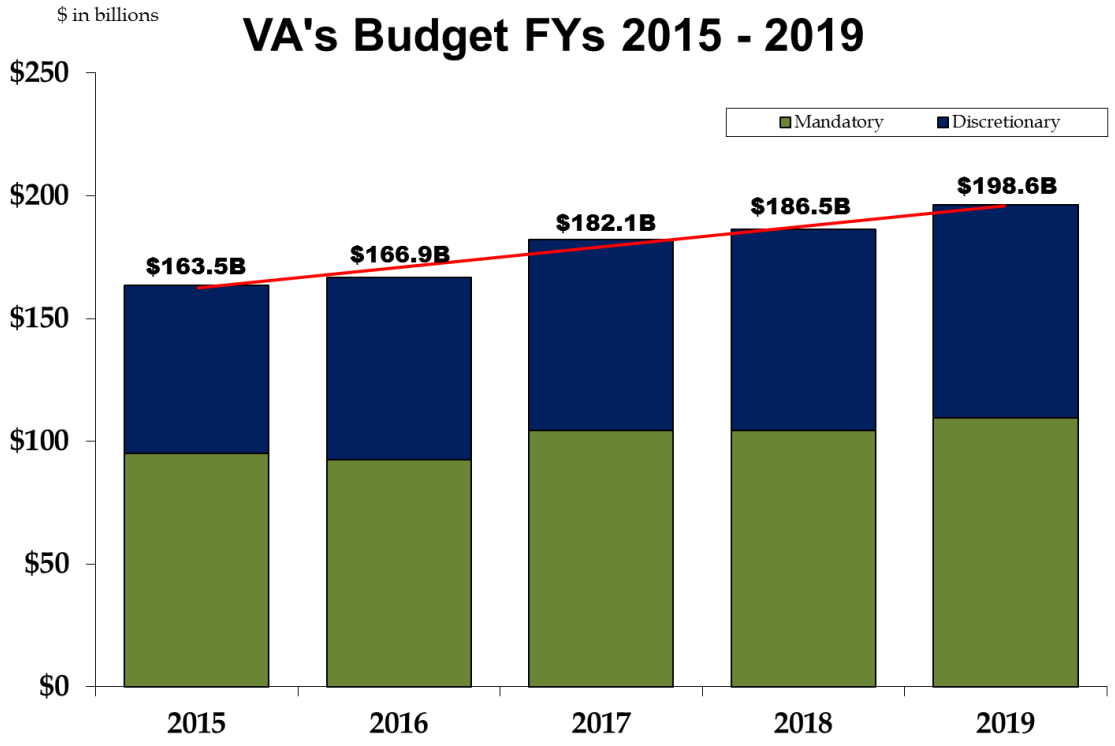
Overview

The 2019 Budget and 2020 Advance Appropriations (AA) requests for the Department of Veterans Affairs (VA) fulfill the President's promise to provide America's Veterans, their families, and survivors the care and benefits they have earned through their service. The 2019 budget request for discretionary funding totals $88.9 billion, of which $76.5 billion (including medical care collections) is requested for VA Medical Care. The 2019 mandatory funding request totals $109.7 billion. The 2019 request will support 366,358 Full-time Equivalent (FTE) employees. The 2020 AA request includes:

- $79.1 billion in discretionary funding for Medical Care including collections;
- $121.3 billion in mandatory funding for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities accounts).

The 2019 Budget will provide the necessary resources to meet VA's obligation to provide timely, quality health care, services, and benefits to Veterans. This is a strong budget that reflects the Administration's commitment to Veterans. The 2019 Budget includes significant reforms, internal offsets, and improved efficiencies to provide Veterans the care they deserve and improve the management of resources. The Budget will fully enable VA to operate the largest integrated health care system in the country, delivering health care to over 9.3 million enrolled Veterans. The 2019 Budget will also provide for:

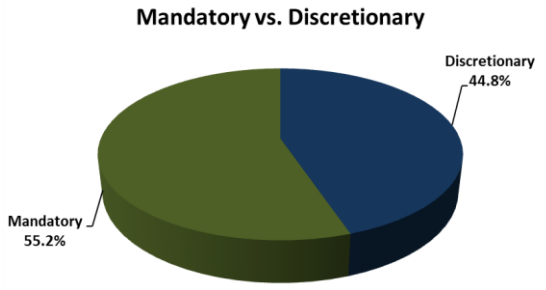
- 7.0 million patients treated by VA, an increase of 1.3 percent above 2018;
- Modernization of VA's electronic health record system to improve quality of care;
- Expansion of mental health services by providing more than 15.2 million outpatient visits, an increase of nearly 162,000 visits above 2018;
- Over 118 million outpatient visits, an increase of 8.8 percent above 2018;
- Disability compensation benefits for 4.9 million Veterans and 432,000 Survivors;
- Pension benefits for 269,000 Veterans and 200,000 Survivors;
- Hiring an additional 225 fiduciary employees to ensure protection for VA's most vulnerable Veterans who are unable to manage their VA benefits;
- Strengthening VA's infrastructure through $1.1 billion in Major Construction and $706.9 million in Minor Construction for priority infrastructure projects, and $1.4 billion in Non-Recurring Maintenance (NRM);
- Education assistance programs serving nearly one million students;
- Vocational rehabilitation and employment benefits for over 149,000 Veterans;
- A home mortgage program with a portfolio of nearly three million active loans; and
- The largest and highest performing national cemetery system, projected to inter more than 134,000 Veterans and eligible family members in 2019.

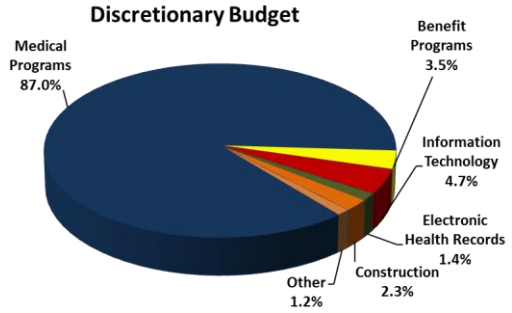


	Actual									Budget	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Mandatory[1/]	47.09	71.3	66.4	65.5	74.8	102.4	95.1	92.5	104.3	104.3	109.7
Discretionary	47.83	53.1	56.3	58.5	61.4	63.4	65.1	70.9	74.3	78.8	85.5
MCCF	2.8	2.8	2.8	2.8	2.9	3.1	3.2	3.5	3.5	3.3	3.4
Total VA [2/]	97.7	127.2	125.5	126.8	139.1	168.9	163.5	166.9	182.1	186.5	198.6

[1/] 2014 Mandatory includes $15 billion provided by the Veterans Choice Act, and an additional $2.1 billion in 2017 & 2018
[2/] Totals may not add due to rounding

Department of Veterans Affairs
2019 Discretionary and Mandatory Funding





Department of Veterans Affairs
Budget Authority, 2017-2019

Budget Authority (dollars in thousands)				
BA/Fund Account	2017 Actual	2018 Full CR	2018 Request	2019 Request
Federal funds:				
Benefit programs:				
Disability Compensation	$80,445,477	$84,419,529	$84,419,529	$91,341,826
Burial Mandatory Benefits	251,234	257,756	257,756	261,943
Pensions Mandatory Benefits	5,386,416	5,442,164	5,442,164	5,575,025
Compensation and Pensions - Legislative Proposal	*0*	*0*	*0*	*-110,301*
Subtotal, Compensation and Pension	**86,083,127**	**90,119,449**	**90,119,449**	**97,068,493**
Education Mandatory Benefits	14,918,526	11,955,535	11,955,535	9,960,316
Vocational rehabilitation and employment Mandatory Benefits	1,422,302	1,753,113	1,753,113	1,871,859
Vocational rehabilitation loan subsidy	129	7	7	0
Readjustment Benefits - Legislative Proposal	0	0	0	29,338
Subtotal, Readjustment Benefits	**16,340,828**	**13,708,648**	**13,708,648**	**11,861,513**
Insurance Mandatory Benefits	108,525	120,338	120,338	106,372
Housing Mandatory Benefits	80,684	626,511	626,511	0
Housing Program Original Loan Subsidy	891,309	434,365	434,365	110,404
Housing Proposed Legislation	0	0	0	118,235
Non-Appropriated Accounts				
Vocational Rehabilitation Upward Reestimate	129	7	7	0
Native American Veteran Housing	1,491	1,621	1,621	0
Housing Benefit Program fund Liquidating	-12,247	-9,262	-9,262	-7,072
Trust Funds	759,968	676,459	681,121	592,903
General Post Fund	21,581	24,900	24,900	25,000
Proprietary receipts	-1,965,268	-2,789,784	-2,784,535	-228,706
Intragovernmental transactions	-9,000	5,000	5,000	5,000
Total Benefits Mandatory	**102,301,127**	**102,918,252**	**102,928,163**	**109,652,142**
Veterans Health Administration (VHA):				
Medical and Prosthetic Research	673,366	668,793	640,000	727,369
Medical Programs:				
Medical Services 3/	45,221,039	45,469,316	45,704,721	57,763,445
Medical Care Collections Fund (MCCF)	2,292,919	3,003,684	3,003,684	3,443,133
Total Medical Services with MCCF	**47,513,958**	**48,473,000**	**48,708,405**	**61,206,578**
Medical Community Care	7,290,161	9,317,147	9,637,001	0
Medical Care Collections Fund (MCCF)	1,250,000	255,853	255,853	0
Total Community Care with MCCF	**8,540,161**	**9,573,000**	**9,892,854**	**0**
Veterans Choice Program				1,900,000
Medical Support and Compliance 3/	6,407,029	6,581,497	6,911,085	7,000,287
Medical Facilities 3/	5,278,002	5,606,810	6,477,607	6,126,672
DoD-VA Health Care Sharing Incentive Fund	-10,000	-10,000	30,000	30,000
Joint DoD-VA Medical Facility Demonstration Fund	397,106	412,763	412,763	414,650
Medical Care Collections Fund (MCCF) 4/	18,722	15,601	15,601	18,084
Total Demonstration Fund with MCCF	**415,828**	**428,364**	**428,364**	**432,734**
Total Medical Programs with MCCF	**68,144,978**	**70,652,671**	**72,448,315**	**76,696,271**
Total Medical Programs without MCCF	**64,583,337**	**67,377,533**	**69,173,177**	**71,335,054**
Total VHA with MCCF	**68,818,344**	**71,321,464**	**73,088,315**	**77,423,640**
Total VHA without MCCF	**65,256,703**	**68,046,326**	**69,813,177**	**73,962,423**
Veterans Choice Program (New Funding)	2,100,000	4,000,000	2,100,000	0
National Cemeteries Administration	286,193	284,249	306,193	315,836
Department Administration:				
General Administration	345,391	343,045	346,891	367,629
Board of Veterans' Appeals	145,596	154,539	155,596	174,748
Credit Reform - General Counsel (non-add)	*5,620*	*5,620*	*2,626*	*3,073*
VBA-GOE	2,854,160	2,824,845	2,844,000	2,868,909
Credit Reform - VBA (non-add)	*154,188*	*154,188*	*154,943*	*156,331*
Subtotal, GOE	**3,345,147**	**3,322,429**	**3,346,487**	**3,411,286**
Filipino Veterans Equity Compensation Fund	0	0	0	0
Office of Inspector General	159,606	158,522	159,606	172,054
Construction Major	305,490	524,110	512,430	1,127,486
Construction Minor	372,069	369,069	342,570	706,889
Grants for State Extended Care	90,000	89,000	90,000	150,000
Grants for State Cemeteries	45,000	45,000	45,000	45,000
Credit Reform	200,444	200,444	180,215	202,196
Electronic Health Records Modernization	0	0	0	1,207,000
Information Technology 3/	4,262,958	4,233,959	4,047,982	4,176,830
Total Departmental Administration	**8,780,714**	**8,942,533**	**8,724,290**	**11,198,741**
Total Budget Authority	**$182,286,378**	**$187,466,499**	**$187,146,961**	**$198,590,359**
Total Mandatory	**$104,401,127**	**$106,918,252**	**$105,028,163**	**$109,652,142**
Total Discretionary without MCCF	**$74,323,610**	**$77,273,109**	**$78,843,660**	**$85,477,000**
Total Discretionary with MCCF	**$77,885,251**	**$80,548,247**	**$82,118,798**	**$88,938,217**

1/ 2018 and 2019 amounts does include mandatory legislative proposals
2/ 2017 include collections actually or anticipated to be transferred to the Joint DoD-VA Medical Facility Demostration Fund, in support of FHCC.
3/Amounts are post-transfer to the two joint VA-DOD accounts.
4/ Joint DOD-VA Medical Facility MCCF are DOD resources that will be transferred to VA

As of September 30, 2017, there were an estimated 20 million Veterans living in the United States and its territories and other locations. In addition to these Veterans, up to 23.5 million family members and dependents may be eligible for certain VA benefits. The resources requested in this budget will allow VA to deliver on the Nation's promise to Veterans through investments in personnel, efficient business practices, and technology. VA will continue to work with Federal, state, and local partners, including Veterans Service Organizations (VSOs).

VA Staffing

Each day, more than 366,000 VA employees come to work for America's Veterans. These employees have a close connection with Veterans – over 33 percent are Veterans themselves. The 2019 Budget supports an increase of 6,993 FTE above the 2018 estimated level to expand access to health care and improve benefits delivery. This includes additional FTE for the National Cemetery Administration (NCA) to expand Veterans access to burial services with initial activation of nine new cemeteries, and additional clinical and hospital staff in the Veterans Health Administration (VHA), including physicians, nurses, and scheduling clerks.

Department of Veterans Affairs
Full-Time Equivalent Employees
By Administration and Office

	2017 Actual	2018 Request	2019 Request
Veterans Health Administration	313,512	318,944	324,701
Veterans Benefits Administration	22,408	22,812	23,692
National Cemetery Administration	1,847	1,923	1,941
Office of Information Technology	7,241	7,889	8,138
General Administration	2,524	2,937	3,035
Board of Veterans' Appeals	840	1,105	1,025
Office of the Inspector General	745	855	827
Supply Funds	1,145	1,150	1,150
Franchise Funds	1,314	1,750	1,849
Total Veterans Affairs	**351,576**	**359,365**	**366,358**

Note: Total VA employees include actual and planned hires under the Veterans Choice Act/Veterans Choice. VHA FTE includes Medical Care, Medical and Prosthetic Research, Veterans Choice Act/Veterans Choice Program, Canteen, Joint DoD-VA Medical Facility Demonstration Fund (civilian FTE), DoD-VA Health Care Sharing Incentive Fund, and General post. NCA conducted an assessment of FTE which required an adjustment from the FTE reflected in the 2019 President's Budget Appendix.

Secretarial Priorities

Provide Greater Choice for Veterans: Veterans deserve greater access, choice, and control over their healthcare. VA is committed to ensuring Veterans can make decisions that work best for themselves and their families.

The Budget supports implementation of VA's proposed new, consolidated care program, known as Veteran Coordinated Access & Rewarding Experiences, or Veteran CARE. Our current system of providing care for Veterans outside of VA requires that Veterans and community providers navigate a complex and confusing bureaucracy. VA is committed to building an improved, integrated network for Veterans, community providers, including our Federal partners, and VA employees. VA submitted these proposed reforms to Congress in the Veteran CARE legislative proposal package in October 2017.

Veteran CARE will clarify and simplify eligibility requirements, build a high performing network, streamline clinical and administrative processes, and implement new care coordination support for Veterans. The CARE program will improve Veterans' experience and access to health care, building on the best features of existing community care programs. It will complement and support VA's internal capacity for the direct delivery of care with an emphasis on foundational services. The CARE reforms will also provide VA with new tools to compete with the private sector on quality and accessibility. VA will work with Congress and stakeholders to pass the legislative authorities for Veteran CARE, with the goal of improving Veterans' health outcomes and experience, as well as maximizing the quality, efficiency, and fiscal sustainability of VA's health program.

Modernize Our Systems: The Budget will continue to transform our health care system into an integrated network to serve Veterans. Modernized systems are critical to provide high quality, efficient care and services that reflect the latest technology. Key modernization reforms included in the FY 2019 Budget include:

- *Electronic Health Record Modernization (EHRM)* - The Budget invests $1.2 billion to implement a new electronic health record (EHR) system that will provide a single, accurate, lifetime health record for the Veteran that improves patient care and safety. The new EHRM will also integrate modern functionality and infrastructure into a simple experience and operate seamlessly with DOD and our community partners.

- *Legacy Systems Modernization* – The Budget continues VA's investment in technology to improve the lives of Veterans and retire legacy systems that are difficult or costly to maintain. The request includes $381 million for new development to replace specific mission critical legacy systems, such as the Benefits Delivery Network (BDN) and the Burial Operations Support System (BOSS), as well as to support infrastructure modernization. The Budget also includes $12.9 million for the Navigator application to help Veterans seamlessly navigate to those entities best equipped to meet their needs. Better on-line tools and self-service applications will allow VHA, VBA, and NCA to be much more productive with their available resources.

- *Financial Management Business Transformation* – The FY 2019 Budget requests $72.8 million in Information Technology funds and $48.8 million in fair share reimbursable funding from the Administrations to replace the aging financial system architecture. Financial Management Business Transformation (FMBT) across the Department will provide VA with a modern financial management solution with transformative business processes and capabilities. This will increase the transparency, accuracy, timeliness, and reliability of financial information, resulting in improved fiscal accountability.

- *Infrastructure Improvements and Streamlining* – The FY 2019 Budget requests $1.1 billion in Major Construction funding and $706.9 million in Minor Construction for priority capital infrastructure projects. Within the Major Construction request, $400 million is requested to support a new initiative to address VA's highest priority facilities in need of seismic repairs and upgrades.

- *Geographic Information System (GIS) and Digital Memorialization* – The FY 2019 Budget transforms the way VA memorializes Veterans through educational partnerships, an interactive website to enable digital memorialization's, and integration of the GIS at national cemeteries to enhance the accounting of all burial sites.

Focus Resources More Efficiently: Veterans and taxpayers deserve to know VA resources are spent on the care and services Veterans need most. As part of our commitment to assuring that Veterans get the best, most timely, and most convenient care, VA will implement several reforms that will prioritize our foundational services while redirecting to the private sector those services that it can do more effectively and efficiently.

Employee accountability is another critical area where VA is making significant changes. On May 12, 2017, the Department established the new Office of Accountability and Whistleblower Protection (OAWP). VA supports and appreciates Congress's efforts to provide VA with the tools it needs to take timely action against employees who perform poorly or engage in misconduct. Internally, OAWP is taking steps to ensure the Department's workforce is accountable, diverse, inclusive, and upholds the public trust through robust systems for filing and resolution of disclosures of wrongdoing or complaints of discrimination. OAWP has developed a database for disciplinary actions and regularly documents actions against employees and managers, including terminations, demotions, and suspensions on VA's public website. The Department is committed to ensure there are accountability, transparency, and public trust in VA as we strive to better serve Veterans.

VA is also committed to the responsible stewardship of taxpayer dollars. The 2019 Budget extends the "Seek to Prevent Fraud, Waste, and Abuse (STOP FWA)" initiative as a means to support this objective. In addition, VA will continue to utilize the best practices in the private and public sector and partner with Centers for Medicare & Medicaid Services (CMS) to identify medical providers with performance issues.

In 2019, VA will take steps to achieve mandatory savings of approximately $30 billion over the next ten years, beginning in FY 2021. Due to advancements in treatment and medical technologies, there has been a decrease in the impacts of certain disabilities on the lives of many Veterans.

Improve Timeliness of Services: VA is committed to delivering timely benefits to our Nation's Veterans. VBA is implementing two new historic pieces of legislation: the Veterans Appeals Improvement and Modernization Act of 2017 and the Harry W. Colmery Veterans Educational Assistance Act of 2017, "the Forever GI Bill". In addition, VA is working to implement the new appeals legislative framework and is committed to addressing the inventory of legacy appeals. In 2019, VA plans to:

- Add an additional 605 FTE dedicated to working appealed claims and will expand the Rapid Appeals Modernization Program (RAMP). RAMP began on November 1, 2017 and provides eligible Veterans with pending disability compensation appeals in VBA with the voluntary option to participate in the new process during the implementation period. The Board of Veterans Appeals (Board) is also working collaboratively with VBA to implement the new appeals processing system that will provide Veterans with clear, differentiated lanes of appeal. This new system will ensure Veterans receive a fair and final decision significantly faster than the current process, which has no predictable end and can continue for many years.

- Add 225 fiduciary FTE to ensure adequate and timely processing of initial appointment and follow-up field examinations; and

- Expand the Decision Ready Claims (DRC) initiative to complete 25 percent, or nearly 300,000 supplemental disability compensation claims in 2019.

Prevent Veteran Suicides: Suicide prevention is VA's highest clinical priority and a national health crisis. VA recognizes that Veterans are at an increased risk for suicide and implemented a national suicide prevention strategy to address this crisis. VA is bringing the best minds in the public and private sectors together to determine the next steps in ending Veteran suicide. The 2019 Budget requests $8.6 billion for Veterans' mental health services, an increase of 5.8 percent above the 2018 current estimate and directs $190 million for suicide prevention outreach.

On January 9, 2018, President Trump signed an Executive Order titled, "*Supporting Our Veterans During Their Transition from Uniformed Service to Civilian Life*." This Executive Order directs the Departments of Defense, Veterans Affairs, and Homeland Security to develop a plan to ensure all new Veterans receive mental health care for at least one year following their separation from service. The three Departments will work together and develop a Joint Action Plan to ensure seamless access to mental health treatment and suicide prevention resources for transitioning uniformed servicemembers for one year following the separation from service.

VA's suicide prevention program is based on a public health approach that is ongoing, utilizing universal, selective, and indicated strategies while recognizing that suicide prevention requires ready access to high quality mental health services, supplemented by programs that address the

risk for suicide directly. VA cannot do this alone, and suicide is not solely a mental health issue; 70 percent of Veterans who die by suicide are not actively engaged in VA health care. Veteran suicide is a national issue and can only be ended through a nationwide community-level approach that begins to solve the upstream risks Veterans face, such as loss of belonging, meaningful employment, and engagement with family, friends, and community.

The following pages outline VA's 2019 Budget request by appropriation account.

Veterans Health Administration
Medical Care

Budget Authority - $ in 000s

	2017 Actual	2018 Request	2019 Request	2020 Request
Medical Services	45,421,812	45,918,362	58,045,869	63,167,774
Medical Community Care 1/	7,246,181	9,663,118		
Veterans Choice Fund			1,900,000	
Medical Support and Compliance	6,498,000	6,938,877	7,239,156	7,106,150
Medical Facilities	5,312,668	6,514,675	5,914,288	5,276,676
Medical Care Collections Fund	3,542,919	3,259,537	3,443,133	3,580,999
TOTAL	**$68,021,580**	**$72,294,569**	**$76,542,446**	**$79,131,599**

Note: *Includes all rescissions. Excludes transfers to the two joint Department of Defense (DoD)-VA health care accounts. Excludes the portion of MCCF collections actually, or anticipated to be transferred to the Joint DOD-VA Medical Facility Demonstration Fund, in support of the Captain James A. Lovell Federal Health Care Center (FHCC).*
1/ In 2019 and 2020 Medical Community Care funding is included in the Medical Services Appropriation.

In 2019, VA will expand Veteran access to medical care by increasing medical and clinical staff, improving its facilities, and expanding care across the VA. The 2019 Budget requests $76.5 billion in discretionary funding for Veterans' medical care, including $3.4 billion in collections and $500 million in additional funding or the "second bite" for 2019. The 2019 Budget request is $4.2 billion (5.9%) above the 2018 Budget. The 2019 Budget will support 315,688 medical care FTE, an increase of 5,792 FTE (1.9 percent) above 2018.

FTE

	2017 Actual	2018 Request	2019 Request	2020 Request
Medical Services	229,600	234,421	240,213	244,794
Medical Support and Compliance	50,939	51,097	51,097	51,097
Medical Facilities	24,151	24,378	24,378	24,378
Veterans Choice Program	158	0	0	0
TOTAL	**304,848**	**309,896**	**315,688**	**320,269**

Note: *FTE include staff funded through Sections 801 and 802 of the Veterans Choice Act, as well as staff funded through the proposed Veterans Choice Program resources in 2018 and 2019.*

VHA is transforming the way it delivers health care and provides a broad range of primary care, specialty care, and related medical and social services to meet the needs of our growing population of enrolled Veterans, including larger numbers of women and rural Veterans. VA estimates it will serve 7.0 million patients in 2019 and 7.1 million in 2020.

Veteran Patient Workload

	2017 Actual	2018 Request	2019 Request	2020 Request
Number of Patients	6,821,356	6,913,657	7,006,643	7,090,713
Number of Veterans Enrolled in VA Health Care	9,122,959	9,245,546	9,321,514	9,382,877
Number of Inpatient -Treated	918,211	920,101	922,451	924,804
Number of Outpatient Visits	111,399,000	114,844,000	118,359,000	121,392,000

The Budget expands health care services for our nation's Veterans while building an integrated system of care that both strengthens services within VA and makes effective use of community providers. The 2019 Budget treats 7.0 million patients, a 1.3 percent increase above 2018, and conducts 118 million outpatient visits, an increase of 8.8 percent above 2018.

Department of Veterans Affairs
Medical Care Facilities

	2017 Actual	2018 Request	2019 Request	2020 Request
Veteran Integrated Service Networks (VISNs)	18	18	18	18
VA Hospitals	145	145	145	145
Community Living Centers	133	134	134	134
Residential Rehabilitation Care Facilities	112	114	120	123
VA Medical Center-Based Outpatient Care *	170	170	170	170
Health Care Centers	24	24	24	24
Community-Based Outpatient Clinics	743	743	743	743
Other Outpatient Service Sites	294	294	294	294
Dialysis Centers	74	74	74	74
Community Resources and Referral Centers	31	31	31	31
Vet Centers	300	300	300	300
Mobile Vet Centers	80	80	80	80

**** Note:*** *This category includes all VA Hospitals, plus free-standing Community Living Centers and Residential Rehabilitation Care facilities that also provide outpatient care.*

Modeling Health Care Needs

VHA uses the Enrollee Health Care Projection Model (EHCPM), an actuarial model, to support formulation of the majority of the VA health care budget; to conduct strategic and capital planning; and to assess the impact of potential policies and changes in a highly dynamic health care environment.

The EHPCM projects enrollment, utilization, and expenditures for the enrolled Veteran population for 95 categories of health care services 20 years into the future. First, VA uses the Model to determine how many Veterans will be enrolled in VA health care each year and their age, gender, priority, and geographic location. Next, VA uses the Model to project the total health care services needed by those enrollees and then estimates the portion of that care that those enrollees will demand from VA. Finally, total health care expenditures are developed by multiplying the expected VA utilization by the anticipated cost per service.

The EHPCM takes into account the majority of health care services that have been provided to Veterans, including separate calculations for Long-Term Services and Supports. Activities and programs whose resource levels are not projected by the EHCPM[1] are called "non-modeled," and can change from year to year. Non-modeled activities include programs such as Non-Recurring Maintenance (NRM), state-based long-term care, the Civilian Health and Medical Program (CHAMPVA), and readjustment counseling. These two amounts (modeled and non-modeled), make up the total VA Medical Care request.

Change from 2019 Advance Appropriation (AA) and Revised 2019 Request in Obligations

The 2019 Budget request for VA health care services is $1.4 billion lower in budgetary obligations than the 2019 advance appropriations level, as requested in the 2018 President's Budget, primarily due to a change in the timing of obligations for community care, and an additional $500 million, "second bite" annual funding. The Budget also requests that the Medical Community Care appropriation be merged with the Medical Services appropriation to improve financial and operational management.

The total net decrease in obligations from the 2019 Advance Appropriation is primarily due to the following programmatic factors:

	2019 Advance Appropriation	Revised 2019 Estimate	Difference
Requirements			
Health Care Services Medical Care	65,680,311	65,096,825	(583,486)
Non-Recurring Maintenance (non add)	*1,150,000*	*1,445,565*	*295,565*
Change in Timing of Community Care Obligations (non add)	*0*	*(1,800,000)*	*(1,800,000)*
Electronic Health records Modernization (non-add)	*255,961*	*0*	(255,961)
Long Term Services and Supports	9,331,516	9,024,330	(307,186)
Other Health Care Programs	3,154,256	2,617,324	(536,932)
VA Legislative Proposals	(23,743)	28,087	51,830
Total Obligations	**$78,142,340**	**$76,766,566**	**(1,375,774)**
Funding Availability			
Advance Appropriation	70,699,313	70,699,313	0
Annual Appropriation Adjustment		500,000	500,000
Transfers	(313,626)	(308,909)	4,717
Medical Care Collections Fund	3,264,616	3,443,133	178,517
Reimbursements	189,404	170,613	(18,791)
Change in Unobligated Balance	750,000	309,783	(440,217)
Veterans Choice Act, Section 801	52,633	52,633	0
Veterans Choice Act, Section 802*	3,500,000	1,900,000	(1,600,000)
Total Funding Availability	**$78,142,340**	**$76,766,566**	**($1,375,774)**

*The FY 2019 Budget requests $1.9 billion in the Veterans Choice Act, Section 802 as discretionary resources.

- **Health Care Services Medical Care (-$584) million.** The health care services medical care estimate decreased by $584 million, largely driven by a one-time change in the timing of recording community care obligations, higher infrastructure investments, and revised actuarial trends based on the most recent data. The key drivers of these changes include:

  - **Non-recurring Maintenance (+$296 million).** The total NRM estimate is $1.4 billion, +$296 million above the advance appropriation level. This investment addresses VHA's significant sustainment and infrastructure repairs.

  - **Change in the Timing of Community Care Obligations (-$1.8 billion).** This is a one-time offset that reflects the change in the time of obligation for community care when the amount is certain at time of payment. This change will enable better management of budgetary resources.

- **Electronic Health Record Modernization & Interoperability (-$256 million).** The FY 2019 Budget includes $1.2 billion to support EHRM in a separate appropriation account.

- **Long-Term Services and Support (-$307 million).** Long-term services and support estimates were decreased to reflect model projections.

- **Other Health Care Programs (-$537 million).** Non-modeled VA-provided health service programs are decreased by $537 million. The majority of this reduction is reflected in the CHAMPVA program, Camp Lejeune, and other health care programs that reflect current estimates of care.

- **Proposed Legislation (+$52 million).** Proposed legislation increased by $52 million.

Medical Care Areas of Focus

The 2019 Budget and 2020 AA emphasize health care services for Veterans and continue to respond to many emerging areas of need. For example, there is a growing population of women Service members leaving the military and coming into VA's care. There are also a large number of individuals choosing to care for their loved ones through VHA's Caregivers program

The following table lists modeled and non-modeled Medical Care obligations by program in 2019 and 2020:

2019 Revised Estimate and 2020 Advance Appropriation
Model & Non-Model Obligations
Includes Veterans Choice Act Sec. 801/802 and Veterans Choice Program
(dollars in thousands)

Description	2019 Revised Estimate			2020 Advance Appropriation		
	Model	Non-Model	Total	Model	Non-Model	Total
Health Care Services	$63,791,878	$1,304,947	$65,096,825	$68,176,625	($616,284)	$67,560,341
Non-Add Included Above:						
Non-Recurring Maintenance	*$0*	*$1,445,565*	*$1,445,565*	*$0*	*$626,580*	*$626,580*
Non-Veterans	*$0*	*$381,773*	*$381,773*	*$0*	*$381,384*	*$381,384*
Long-Term Care (Excludes State Home)	$7,857,597	$1,166,733	$9,024,330	$8,218,225	$1,175,872	$9,394,097
Non-Add Included Above:						
State Home Programs	*$0*	*$1,310,095*	*$1,310,095*	*$0*	*$1,338,888*	*$1,338,888*
Non-Veterans	*$0*	*$1,746*	*$1,746*	*$0*	*$1,684*	*$1,684*
Other Health Care Programs:						
CHAMPVA	$0	$1,775,597	$1,775,597	$0	$1,848,239	$1,848,239
Foreign Medical Program (includes Foreign C&P Exams)	$0	$32,817	$32,817	$0	$34,194	$34,194
Spina Bifida Programs	$0	$37,445	$37,445	$0	$38,716	$38,716
Children of Women Vietnam Veterans	$0	$200	$200	$0	$200	$200
Caregivers (Excluding CHAMPVA)	$0	$496,032	$496,032	$0	$510,592	$510,592
Camp Lejeune - Family	$0	$4,229	$4,229	$0	$4,260	$4,260
Readjustment Counseling	$0	$271,004	$271,004	$0	$277,382	$277,382
VA Legislative Proposals	$0	$28,087	$28,087	$0	$28,375	$28,375
Obligations [Grand Total]	$71,649,475	$5,117,091	$76,766,566	$76,394,850	$3,301,546	$79,696,396

1/ VA Enrollee Health Care Projection Model (Base Year 2016) - BCA6E300B0D0E0AA0

The following table outlines key areas of VA care. Summary explanatory descriptions of these major programs are also provided. VHA also provides support to military personnel who served in the Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF), Operation New Dawn (OND), and Operation Inherent Resolve (OIR) conflicts, and provides treatment of traumatic brain injuries and spinal cord injuries.

Veteran Medical Care: Key Focus Areas
(Obligations - $ in millions)

	2017 Actual	2018 Estimate	2019 Request	2020 Request
Caregivers	466	503	510	525
Hepatitis C (New Drug Treatments)	746	751	199	157
Women Veterans (Gender-Specific Care)	454	483	511	541
Mental Health	7,703	8,134	8,603	9,083
Rural Health Initiative	203	250	250	250
Homeless Programs	1,616	1,728	1,754	1,754
Opioid Treatment and CARA Support	318	367	382	388

Caregivers. VHA provides support to those individuals who act as Caregivers for Veterans. There are several support and service options for the Caregiver. For example, the Caregiver Support Line at 1-855-260-3274, is available to: respond to inquiries about Caregiver services, as well as serve as a resource and referral center for Caregivers, Veterans and others seeking Caregiver information; provide referrals to local VA Medical Center Caregiver Support Coordinators and VA/community resources; and provide emotional support.

The Program of Comprehensive Assistance for Family Caregivers, established in Public Law 111-163, the Caregivers and Veterans Omnibus Health Services Act of 2010, allows VA to provide additional support and services to Caregivers of eligible Veterans injured in the line of duty on or after September 11, 2001. Eligible Veterans include those who sustained a serious injury – including traumatic brain injury, psychological trauma, or other mental disorder – incurred or aggravated in the line of duty, on or after September 11, 2001. Services for this group of Caregivers include: monthly stipend travel expenses (including lodging and per diem while accompanying Veterans undergoing care); access to health care insurance (if the Caregiver is not already entitled to care or services under a health care plan); mental health services and counseling; and Caregiver training. In 2017, 26,522 Primary Family Caregivers were approved for the program. The 2019 Budget requests $510 million for the Caregivers program to support over 27,000 Caregivers. Funding requirements for Caregivers are driven by an increase in the eligible Veteran population.

Hepatitis C. In 2014, VA began a ground-breaking system of care for Veterans with the Hepatitis C Virus (HCV). The Food and Drug Administration approved two new, highly-effective drugs – Sofosbuvir and Simeprevir – that work to change the lives of Veterans infected with Hepatitis C. Prior to the introduction of the new high-cost treatment therapies in the VA system in January 2014, treatments for Hepatitis C were often ineffective and presented

considerable side effects. By contrast, the new treatment options are considerably more effective at curing patients with HCV, present significantly fewer side effects than earlier options, and are much simpler to administer. Curing HCV significantly decreases the risk of progression of the disease to cirrhosis, liver failure, liver cancer, and death. VA wants to ensure that all Veterans eligible for these new drugs, based on clinician's recommendation, receive the medication. VA successfully worked with the manufacturers of these drugs to receive a reduced price for their use to treat Veterans. VA estimates the drugs will cost $751.2 million in 2018 and decrease to $199.3 million in 2019. VA continues to estimate that approximately 80 percent of all Veterans with HCV enrolled in VA care will be treated by 2020. This Budget fully funds VA's anticipated needs for life-saving Hepatitis C treatments.

***Women Veterans*.** In 2017, women Veterans comprised over 15 percent of active duty military forces and 19 percent of National Guard and Reserves. The needs of a growing number of women Veterans mean that VA must provide more gender-specific services and ensure the availability of appropriate infrastructure facilities to safeguard privacy needs and proper consideration of gender-specific conditions and disorders. VA is anticipating and preparing for the increase in the number of women Veterans as well as for the accompanying complexity and longevity of their treatment needs. Security and privacy for women Veterans is a high priority for VA. VA is training providers and other clinical staff, enhancing facilities to meet the needs of women Veterans, and reaching out to inform women Veterans about VA services. VA is redesigning women's health care delivery with models of care that ensure women receive equitable, timely, high-quality primary health care from a single primary care provider and team, thereby decreasing fragmentation and improving quality of care for women Veterans. The 2019 Budget requests $511 million for gender-specific women Veterans' health care, an increase of 5.9 percent above the 2018 level.

Mental Health. Mental health services available to Veterans range from treatment of a variety of common mental health conditions in primary care to more intensive interventions in specialty mental health programs for more severe and persisting mental health conditions. In 2017, with resources totaling $7.7 billion, VA provided specialized mental health treatment to nearly 1.7 million Veterans and hired 1,103 Mental Health providers, including 31 Peer Support Specialists. VHA dedicates all the resources necessary to provide care for Veterans with a broad range of conditions such as depression, anxiety, Post-Traumatic Stress Disorder (PTSD), and psychosis. VA provides services through several means, such as: mental health professionals embedded in Patient Aligned Care Teams (PACTs) to help in the assessment of patients along with primary care doctors and medical staff; intensive recovery-oriented individual and group treatments; and inpatient care for the most serious cases of suicidal or homicidal patients or patients with acute psychosis. VA also specializes in care for Veterans suffering from PTSD and substance use disorders and mental health services for women and older Veterans. In addition to a great expansion in the available of on-line information, Veterans can call the Crisis Line when any type of help is needed at 1-800-273-8255. The 2019 Budget requests $8.6 billion for Veterans' mental health services, an increase of 5.8 percent above the 2018 level.

Rural Health. As a complement to telehealth, VA is committed to improving the care and access for Veterans in geographically rural areas. Projects funded through the VHA Office of Rural Health (ORH) include home-based primary care, training and education of medical

residents in rural clinical setting, equipment for rural Community Based Outpatient Clinics (CBOCs), transportation of rural Veterans, and home-based therapies. Through these and other rural health initiatives, ORH has addressed the unique needs of over three million enrolled Veterans living in rural and highly rural areas, which make up approximately 33 percent of all Veteran enrollees. The 2019 Budget requests $250 million for rural health projects.

Homeless Programs. VA is committed to the objective of ending Veteran homelessness, and pursues that objective in close collaboration with our Federal agency partners, leading national organizations, and State and local government agencies, and with Veteran-Service Organizations and other nonprofit partners in communities across the country. This multi-year program has seen great success – reducing the number of homeless Veterans from 74,770 in 2010 to just over 40,000 as of the last official "Point in Time" count in January 2017. This is a nearly 50 percent decline in seven years. In 2017, nearly 101,000 Veterans and their family members were housed or prevented from becoming homeless. Since 2010, through September 30, 2017, over 600,000 Veterans and their family members have been permanently housed, or prevented from becoming homeless. In 2019, VA will continue to focus on prevention and treatment services. This involves providing a comprehensive continuum of care that addresses the psychosocial factors surrounding homelessness while building the capacity of available residential, rehabilitative, transitional, and permanent housing supply. VHA will also continue to work closely with the Department of Housing and Urban Development and other Federal and State agencies, VSOs, national advocacy groups, and community-based providers. The 2019 Budget requests $1.8 billion, an increase of $26 million above the 2018 Budget, to provide the type of resources most needed where they are most needed across the country.

Opioid Treatment and Pain Management Safety. VA's Opioid Safety Initiative (OSI) aims to reduce over-reliance on opioid analgesics for pain management and to promote safe and effective use of opioid therapy when clinically indicated. The Comprehensive Addiction and Recovery Act of 2016 (CARA) (Public Law 114-198) expands the OSI initiative and includes additional requirements for decreasing Veteran risks associated with long-term opioid use. The Overdose Education and Naloxone Distribution (OEND) initiative targets education and training for opioid overdose (including prevention and recognition) and rescue response (including distribution of naloxone kits). As of December 31, 2017, over 125,000 naloxone prescriptions were dispensed to Veterans.

CARA mandates a designated pain management team of health care professionals at each facility responsible for coordinating and overseeing pain management therapy for patients experiencing acute and chronic pain that is non-cancer related. Each facility director is required to provide a report identifying their pain management teams with related processes and procedures. The VHA National Leadership Council (NLC) has approved guidelines for the composition and function of the pain management teams. Facilities are in the process of creating and implementing teams and pain management and referral structures and processes. The request for 2019 is $382 million, $15 million above the FY 2018 estimate.

Community Care
Budgetary Resources - $ in 000s

	2017 Actual	2018 Request	2019 Request	2020 Request
Medical Community Care Appropriation	7,246,181	9,663,118		
Medical Services Appropration			8,884,704	14,419,786
Veterans Choice Discretionary			1,900,000	
Veterans Choice Mandatory	2,100,000	2,100,000		
Medical Care Collections Fund	1,250,000	255,853	250,588	265,934
Net Transfers	-128,820	-26,117	380,162	-27,034
Change in unobligated balances	2,387,058	1,036,164	1,000,000	
Lapse	-64			
Prior Year Recoveries	699,650			
Total Obligations	13,554,005	13,029,018	12,415,454	14,658,686
Effect of One-time Change in timming of Obligations			1,800,000	
Total	**13,554,005**	**13,029,018**	**14,215,454**	**14,658,686**

VA Community Care

In 2019, the Budget reflects $12.4 billion in total obligations to support community care for Veterans and eligible beneficiaries. In addition, beginning in 2019, VA will record community care obligations on the date of payment rather than the date of authorization. This change in the timing of obligations results in a one-time savings of $1.8 billion, and results in a total 2019 program level of $14.2 billion for community care.

The Budget includes two major proposals. First, it proposes to merge the Medical Community Care appropriation with the Medical Services appropriation, as was the case prior to FY 2017. The separate appropriation for Community Care has restricted the ability of our Medical Center Directors to efficiently manage their budgets and make decisions about whether the care can be provided in their facilities or must be purchased from community providers or Federal partners. This is a dynamic situation, as our staff must adjust to staff hiring and departures, emergencies such as the recent hurricanes, and other unanticipated changes in the health care environment throughout the year. This change will maximize our ability to focus our resources on the services Veterans most need.

Second, the Budget supports implementation of VA's proposed new, consolidated care program, known as Veteran Coordinated Access & Rewarding Experiences, or Veteran CARE. Veterans deserve greater access, choice, and control over their healthcare. VA is committed to ensuring Veterans can make decisions that work best for themselves and their families. Our current system of providing care for Veterans outside of VA requires that Veterans and community providers navigate a complex and confusing bureaucracy. VA is committed to building an improved, integrated network for Veterans, community providers, including our Federal partners,

and VA employees. VA submitted these proposed reforms to Congress in the Veteran CARE legislative proposal package in October 2017.

Veteran CARE will clarify and simplify eligibility requirements, build a high performing network, streamline clinical and administrative processes, and implement new care coordination support for Veterans. Veteran CARE will improve Veterans' experience and access to health care, building on the best features of existing community care programs. This new program will complement and support VA's internal capacity for the direct delivery of care with an emphasis on foundational services. The CARE reforms will provide VA with new tools to compete with the private sector on quality and accessibility. VA will work with Congress and stakeholders to pass the legislative authorities for Veteran CARE, with the goal of improving Veterans' health outcomes and experience, as well as maximizing the quality, efficiency, and fiscal sustainability of VA's health program.

Veterans Health Administration
Medical and Prosthetic Research
Budget Authority
($ in 000s)

	2017 Actual	2018 PB	2019 Request
Research Appropriation	673,366	640,000	727,369
Medical Care Support	535,171	544,000	618,264
Federal and Non-Federal Resources	595,000	570,000	570,000
Reimbursements	43,828	40,000	55,000
TOTAL	**$1,847,365**	**$1,794,000**	**$1,970,633**

The 2019 Budget requests $727.4 million for Medical Research, an increase of $87.3 million, or 13.7 percent above the 2018 Budget. VA's robust team of researchers continuously strives to find breakthroughs that will materially improve the lives of Veterans and others. The VA Research and Development (R&D) program plays a key role in advancing the health of Veterans and is uniquely positioned to continue to lead a national transformation of American health care. The VA research program is enhanced by private and federal grants awarded to VA investigators. These other Federal and Non-Federal resources, from organizations including NIH, DoD, and CDC, are estimated at $570 million. VA Medical Care also provides support for VA research by maintaining infrastructure, support dollars for clinical salaries for time assigned to research, and other administrative and facility services.

FTE

FTE	2017 Actual	2018 PB	2019 Request
TOTAL	**3,071**	**3,155**	**3,214**

With more than 60 percent of VA researchers also being clinicians who take care of patients, VA is uniquely positioned to move scientific discovery from investigators' laboratories to patients' care. The VA research program plays a critical role in attracting and retaining top-quality physicians in VA. A program evaluation conducted by Abt Associates found that 79 percent of VA clinicians cited the research program as a factor in coming to VA, while over 90 percent cited it as a reason for staying. We believe research will continue to play a vital role in attracting clinicians to the VA healthcare system. The VA Office of Research and Development (ORD) consists of four main research services that together address the full spectrum of Veterans' health needs. The four services are: Biomedical Laboratory; Clinical Science; Health Services; and Rehabilitation.

The 2019 Budget will support a wide array of research and development in engineering and technology to improve the lives of Veterans with disabilities. Work includes both prosthetic systems that replace lost limbs and those that activate residual or paralyzed nerves, muscles, and limbs. Research to benefit Gulf War Veterans will also continue to be a priority in 2019. The Budget also supports a range of studies on post-deployment mental health concerns such as PTSD, depression, anxiety, substance abuse, and suicide. Other areas include work on chronic diseases, reproductive health, and preventative care to ensure continued high-quality care for Veterans as they age and studies to advance precision medicine.

The 2019 Budget includes $27 million for VA to collaborate with the Department of Energy (DOE) through its Advanced Computational and Translational Initiatives (ACTIV) and MVP-CHAMPION efforts, through an inter-agency agreement to leverage DOE's next generation artificial intelligence (AI), big data (BD) and high-performance computing (HPC) technologies, tools, and multimodal diagnostics and data integration to develop specific precision medicine applications for Veterans' health. Through MVP-CHAMPION, DOE is creating hardware and software technologies and testbeds that are advancing AI and driving the technology intersection of AI serving large scale analytics with DOE's more traditional high-performance computing allowing next-generation advancements for Veterans' health. The ACTIV program supports data analysis through integrating multimodal data streams to drive computational approaches of understanding large scale and complex biological systems with a focus on brain related injuries. These activities aim to facilitate and expedite decision support in various Veteran-specific healthcare conditions such as suicide prevention, traumatic brain injury, cardiac disease, and prostate cancer as well utilize the national supercomputing resources.

VA Research continually rebalances its portfolio to meet the most significant needs of Veterans. Priorities are set with input from department and administration leadership, clinical leaders, Veterans, VSOs, and the President. In 2019, VA will invest resources in the critical areas most impacting to our Veterans to include Pain Management/Opioid Addiction, Mental Health/Suicide, and the Million Veteran Program.

Electronic Health Record Modernization

Budget Authority - $ in 000s

	2019 Request
EHR Contract	675,000
Program Management	120,000
Infrastructure Support	412,000
TOTAL	**1,207,000**

* VA has reserved $782 million in VHA and OIT, pending the establishment of the Veterans Electronic Health Record account in 2018.

In 2019, VA is requesting $1.2 billion to continue implementation of Electronic Health Record Modernization (EHRM). The health and safety of our Veterans is one of our highest national priorities. These funds will be used to continue implementation, preparation, development, interface, management, rollout, and maintenance of a Veterans' electronic health record.

On June 5, 2017, the Secretary announced the decision to adopt the same EHR system as the Department of Defense (DoD). This will improve VA services and significantly enhance the coordination of care for Veterans who receive medical care not only from VA, but DoD and our community partners. Having a Veteran's complete and accurate health information in a single common EHR system is critical to that care and to patient safety.

This new EHR system will enable VA to keep pace with the improvements in health information technology and cyber security, which VistA is unable to do. In addition, the new EHR will support the critical need for VA to successfully and efficiently share patient data with DoD and community partners. Without improved and consistently-implemented national interoperability standards, VA and DoD will continue to face significant challenges in providing the highest quality of care for our Veterans.

A new, common EHR system will provide a single, accurate, lifetime health record for the Veteran, resulting in improved patient care and safety. The EHR solution will be designed to accommodate the aspects of health care delivery that are high priority or unique to VA, while bringing industry best practices to improve the quality of VA care. During the multi-year transition effort, VA will continue to use Veterans Information Systems and Technology Architecture (VistA), Computerized Patient Record System (CPRS), and other existing clinical systems until the new solution has been institutionalized throughout VA's healthcare enterprise.

The Budget supports the oversight, accountability, and operational execution of all EHRM activities. These activities are not limited to the deployment of the EHR solution, as they include the procurement and execution of program executive office (PEO) support, IT infrastructure development, and other components. VA is requesting a separate account because of the magnitude of resources and contracting complexities, and to facilitate our Department's accountability for the successful execution of the Federal investment of resources.

Veterans Benefits Administration

Budget Authority
($ in thousands)

Budget Authority $000s	2017 Actual	2018 Estimate	2019 Request	2020 Advance
Compensation and Pensions	$86,083,128	$90,119,449	$97,178,794	$107,119,807
Readjustment Benefits	$16,340,828	$13,708,648	$11,832,175	$14,065,282
Vocational Rehabilitation Loan Program*	$539	$431	$435	$0
Post-Vietnam Era Veterans' Education Account	$0	$0	$0	$0
Veterans Housing Program*	$1,166,948	$1,239,502	$429,251	$0
Native American Veterans Housing Loan Program*	$2,654	$2,784	$1,149	$0
Insurance Benefits	$108,525	$120,338	$106,372	$111,340
Subtotal, Mandatory**	**$103,702,622**	**$105,191,152**	**$109,548,176**	**$121,296,429**
Discretionary – General Operating Expenses***	$2,854,160	$2,844,000	$2,868,909	$0
Total	**$106,556,782**	**$108,035,152**	**$112,417,085**	**$121,296,429**

*2017 and 2018 include upward re-estimates. The 2019 request does not include any re-estimates, which are calculated at the end of the fiscal year.
**Includes credit reform administration costs but does not reflect scoring impacts of mandatory trust funds, proprietary receipts, or intragovernmental transactions.
***Includes $10 million transferred from BVA's FY 2017 unobligated balances.

The 2019 Budget requests $2.869 billion for VBA General Operating Expenses (GOE). The request will support 23,692 FTE, which is $24.9 million and 880 FTE above the 2018 estimate. The 2018 Budget reflects a sustained commitment to delivering benefits and exceptional service to Veterans, their dependents, and Survivors.

FTE

FTE	2017 Actual	2018 Estimate	2019 Request
Discretionary – General Operating Expenses	22,408	22, 812	23,692

VBA continues to serve millions of Veterans across multiple benefit programs. The following chart shows the historical and projected growth across VBA's primary lines of business.

Number of Beneficiaries

	2017 Actual	2018 Estimate	2019 Request
Compensation Beneficiaries	4,861,704	5,076,650	5,282,642
Pension Beneficiaries	483,341	474,321	468,701
Education Program Trainees	946,828	954,800	951,394
Vocational Rehabilitation and Employment Participants	132,218	144,661	149,747
New Housing Loans	740,389	589,533	566,588
Insured Persons	6,007,606	6,012,938	5,968,966

Disability Compensation Claims Backlog and Appeals Reform

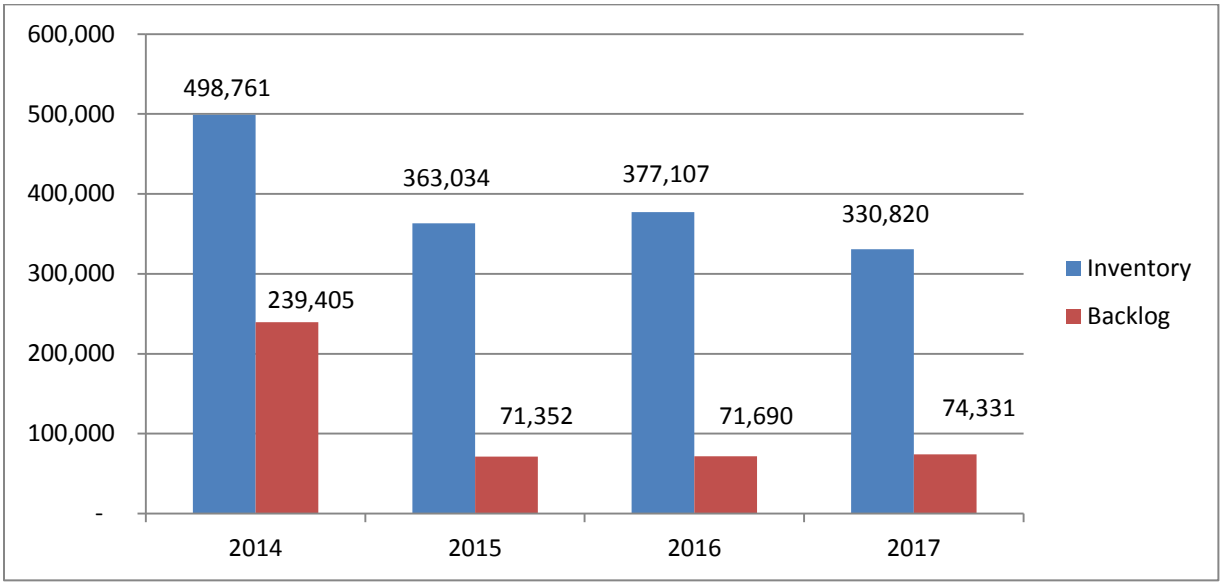
In 2019, VBA is projected to complete 1.3 million rating claims, and the number of claims pending longer than 125 days will remain at about 70-to-80 thousand claims. This level may change in the future as the volume of claims receipts increases or decreases. VBA's success, however, in reducing the rating claims backlog has resulted in a growing appeals inventory.

Compensation & Pension Legacy Appeals Workload	2016 Actual	2017 Actual	2018 Estimate	2019 Estimate
Notice of Disagreement Receipts	173,829	160,144	152,579	51,053
Appeals Resolutions by VBA	110,595	121,687	133,856	147,241
Certification of Substantive Appeals to the Board*	88,441	99,190	107,529	116,639
Pending Inventory	344,523	312,023	282,693	256,094

*Certifications include both original certifications as well as remands returned to the Board for a final decision

On August 23, 2017, the President signed into law the Veterans Appeals Improvement and Modernization Act of 2017. The new law overhauls VA's current, outdated, appeals process and provides Veterans, their families, and their survivors with increased choice in handling disagreements with VA's decisions. Due to the magnitude and scope of the statutory changes, VA has established a detailed 18-month plan to guide the implementation of the new legislation, with implementation completed by February 2019. In 2019, VBA will add an additional 605 FTE dedicated to working appealed claims, under VBA's recently realigned Appeals Management Office (AMO).

Department of Veterans Affairs
Disability Claims Inventory and Backlog
(End of Year)



Payments to Veterans and Beneficiaries

The amount of benefits payments is increasing annually, and 2019 is expected to follow this trend. This is a result of the success of faster claims adjudication as well as legislation expanding Veterans' benefits.

Veterans Benefits: Claims Payments

Claims Payments $000s	2017 Actual	2018 Estimate	2019 Request
Compensation	80,228,746	86,423,647	93,687,891
Pensions	5,386,416	5,442,164	5,575,025
Education Benefits	12,329,593	13,053,656	13,333,427
Vocational Rehabilitation and Employment	1,422,302	1,753,113	1,871,859
Total	**99,367,057**	**106,672,580**	**114,468,202**

Fiduciary Services

VA conducts a field examination prior to initial appointment of a fiduciary, which includes any subsequent new fiduciary. In 2019, VBA will allocate an additional 225 FTE, bringing the total workforce to 1,335 in the field to meet the program's oversight responsibilities to avoid delays in the initial appointment of fiduciaries and the scheduling of follow-up field examinations. These

additional employees will produce a combination of approximately 15,000 additional initial and follow-up field examinations.

Fiduciary Program Workload Completed	2017 Actual	2018 Estimate	2019 Estimate
Direct Labor FTE	1,062	1,110	1,335
Initial Appointment Field Examinations	58,500	52,300	56,400
Follow-up Field Examinations	27,200	33,900	43,200
Follow-up Alternate Field Examinations	8,500	12,300	15,200
Total Field Examinations	**94,200**	**98,500**	**114,800**
Accountings	45,700	46,800	47,900
Percentage IA	62.1%	53.1%	49.1%

Forever GI Bill

On August 16, 2017, the President signed into law the Colmery Act (Public Law 115-48), which includes the most comprehensive changes to GI Bill benefits since enactment of the Post 9/11 Veterans' Educational Assistance Act. The 2019 Budget supports an additional 200 temporary field employees to manually process claims until IT enhancements are completed, and $8 million in IT funding to automate the most pressing provisions, Sections 107 and 501, which affect housing allowances. VA is working diligently on the 18 provisions that go into effect by August 1, 2018.

Warrior Training Advancement Course

VBA is leveraging a strategic partnership with the DoD to actively hire transitioning servicemembers through the Warrior Training Advancement Course (WARTAC), a formal joint skill-bridge program to train Servicemembers and hire them as entry level claims processors at VA upon separation. This program significantly reduces the costs VBA must allocate for hiring and training new employees, as VBA does not incur the costs for salaries or travel of the students. Approximately 610 Servicemembers have been hired since the start of the program in 2014. Based on the program's success as noted by an 88 percent hire rate, it will expand to nine locations and host a class in Germany in 2018. In 2017, approximately 385 Servicemembers were trained, and VA is on track to meet the goal to train 400 WARTAC students during 2019.

National Cemetery Administration

Budget Authority
($ in 000s)

Appropriation Account of Fund:	2017 Actual	2018 Estimate	2019 Request
Operations and Maintenance	$286,193	$306,193	$315,836
Major Construction	137,000	255,900	117,200
Minor Construction	56,890	97,950	171,820
Grants for Construction of Veterans Cemeteries	45,000	45,000	45,000
Facilities Operation Fund *	207	165	165
National Cemetery Gift Fund *	514	1,000	1,000
Compensation and Pensions (Headstones and Markers, Graveliners, Outer Burial Receptacles, Caskets and Urns)	102,569	104,221	102,192
TOTAL RESOURCES	**$628,373**	**$810,429**	**$753,213**

* Facilities Operation Fund and National Cemetery Gift Fund are not appropriated funds

The 2019 Budget requests $315.8 million for National Cemetery Administration (NCA) operations, an increase of $9.6 million (3.1 percent) over 2018, which will support 1,941 FTE. The Budget will continue to memorialize Veterans by providing approximately 364,850 headstones and markers, distributing 677,500 Presidential Memorial Certificates, and expanding the Veterans Legacy Program to communities across the country.

FTE

	2017 Actual	2018 Estimate	2019 Request
Operations and Maintenance Appropriation	1,847	1,923	1,941
TOTAL	**1,847**	**1,923**	**1,941**

1/ *NCA conducted an assessment of FTE which required an adjustment from the FTE reflected in the 2019 President's Budget Appendix.*

VA honors Veterans and their family members with final resting places in National shrines with lasting tributes that commemorate their service and sacrifice to our Nation. Fulfilling its mission, NCA projects to inter over 134,000 Veterans and eligible family members in 2019. With this budget, NCA will maintain occupied graves, developed acreage, historic structures, and cemetery infrastructure in a manner befitting national shrines.

NCA Assets in 2019

National Cemeteries	Soldiers' Lots and Monument Sites
139	33

Veteran and Eligible Family Burials Provided

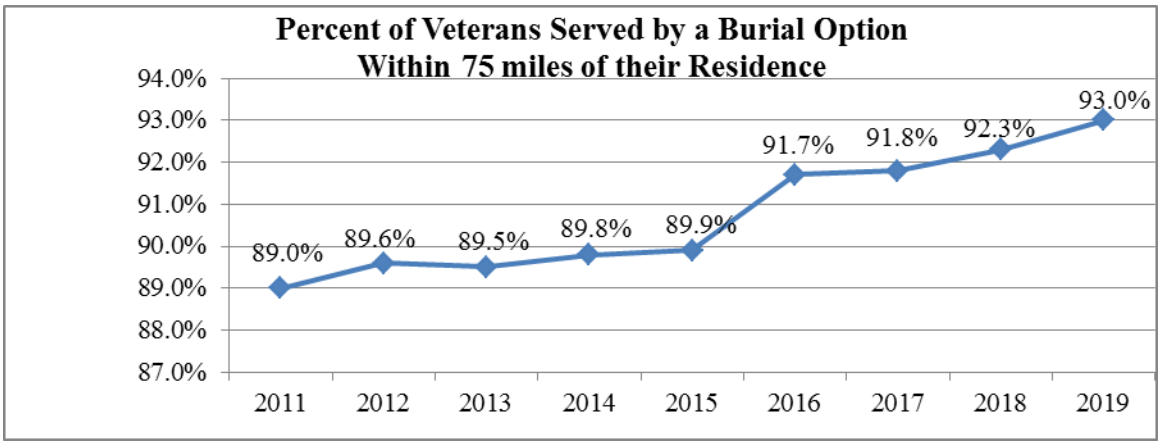
	2017 Actual	2018 Estimate	2019 Request
Interments	133,300	133,600	134,000

The 2019 Budget includes an additional $2.4 million for anticipated non-payroll inflationary increases and $3.8 million for increased operations and maintenance costs at existing cemeteries. NCA expects to maintain over 3.8 million gravesites in 2019, approximately 88,800 gravesites above 2018. Approximately 134,000 interments are anticipated for 2019, a slight increase over the 133,000 projected in 2018. In addition, the number of developed acres to maintain will increase with the opening of new cemeteries and gravesite expansion projects underway.

NCA plans to open nine new cemeteries in 2019 and 2020 (Western NY; the columbaria-only locations in Indianapolis, IN, New York, NY, and Los Angeles, CA; and five national cemeteries under the rural initiative in Rhinelander, WI, Fargo, ND, Twin Falls, ID, Cheyenne, WY, and Machias, ME). These new cemeteries move NCA closer to providing 95 percent of the Veteran population a burial option within 75 miles of their homes.

The 2019 Budget also includes $1.9 million for continued implementation of the Geographic Information System (GIS). Integration of GIS technology at national cemeteries improves the process to account for remains through geographical documentation and improves effectiveness of operations through enhanced cemetery maps and operational equipment.

By 2019, NCA anticipates approximately 93 percent of Veterans will have access to a burial option in a national, state, or tribal Veterans cemetery within 75 miles of their home. VA expects to increase the percentage of Veterans served in 2019 and beyond through the opening of additional new grant-funded state and tribal Veterans cemeteries, the construction of three additional new national cemeteries and the continued implementation of the Rural and Urban Veterans initiatives.



Board of Veterans' Appeals

Budget Authority

($ in 000s)

	2017 Enacted	2018 Estimate	2019 Request
BVA Budget Authority	**155,596**	**155,596**	**174,748**

FTE

	2017 Actual	2018 Estimate	2019 Request
BVA FTE	**840**	**1,105**	**1,025**

The Board of Veterans' Appeals (Board) is responsible for making final decisions on behalf of the Secretary for claims for Veterans' benefits that are presented to the Board for appellate review. The Board conducts hearings and issues timely and quality decisions for Veterans and other appellants in compliance with the requirements of law. The 2019 Budget requests $174.7 million in budget authority, $19.2 million above the 2018 Budget. In 2018, the Board's total obligations are estimated to be $171.2 million, which includes carryover funds of $15.6 million. The Board intends to utilize these carryover funds in 2018 for personnel costs. The $19.2 million increase in 2019 will allow the Board to sustain the FTE increases that occurred in 2017 and 2018 and enable the Board to process more appeals.

The Veterans Appeals Improvement and Modernization Act of 2017 was enacted on August 23, 2017. This legislation, coupled with funding for a modernized, paperless processing system included in the Department's IT budget, will allow VA to provide Veterans with a final, fair decision significantly faster than the current process. VA is also fully committed to reducing the pending inventory of legacy appeals.

Office of Information and Technology

Budget Authority
($ in 000s)

	2017 Enacted	2018 Estimate	2019 Request
Development	471,269	358,530	380,571
Sustainment	2,534,442	2,466,650	2,560,780
Pay and Administration	1,264,548	1,230,320	1,243,220
TOTAL	**4,270,259**	**4,055,500**	**4,184,571**

FTE

	2017 Actual	2018 Estimate	2019 Request
TOTAL	**7,241**	**7,889**	**8,138**

Note: FTE includes Veterans Choice Act personnel, now included in the 2018 discretionary budget request.

Information Technology (IT) is critical to VA's success. A continual increase in IT development and support is essential for VA to effectively deliver medical care and benefits to Veterans. The Office of Information & Technology (OIT) is dedicated to identifying new ways to reduce investment and maintenance costs to prioritize infrastructure modernization.

OIT is committed to remaining innovation through development of IT programs that contribute to Veteran outcomes, as evidenced by 100 percent of development resources directly supporting the Secretary's priorities. The 2018 development request was primarily focused on mission critical areas and the divestiture of legacy systems that are difficult or costly to maintain because they have passed their useful life and/or the technology is no longer being supported. The 2019 Budget continues those efforts while including initiatives that are Veteran-facing, such as Community Care and suicide prevention. Focusing Development resources on the divestiture of legacy systems postures VA to better integrate processes, adopt modern technology solutions, improve security, and reduce long-term sustainment.

The 2019 Budget request prioritizes development funding to continue the divestiture of legacy systems that began in the 2018 request, as well as Veteran-facing Secretarial initiatives, including Community Care and suicide prevention. The Budget also requests funds to manage the operations and maintenance of all VA IT infrastructures that are essential for VA to continue to deliver medical care and benefits to Veterans. Major IT initiatives include:

- Health Portfolio: Includes $919.5 million to provide advanced technology solutions to ensure modern, high quality, and efficient medical care delivery capabilities to our Nation's Veterans. In 2019, the Health Portfolio funding includes $17.8 million for platform support to prepare VA's systems for the replacement of VA's EHR, $19.5 million for development of mental health applications supporting suicide prevention, and $50.3 million for continued development for Community Care programs.

- Benefits Portfolio: Includes $388.3 million to address the technology needs for the lines of business managed by the Veterans Benefits Administration and serving over 6 million

veterans annually: Compensation, Pension, Loan Guaranty, Insurance, Education, and Vocational Rehabilitation. In 2019, the Benefits Portfolio funding includes $12.9 million for self-service applications (Navigator) that allow Veterans to enroll in VA health care and navigate benefits, $79.6 million to continue work on the Secretary's priority of replacing the Benefits Delivery Network (BDN), and $2.5 million for the replacement of the Veterans Appeals Control and Location System.

- Memorial Affairs Portfolio: Includes $22.1 million for modernization of applications and services for National Cemeteries at 135 locations nationwide. In 2019, the Memorials Affairs Portfolio funding will be used to continue work on the Secretary's priority of replacing the Burial Operations Support System (BOSS).

- Corporate Portfolio: Includes $130.4 million for the back office operations that are major contributors to running the business lines of the Department. In 2019, the Corporate Portfolio includes $72.8 million to continue work on the Secretary's priority of replacing the Financial Management System, which no longer meets VA's requirements, cannot adapt to emerging requirements and federal financial regulations, has significant deficiencies, and is extremely difficult to maintain.

- Enterprise Portfolio: Includes $1,481 million to provide the underlying infrastructure necessary to perform business functions and maintain a robust technology infrastructure for the Department. It includes such things as cybersecurity, data centers, Cloud services, telephony, enterprise software, end-user hardware, and data connectivity. In 2019, the Enterprise Portfolio includes $398 million for Information Security to support the maintenance of the implementation of cyber security requirements which will evolve the VA cyber posture, improving service delivery and collaboration and risk awareness while improving the security and resiliency of the underlying VA infrastructure, facilitating enhanced visibility, access, and functionality across the spectrum of VA services for the Veteran.

Construction
Budget Authority
($ in 000s)

	2017 Enacted	2018 Request	2019 Request
Major Construction	528,110	512,430	1,127,486
Minor Construction	372,069	342,570	706,889
Grants for State Extended Care Facilities	90,000	90,000	150,000
Grants for State Veterans Cemeteries	45,000	45,000	45,000
TOTAL	**1,035,179**	**990,000**	**2,029,375**

VA's Strategic Capital Investment Planning (SCIP) process has served as the basis for prioritizing VA capital investment funding decisions since the 2012 Budget. Projects prioritized for funding through the SCIP process will correct critical seismic and safety deficiencies and address other performance gaps at VA facilities.

VA's capital requirements are primarily driven by Veterans' need to access care in modern facilities that are safe, secure, sustainable, and accessible.

In 2019, VA will focus on fixing VA's existing infrastructure while we transform our health care system to an integrated network to serve Veterans. This budget requests $1.1 billion in Major Construction funding and $706 million in Minor Construction for priority capital infrastructure projects. This funding supports the following projects: St. Louis, Missouri Jefferson Barracks Medical Facility Improvements and Cemetery Expansion project; the Canandaigua, New York Construction and Renovation project; the Dallas, Texas Spinal Cord Injury project; and national cemetery expansions in Rittman, Ohio; Mims, Florida; and Holly, Michigan.

The 2019 Budget includes a new initiative to address VA's highest priority facilities in need of seismic repairs and upgrades. VA's major construction request includes $400 million to correct critical seismic issues that currently threaten the safety of Veterans and VA staff at certain VA facilities. The seismic program would fund newly identified unfunded and existing, partially-funded seismic projects within VA's major, minor, and non-recurring maintenance (NRM) programs.

General Administration
Budget Authority
($ in 000s)

	2017 Enacted	2018 Estimate	2019 Request
Office of the Secretary	10,545	15,457	16,673
Office of General Counsel	93,117	92,402	104,209
Office of Management	61,354	60,779	63,402
Office of Human Resources and Administration	67,887	61,572	62,172
Office of Enterprise Integration	27,967	28,235	28,416
Office of Operations, Security and Preparedness	20,534	22,432	24,559
Office of Public and Intergovernmental Affairs	12,663	12,931	12,969
Office of Congressional & Legislative Affairs	5,900	7,179	8,737
Office of Acquisition, Logistics & Construction	45,424	45,904	46,492
Veterans Experience Office 1/	...	...	...
Office of Accountability and Whistleblower Protection 1/	...	...	...
TOTAL	**345,391**	**346,891**	**367,629**

1/ VEO and OAWP are funded through reimbursable authority

Total FTE

	2017 Actual	2018 Estimate	2019 Request
Office of the Secretary	115	113	120
Office of General Counsel	668	706	781
Office of Management	254	322	339
Office of Human Resources and Administration	606	662	662
Office of Enterprise Integration	102	132	132
Office of Operations, Security and Preparedness	122	138	148
Office of Public and Intergovernmental Affairs	68	86	86
Office of Congressional & Legislative Affairs	43	49	57
Office of Acquisition, Logistics and Construction	389	477	458
Veterans Experience Office	130	154	154
Office of Accountability and Whistleblower Protection	28	98	98
TOTAL	**2,525**	**2,937**	**3,035**

The 2019 Budget requests $367.6 million for General Administration. This account provides VA Staff Offices support for critical operations such as security and emergency preparedness; acquisitions and construction management; legal counsel; financial, budget, and asset

management; and legislative review and support to Congress. The General Administration account also supports human resources management, project management, corporate-level analysis, public relations and outreach, as well as executive level direction to the Department.

The 2019 Budget supports the new Office of Accountability and Whistleblower Protection, which will promote and protect employee rights by investigating all whistleblower complaints, maintain a toll-free number to receive anonymous complaints, develop training, and ensure all requirements of the new law are fulfilled.

The 2019 General Administration request includes the following:

- $11.6 million for the Office of General Counsel to hire attorneys and staff to support workload related to Court of Appeals for Veterans Claims and to address the legal workload from the Accountability and Whistleblower Protection Act of 2017.
- $2.0 million and 10 FTE to enhance investigations in the Office of Security and Preparedness and to support the VA Integrated Operations Center (IOC). Seven investigators are for security inspections at VA facilities and three intelligence analysts to collect and analyze data and incidents in the field for the IOC.
- $1.3 million to establish initial operating capabilities for a new Manpower Management Office and to implement a modern Resource Allocation Database to maintain prior, current, and future years resource and programming decisions.
- $1.3 million for the realignment of funds from VHA and VBA to OCLA for the consolidation of FTE as a part of VA's modernization effort.
- $1.0 million for user training needed for the Department's Financial Management Business Transformation.

Office of Inspector General

Budget Authority
($ in 000s)

	2017 Enacted	2018 Estimate	2019 Request
Budget Authority	**159,606**	**159,606**	**172,054**

FTE

	2017 Actual	2018 Estimate	2019 Request
Total	**746**	**885**	**827**

Over the past two reporting periods, OIG identified $10 billion in actual monetary benefits and issued 293 reports related to audits and peer reviews, benefits and health care inspections, contract reviews, and administrative investigations. OIG operations provided a return on investment of $73 in monetary benefits for each $1 of OIG resources expended.

The 2019 Budget includes $172.1 million for 827 FTE to fulfill statutory requirements. Although this is less than 2018, OIG will manage hiring within existing resources and maximize internal efficiencies to fulfill its mission. OIG will continue to strengthen and enhance oversight related to patient safety, access to care, mental health care, women's health care, facility inspections, emergent criminal activity such as illicit drug activity, procurement fraud, and identity theft, and audits of construction projects and Choice Act programs.