
Total Department of Veterans Affairs without MCCF	**$120,958,652**	**$122,226,272**	**$ 134,117,429**	**$150,482,068**	**$159,579,614**
Total Mandatory	**$64,470,912**	**$63,764,919**	**$72,912,772**	**$86,726,176**	**$94,591,200**
Total Discretionary with MCCF	**$59,263,338**	**$61,291,655**	**$64,107,750**	**$66,843,881**	**$68,212,346**
Total Discretionary without MCCF	**$56,488,124**	**$58,461,353**	**$61,204,657**	**$63,755,892**	**$64,988,414**

Source: Table prepared by the Congressional Research Service based on data from the Department of Veterans Affairs, Office of Management, Office of Budget.

Notes: For FY2014, the total mandatory amount *does not* include the mandatory amount of $15 billion provided by the Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146 as amended by P.L. 113-175, P.L. 113-235, P.L. 114-19, and P.L. 114-41). Totals may not add up due to rounding.

Author Information

Sidath Viranga Panangala
Specialist in Veterans Policy

Acknowledgments

Adam N. Salazar, a former Research Assistant in the Domestic Social Policy Division, provided invaluable assistance with authoring this report.

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.