

FY 2022 BUDGET SUBMISSION



*“ To care for him who shall have borne the battle,
and for his widow, and his orphan....”*

Budget in Brief

May 2021

Overview

The 2022 Budget and 2023 Advance Appropriations (AA) requests for the Department of Veterans Affairs (VA) fulfill the President's sacred promise to care for America's Veterans, their families, and survivors when they return from harm's way.

The total 2022 request for VA is \$269.9 billion (with medical collections), a 10.0% increase above 2021. This includes a discretionary budget request of \$117.2 billion (with medical collections), a 9.0% increase above 2021. When combined with discretionary resources of \$820 million estimated to be available in the Recurring Expenses Transformational Fund (Transformational Fund¹), the total discretionary funding level is \$118.0 billion.

The 2022 mandatory funding request is \$152.7 billion, an increase of \$14.9 billion or 10.8% above 2021. This funding is in addition to the \$17.8 billion provided to VA in the American Rescue Plan Act of 2021 (P.L. 117-2). With the Transformational Fund resources and medical collections, the total 2022 funding level is \$270.7 billion, a 10.4% increase above 2021.

The 2022 Budget also requests \$18 billion in support of the President's American Jobs Plan to address VA health care infrastructure issues, with \$3 billion for short-term needs, such as upgrades to support the needs of aging Veterans and women Veterans, as well as modernization. The remaining \$15 billion is intended for longer-term projects to begin full-scale replacement or major upgrades to VA's aging infrastructure. The Budget also includes \$260 million in support of the President's American Families Plan to support the Administration's commitment to provide additional support to Veterans who are parents in order to offer a holistic, family-friendly approach to care.

VA anticipates supporting 425,428 Full-time Equivalent (FTE) staff in 2022 using all funding sources.

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

The request will provide the necessary resources to meet VA's obligation to provide timely, quality health care, services, and benefits to Veterans. The budget fully funds operation of the largest integrated health care system in the United States, with over 9.2 million enrolled Veterans, provides disability compensation benefits to nearly 6.0 million Veterans and their survivors and administers pension benefits for over 357,000 Veterans and their survivors. The 2022 request will also provide for:

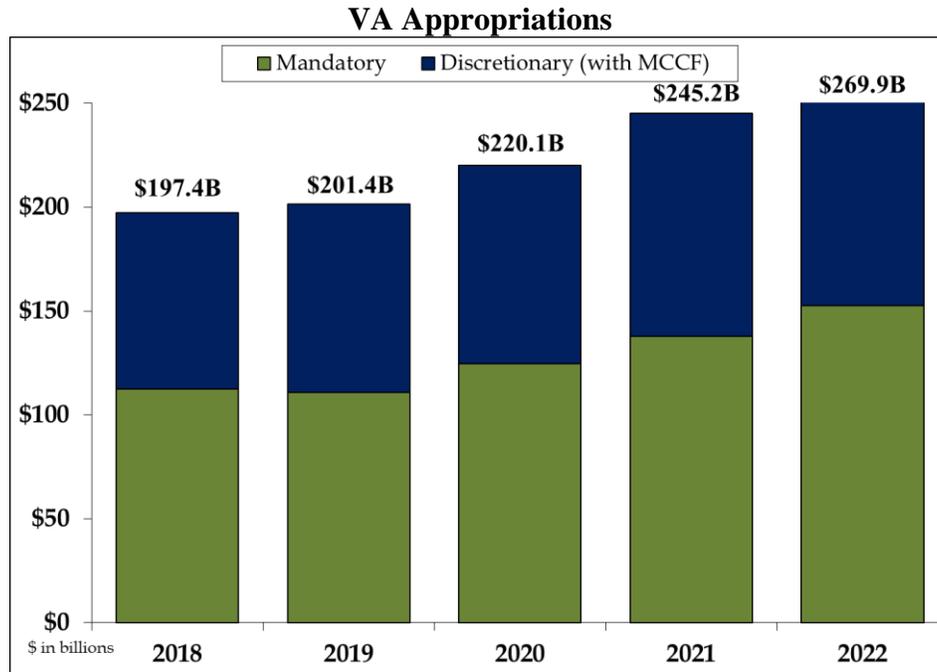
¹ The Consolidated Appropriations Act, 2016 (P.L. 114-113) created the Recurring Expenses Transformational Fund, which allows VA to transfer unobligated balances of expiring discretionary funds in any of its accounts into the Transformational Fund for use as directed in the Act.

- 7.1 million patients treated by VA, an increase of 1.3% above 2021;
- 119 million outpatient visits, an increase of 3.7% above 2021;
- Modernization of VA's electronic health record system to improve quality of care;
- Strengthening VA's infrastructure through \$1.6 billion in Major Construction and \$553 million in Minor Construction for priority infrastructure projects;
- Education assistance programs serving nearly 871,000 trainees;
- Veteran Readiness and Employment (VR&E) benefits for over 135,000 Veterans;
- A home mortgage program with a portfolio of over 4.0 million active loans; and
- The largest and highest performing national cemetery system projected to inter an estimated 136,000 Veterans and eligible family members in 2022.

On September 30, 2021, VA estimates there will be 19.2 million Veterans living in the United States (U.S.), its territories, and other locations. 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) to best utilize the funds requested to meet our mission to Veterans, their families, their caregivers, and those who survive them.

VA Funding

Funding for the VA has increased significantly since 2012, with total funding growing by \$72.5 billion (+37%) from 2018, and by \$143.2 billion, (+113%) since 2012, as shown below.



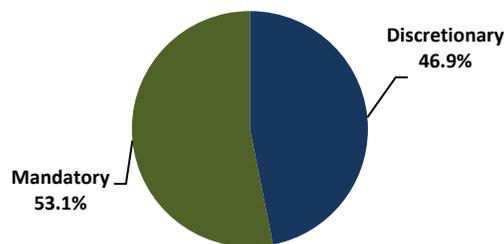
Funding History

(\$ in Billions)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mandatory	65.5	74.8	102.4	95.1	92.5	105.5	112.3	110.9	124.7	137.7	152.7
Discretionary	58.5	61.4	63.4	65.1	70.9	74.3	81.6	86.6	92.0	104.5	113.1
Medical Collections (MCCF)	2.8	2.9	3.1	3.2	3.5	3.5	3.5	3.9	3.4	3.0	4.1
Total VA	126.8	139.1	168.9	163.5	166.9	183.3	197.4	201.4	220.1	245.2	269.9

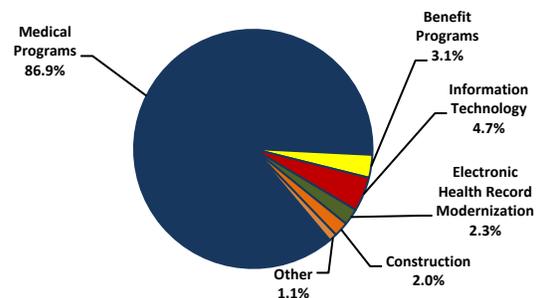
Mandatory includes \$15 billion provided by the Veterans Choice Act in 2014, \$2.1 billion in 2017 and \$7.3 billion in 2018. Mandatory excludes American Rescue Plan (2021) and funding requested in 2022 for the American Jobs Plan and the American Families Plan. Discretionary excludes Families First Coronavirus Response Act (2020), CARES Act (2020), and balances available in the Transformational Fund (2022). Totals may not add due to rounding.

2022 Discretionary and Mandatory Appropriations and Discretionary Funding Uses

2022 Discretionary/Mandatory Funding



2022 Discretionary Funding



FY 2022 Request

Regular Appropriations, Collections, DoD Transfers, and Transformational Fund

Regular Appropriations, Collections, DoD Transfers, and Transformational Fund					
(\$s in millions)	2020 Enacted	2021 Enacted	2022 Request	Change 2022 Total vs 2021	
				\$	%
Discretionary Funding 1/					
Medical Services	51,061	56,555	58,897	2,342	4.1%
Medical Community Care	15,280	18,512	23,417	4,905	26.5%
Medical Support and Compliance	7,328	8,199	8,403	204	2.5%
Medical Facilities	6,142	6,583	6,735	151	2.3%
Subtotal, Medical Care Appropriations	79,811	89,850	97,452	7,602	8.5%
Medical Care Collections Fund	3,429	2,965	4,085	1,120	37.8%
Subtotal, Medical Care with MCCF	83,240	92,815	101,537	8,722	9.4%
Medical and Prosthetic Research	750	795	882	87	10.9%
Electronic Health Care Record Modernization	1,430	2,607	2,663	56	2.1%
Information Technology Systems	4,372	4,875	4,843	(32)	-0.7%
Board of Veterans' Appeals	174	196	228	32	16.3%
Veterans Benefits Administration	3,125	3,164	3,423	259	8.2%
National Cemetery Administration	329	352	394	42	11.9%
General Administration	356	354	401	47	13.4%
Construction, Major Projects	1,235	1,316	1,611	295	22.4%
Construction, Minor Projects	399	354	553	199	56.1%
Grants for State Extended Care Facilities	90	90	0	(90)	-100.0%
Grants for Construction of Veterans Cemeteries	45	45	45	0	0.0%
Office of Inspector General	210	228	239	11	4.8%
Asset & Infrastructure Review Commission	0	0	5	5	-
Loan Administration Funds	202	206	231	25	12.2%
DoD Transfers to Joint Accounts	126	152	152	0	0.0%
Choice transfer to Community Care 2020	(615)	0	0	0	-
Subtotal, Discretionary without MCCF	92,038	104,584	113,122	8,539	8.2%
Subtotal, Discretionary (with MCCF)	95,467	107,549	117,207	9,658	9.0%
Transformational Fund (TF) 2/	0	0	820	820	-
Total, Discretionary (with MCCF and TF)	95,467	107,549	118,027	10,478	9.7%
Mandatory Funding 3/					
Mandatory Funding	124,721	137,730	152,654	14,925	10.8%
Total Funding					
Total VA (Disc & Mand) without MCCF	216,759	242,313	265,777	23,463	9.7%
Total VA (Disc & Mand) with MCCF	220,188	245,279	269,862	24,583	10.0%
Total, Disc & Mand Funding (with MCCF and TF)	220,188	245,279	270,682	25,403	10.4%

1/ Discretionary Funding includes non-emergency discretionary appropriations provided in annual Appropriations Acts. Excludes CARES Act (P.L. 116-136) and Families First Coronavirus Response Act (P.L. 116-127).

2/ Estimated resources available in Recurring Expenses Transformational Fund (Transformational Fund) at the start of 2022. These resources do not score as budget authority in 2022.

3/ Mandatory Funding includes mandatory appropriations provided in annual Appropriations Acts. Excludes the American Rescue Plan Act of 2021 (P.L. 117-2) and funding requested in 2022 for the American Jobs Plan and the American Families Plan.

Transformational Fund Details

Transformational Fund Investments (\$ in millions)	2021 Enacted	2022 Request	2022 Transformational Fund	2022 Total Funding	Change 2022 vs 2021	
					\$	%
Information Technology Systems	4,875	4,843	670	5,513	638	13.1%
Construction, Minor Projects	354	553	150	703	349	98.4%
Total Transformational Fund			820			

VA plans to use \$820 million in the newly created Transformational Fund for Information Technology and Minor Construction projects. The Transformational Fund may be used for facility infrastructure improvements, including nonrecurring maintenance at existing hospitals and clinics of the Veterans Health Administration, as well as for information technology systems improvements and sustainment.

VA Staffing

The 2022 budget request supports 425,428 FTE, an increase of 19,090 from the 2021 enacted level. The majority of the increase, 17,403 FTE, is in medical care, which will allow VA to meet continued growth for VA provided health care services, particularly due to COVID-19-related deferred care returning in 2022. Health care provider growth has increased in 2021 and will continue in 2022, despite a tight labor market for health care professionals, as VA expands telehealth services and enhances suicide prevention and substance use disorder initiatives.

Full-Time Equivalent Employees (FTEs)

All funding sources	2020 Enacted	2021 Enacted	2022 Request	2021 v 2022 Change	
				#	%
Medical Care*	338,089	352,444	369,847	17,403	4.9%
DoD-VA Health Care Sharing Incentive Fund	11	11	11	0	0.0%
Joint DoD/VA Demonstration Fund	2,178	2,290	2,308	18	0.8%
Medical Research	3,418	3,454	3,585	131	3.8%
Canteen Service	2,977	3,285	3,500	215	6.5%
Subtotal Veterans Health Administration FTE	346,673	361,484	379,251	17,767	4.9%
National Cemetery Administration	2,026	2,120	2,217	97	4.6%
Information Technology	7,828	9,154	8,766	(388)	-4.2%
Electronic Health Record Modernization	114	226	337	111	49.1%
Veterans Benefits Administration**	24,758	24,743	25,303	560	2.3%
General Administration***	2,612	2,900	3,341	441	15.2%
Board of Veterans Appeals	1,157	1,194	1,356	162	13.6%
Inspector General	1,001	1,041	1,100	59	5.7%
Franchise Fund	1,821	2,341	2,481	140	6.0%
Supply Fund	981	1,135	1,276	141	12.4%
Total FTE	388,971	406,338	425,428	19,090	4.7%

*Medical Care FTEs include Section 801 Veterans Choice Act and Veterans Medical Care and Health Fund FTE. 2022 includes 160 FTE funded by the American Families Plan

**VBA FTE in the 2020 column of the Appendix differ from the table above due to a data entry error in the Budget Appendix.

***General Administration FTE in the 2022 column of the Appendix differ from the table above due to a data entry error in the Budget Appendix.

All funding sources include regular enacted and requested appropriations, CARES Act, American Rescue Plan, and funding requested in support of the American Families Plan.

Secretarial Vision

Secretary Denis McDonough's focus for this budget request is on the three core responsibilities of the Department:

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

Key Tasks

This budget request and funding already provided through the American Rescue Plan will enable the VA to fulfil the tasks given by President Biden:

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

Getting Veterans through the COVID-19 pandemic. VA's response to COVID-19 demonstrated the strength and agility of the Veterans Health Administration's (VHA) integrated health care system operating as a single enterprise, and proved the resiliency and commitment of VA staff providing benefits, burial services, and serving in a wide variety of support functions. Building on this strength, VHA has played a leading role in the national response, a role significantly enhanced by the improvements to our readiness capabilities made possible by the CARES Act funding.

CARES Act (P.L. 116-136)

VA is on track to fully execute the \$19.6 billion in funding provided in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) by Congress in March 2020, with over 75% obligated as of May 2021. These resources continue to support Veterans' COVID-19-related health care in VA medical facilities as well as in the community. The funding aided all levels of the VA COVID-19 response, from procurement of test kits and specialized equipment, to the overtime and travel costs for our staff rotating into hot zones. VHA hired thousands of clinical and administrative staff across the health care system to ensure stability and continued delivery of care. VA added over 2,500 medical/surgical and Intensive Care Unit beds. As COVID-19 incidences varied by jurisdiction, and despite global shortages of personal protective equipment (PPE), critical equipment and consumable items, VHA was able to sustain operations in locations experiencing high demand by cross-leveling staff, PPE and ventilators from areas with low levels of disease. VA's agility in adjusting to emergent pandemic conditions is further exemplified by our success

in expanding access to and use of telehealth. These capabilities proved an essential – and popular – tool to maintaining Veterans’ health during quarantine. Between February and December 2020, Clinical Video Telehealth or Video to Home telehealth visits for primary care grew nearly ten-fold.

American Rescue Plan Act (P.L. 117-2)

The American Rescue Plan Act of 2021 provided VA with \$17.1 billion in mandatory funding to sustain the VA COVID-19 response beyond the expiration of the CARES Act funding into 2022. ARP funding will also enable VA to reduce the backlog of Veteran benefit claims and appeals, improve our supply chain management capabilities, and train Veterans unemployed due to COVID-19 in high demand occupations. Details of American Rescue Plan Act results are shown in the table below.

American Rescue Plan Impacts

Section	Amount (\$ millions)	Anticipated Impact
8001 Claims and Appeals Processing	\$272	Will enable the Veterans Benefits Administration to reduce claims backlog to approximately 100,000 by September 2022, from 216,000 in January 2021. Supports Board of Veterans' Appeals goal to reach 50,000 hearings held in FY 2021, up from 38,633 in FY 2020.
8002 Medical Care and Health Needs	\$14,482	Continues to support the provision of medical care for more than 9.3 million enrolled Veterans, including a surge of expected demand as Veterans seek care that was delayed during the pandemic, and additional support for medical and prosthetic research.
8003 Supply Chain Modernization	\$100	Will enable VA to deliver medical supplies to the right place at the right time and have full visibility of supply status, including PPE. Will accelerate deployment of modern supply chain management system.
8004 State Homes Capital Needs	\$500	Will enable VA to fund all currently identified state home facility improvement requests on the FY 2021 priority list, consisting of up to 47 projects in 23 states.
8004 State Homes Operational Needs	\$250	Enabled VA to provide funding in FY 2021 to 158 State Veteran Homes for operating costs such as personal protective equipment, staff, and other needs.
8005 VA Office of Inspector General	\$10	Will enable VA to improve-program-execution and reduce waste, fraud, and abuse.
8006 Veteran Rapid Retraining Assistance Program	\$386	Will enable VA to provide training for up to 17,250 Veterans in high-demand occupations, with up to 12 months of tuition and monthly housing allowance.
8007 Copayment Prohibition and Cost Sharing	\$1,000	Will enable VA to provide financial assistance for up to 1.2 million Veterans who made copayments from April 6, 2021 through the end of FY 2021, and to provide additional funding to VA to provide health care to Veterans.
8008 VA Employee Emergency Leave Fund	\$80	Provides additional paid leave for eligible VHA employees for certain COVID-19 related causes during the period from March 11, 2021 through September 30, 2021.
Total	\$17,080	

Building lives of opportunity through education and jobs. The budget request supports the commitment to help Veterans build civilian lives of opportunity with the education and jobs worthy of their skills and talents by making key investments in Veterans Benefits Administration (VBA). This includes an increase of \$81.5 million to support the Digital GI Bill Modernization Effort to create a modernized business platform to better deliver education benefits. The VBA budget also includes an increase of \$5 million for Clean Energy Job Training in conjunction with the Department of Labor (DOL), and \$3.6 million for the VA Disability Employment Pilot Project

to assist transitioning Veterans with service-connected disabilities seeking employment opportunities.

Welcoming all Veterans. The Department is making a strong commitment to ensuring VA welcomes all Veterans, including women Veterans, Veterans of color, and LGBTQ+ Veterans, and that Diversity, Equity and Inclusion are woven into the fabric of the Department. To support that commitment, the Office of Human Resources and Administration created the new Office of Resolution Management, Diversity, and Inclusion (ORMDI) by consolidating the Office of Diversity and Inclusion (ODI) with the Office of Resolution Management (ORM). The budget for this combined office will increase by \$12.9 million and 74 FTE to strengthen VA's diversity program and prevent and resolve discrimination at the early stages and provide a robust harassment prevention program and counseling services while advancing equity for all who have been historically underserved. Additional resources will allow VA to comply with the Deborah Sampson Act, Presidential Executive Orders 13985 and 13988 and the Executive Memorandum Condemning and Combatting Racism, Xenophobia and Intolerance Against Asian Americans and Pacific Islanders in the United States.

Working to eliminate Veteran homelessness. VA remains committed to ending Veteran homelessness. VA requests \$2.2 billion for Veteran homelessness programs, an increase of 8.4% over the 2021 enacted level (base funding only). In addition, VA will obligate \$486 million in American Rescue Plan funding in 2022, for a total of \$2.6 billion dedicated to reducing homelessness in 2022. VA has made significant progress to prevent and end Veteran homelessness, in close collaboration with our Federal agency partners, leading national organizations, and State and local government agencies, and with VSOs and other nonprofit partners in communities across the country. The number of Veterans experiencing homelessness in the United States has declined by nearly half since 2010. On any given night in January 2020, an estimated 37,252 Veterans were experiencing homelessness. Since 2010, over 850,000 Veterans and their family members have been permanently housed or prevented from becoming homeless. Efforts to end Veteran homelessness have resulted in an expansion of services available to permanently house homeless Veterans and the implementation of new programs aimed at prevention, including low-threshold care/engagement strategies and monitoring homeless outcomes. VA offers a wide array of interventions designed to find Veterans experiencing homelessness, engage them in services, find pathways to permanent housing and prevent homelessness from reoccurring.

Prevent Veteran suicide. Suicide prevention is a VA top clinical priority, founded on a comprehensive public health approach to reach all Veterans. The budget includes \$598 million, an increase of \$287 million (+92%) above the 2021 enacted level, for suicide prevention outreach and related activities, including funding to increase the capacity of the Veterans Crisis Line. Funding for mental health in total grows to \$13.5 billion in 2022, up from \$12.0 billion in 2021.

The budget also fully funds the Commander John Scott Hannon Veterans Mental Health Care Improvement Act of 2019 (P.L. 116-171) which authorized the new Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program to reduce Veteran suicide through a community-based grant program that provides or coordinates suicide prevention services. Additionally, the 2022 budget funds the projected costs of the provision of emergent suicide care authorized by the Veterans Comprehensive Prevention, Access to Care, and Treatment Act of 2020 (P.L. 116-214).

Helping Families through the American Families Plan. To strengthen VA's support to Veteran families, the 2022 budget requests \$260 million in mandatory funding as part of the American Families Plan. With a growing population of women Veterans and younger Veterans, VA is committed to providing additional support to Veterans who are parents in order to offer a holistic, family-friendly approach to care. The proposal would place a Family Coordinator at each VA medical center, an expert in resources for children and families who would provide additional referrals, supports, and connections for Veteran parents.

Supporting Caregivers. Funding dedicated to the Caregiver program grows from \$1.0 billion in 2021 to \$1.4 billion in 2022 (all funding sources), an increase of \$350 million (+34.9%), which supports the growth in Veterans eligible to participate in the Program of Comprehensive Assistance for Family Caregivers (PCAFC), as provided by the VA Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act. PCAFC expansion rolls out in two phases. The first phase, which began on October 1, 2020, includes eligible Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975. Effective October 1, 2022, the second phase will include eligible Veterans who incurred or aggravated a serious injury in the line of duty between May 7, 1975, and September 11, 2001. VA has increased the number of staff dedicated to the caregiver program to support 1,900 field-based staff. Funds will also providing training and education to the field-based staff dedicated to the Caregiver program.

Key Challenges

This budget also begins to address a number of other longstanding issues that are essential to the Department's ability to sustainably and effectively execute its mission, including:

Establishing the Right Balance of VA and Community Care. Providing Veterans with timely access to high quality health care is essential. While it is clear that community care will continue to be a key part of how VA cares for Veterans, VA remains committed to strengthening the VA health care system, expanding access and pushing the boundaries of what is possible in serving our Nation's Veterans. VA will continue to use a combination of care at VA facilities and in the community to meet the needs of Veterans. Each Veteran is unique, and VA will work to achieve the right balance between care provided to them in the community and care provided through VA. This balance ensures each Veteran has timely access to the highest quality health care, regardless of where they live.

Improving Support for Women Veterans. To support the growing number of women Veterans, VA is projecting an increase in obligations from all funding sources for gender specific care from \$630 million in 2021 to \$706 million in 2022, an increase of \$76 million (+12.0%) and for all care to increase by \$601 million (+7.7%) from \$7.8 billion in 2021 to \$8.4 billion in 2022. The number of women Veterans enrolling in VA health care continues to increase, placing new demands on VA's health care system. Women make up 16.5% of today's Active Duty military forces and 19% of National Guard and Reserves. Based on this trend, the expected number of women Veterans

using VA health care will rise rapidly. More women are choosing VA for their health care than ever before, with women accounting for over 30% of the increase in Veterans enrolled over the past 5 years. The number of women Veterans using VA health care services has more than tripled since 2001, growing from 159,810 to more than 580,000 in 2021. To address the needs of the growing number of women Veterans who are eligible for VA health care, VA is strategically enhancing services and access for women Veterans by hiring women's health personnel nationally—primary care providers, gynecologists, mental health care providers and care coordinators. Funds also are available for innovative programs such as pelvic floor physical therapy or lactation support. These efforts will be sustained by the 2022 request.

Addressing an Aging Infrastructure through the American Jobs Plan. The President requests \$18 billion in mandatory funding in the American Jobs Plan to modernize VA health care facilities. We look forward to working with Congress to achieve our shared goal of addressing VA's aging infrastructure.

VA operates the largest integrated health care, member benefits and cemetery system in the Nation, with more than 1,700 hospitals, clinics, and other health care facilities. The VA infrastructure portfolio consists of approximately 184 million owned and leased square feet—one of the largest in the Federal Government. The average age of U.S. private sector hospitals is 11 years; however, the median age of hospitals in VA's portfolio is 58 years, with 69% of VA hospitals over the age of 50. With aging infrastructure comes operational disruption, risk, and cost. VA estimates that between \$49 and \$59 billion in short and medium term investments will be needed to maintain our infrastructure using our annual Strategic Capital Investment Planning process. However, any effort to fully address the aging infrastructure portfolio needs would likely far exceed those estimates and occur over a significant timeline.

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

The experience of responding to the COVID-19 pandemic brought critical lessons. Uncertainty regarding the timing and location of the next surge or surges in cases across the country underscored the importance of portable capabilities (e.g., 24-bed Intensive Care Unit that can be transported) for VA health care's Fourth Mission role in future public health emergencies. We must be cognizant of the ongoing VHA market assessments and subsequent Asset Infrastructure Review (AIR) Commission work, which will shape VA's future health care delivery network.

Transforming VA health care to achieve a safer, sustainable, greener, person-centered national health care model requires VA to leverage innovations in medical technology and clinical procedures. As technology-enabled trends in U.S. medicine bring health care closer to individuals and communities, there is less demand for prodigious, sprawling campuses and more demand for

emphasis on ambulatory facilities and virtual care. Many surgical, medical, and diagnostic procedures that once required a hospital stay now are performed safely in the outpatient setting, and telehealth and tele-service delivery bring expertise to a patient's own home.

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

Leveraging Technology

VA is undergoing one of the most comprehensive information technology (IT) infrastructure modernizations in the Federal government, which will support seamless transition of health care information throughout an individual's journey from military service to Veteran status. The request includes \$4.8 billion in appropriations, supplemented by an additional \$670 million from the Transformational Fund, to pilot application transformation efforts, support cloud modernization, deliver efficient IT services and enhance customer service experience. The budget also includes funds for VA's three primary transformative projects.

Electronic Health Record Modernization (EHRM). This new electronic health record (EHR), supported by a request of \$2.7 billion in 2022, will allow VA to move toward a single common health record that has full integration with the Department of Defense (DoD) and VA, as well as community providers. From the Veteran perspective, the new system will provide a single, accurate, lifetime health record while improving patient care and safety.

Defense Medical Logistics Standard Support (DMLSS). In 2022, VA plans to invest \$299 million (all funds, from OIT and VHA), an increase of \$103 million (+52.5%) from 2021, to continue the effort to replace its 50-year old legacy inventory management system and standalone systems with the same system used by DoD.

Financial Management Business Transformation (FMBT). VA will invest \$357 million in 2022 (from all funding sources, including Office of Management (OM), OIT, supply fund and franchise fund) to continue implementation of FMBT, which will increase the transparency, accuracy, timeliness and reliability of financial and acquisition activities across the Department.

Legislative Proposals

Legislative proposals related to discretionary spending are described in detail in volume I of the 2022 Budget Submission. To focus attention on the American Jobs Plan and the American Families Plan, there are no additional mandatory legislative proposals included in this request.

Veterans Health Administration

Medical Care

Appropriations and Collections

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request	2023 Request
Medical Services	51,061,165	56,555,483	58,897,219	70,323,116
Medical Community Care	15,279,799	18,511,979	23,417,244	24,156,659
Medical Support & Compliance	7,327,956	8,199,191	8,403,117	9,673,409
Medical Facilities	6,141,880	6,583,265	6,734,680	7,133,816
Subtotal Medical Care Appropriations	79,810,800	89,849,918	97,452,260	111,287,000
Medical Care Collections Fund (MCCF)	3,429,116	2,965,446	4,084,952	4,165,167
Total Medical Care with MCCF	83,239,916	92,815,364	101,537,212	115,452,167

Includes rescission of prior year balances in 2020 and 2021

Includes only non-emergency discretionary appropriations provided in annual Appropriations Acts

FTE

All Funding Sources	2020 Enacted	2021 Enacted	2022 Request	2023 Request
Medical Services	256,897	269,096	284,957	284,797
Medical Community Care	0	0	0	0
Medical Support & Compliance	55,548	57,201	58,236	58,236
Medical Facilities	25,644	26,147	26,654	26,654
Total Medical Care FTE	338,089	352,444	369,847	369,687

Medical Care FTEs include Section 801 Veterans Choice Act FTE. Includes American Rescue Plan funded FTEs

2022 includes 160 FTE funded by the American Families Plan

The 2022 request will ensure the Nation's Veterans receive high-quality health care and timely access to benefits and services. The 2022 Revised Request (RR) reflects total discretionary appropriations of \$97.5 billion for VHA Medical Care. This includes a \$3.3 billion annual appropriation request above the 2022 enacted advance appropriations.

Medical Care is composed of four appropriations:

- **Medical Services:** Discretionary appropriation will remain at the 2022 advance appropriation of \$58.9 billion, which, when combined with \$9.6 billion of unobligated balances from funding provided in the American Rescue Plan Act and all other resources, funds clinical staff salaries, pharmacy, prosthetics, beneficiary travel and medical equipment.
- **Medical Community Care:** Discretionary appropriation of \$23.4 billion in 2022 (RR), an increase of \$3.3 billion above the 2022 AA, which when combined with \$2.0 billion of unobligated balances from funding provided in the American Rescue Plan Act and all other resources, funds non-VA provided medical claims and grants for state home nursing, domiciliary and adult day care services.

- **Medical Support & Compliance:** Discretionary appropriation will remain at the 2022 advance appropriation of \$8.4 billion, which when combined with \$978 million of unobligated balances from funding provided in the American Rescue Plan Act and all other resources, funds community care claim processing, medical facility administrators, and police officers.
- **Medical Facilities:** Discretionary appropriation will remain at the 2022 advance appropriation of \$6.7 billion, which when combined with \$2.6 billion of unobligated balances from funding provided in the American Rescue Plan Act and all other resources, funds facility maintenance, leasing, and energy.

The request also includes \$4.1 billion in estimated medical care collections in 2022 for a combined discretionary resource amount of approximately \$101.5 billion.

The 2022 request supports improved patient access to and timeliness of medical care services for approximately 9.2 million enrolled Veterans. The request fully supports the provision of health care that VA projects has been deferred during the COVID-19 pandemic, in addition to providing for health care services at the pre-pandemic levels. The 2022 budget ensures that all Veterans, including women Veterans, Veterans of color, and LGBTQ+ Veterans, receive the care they have earned and prioritizes addressing Veteran homelessness, suicide prevention, and caregiver support. The 2022 request further supports the Department's effort to address substance use disorders including a new \$156 million initiative to expand peer support specialists, increase access to evidence-based residential and ambulatory detox programs, and collaborate with the Homeless Program Office to engage at-risk Veterans in the community. The 2022 budget also provides \$621 million for VA's Opioid Prevention and Treatment programs, including programs in support of the Jason Simcakoski Memorial and Promise Act, referred to as "Jason's Law."

Change from 2022 Advance Appropriation (AA) to 2022 Revised Request (RR)

VA is requesting an additional \$3.3 billion over the 2022 enacted Advance Appropriation amount.

(\$ in millions)	2022 Advance Approp. (AA)	2022 Revised Request (RR)	+/- 2021 AA 2021 RR 2022 Second Bite	2023 Advance Approp. (AA)	+/- 2022 AA 2021 RR
Medical Services	58,897	58,897	0	70,323	11,426
Medical Community Care	20,148	23,417	3,269	24,157	739
Medical Support & Compliance	8,403	8,403	0	9,673	1,270
Medical Facilities	6,735	6,735	0	7,134	399
Subtotal, Appropriation	94,183	97,452	3,269	111,287	13,835

The requested increase for Medical Community Care of \$3.3 billion above the enacted AA level supports updated community care projections based on revised actuarial trends that incorporate the most recent data.

Modeling Health Care Needs

VA uses three actuarial models to support formulation of most of the VA health care budget, to conduct strategic and capital planning, and to assess the impact of potential policy changes in a dynamic health care environment. The three actuarial models are the VA Enrollee Health Care Projection Model (EHCPM), the Civilian Health and Medical Program Veterans Affairs (CHAMPVA) Model, and the Program of Comprehensive Assistance for Family Caregivers (PCAFC) Stipend Projection Model.

Activities and programs that are not projected by these models are called “non-modeled” and change annually. In general, they include non-recurring maintenance (NRM), state-based long-term services and supports programs (LTSS), readjustment counseling, recently enacted programs, non-CHAMPVA dependent programs (spina bifida, foreign medical program, children of women Vietnam Veterans), and new initiatives.

VA’s EHCPM is an actuarial model that supports the formulation of over 90% of VA’s Medical Care request and has been extensively validated. The EHCPM projects enrollment, utilization, and expenditures in more 140 categories of health care services for 20 years into the future.

In projecting future Veteran demand for VA health care, the EHCPM accounts for the unique characteristics of the Veteran population and the VA health care system, as well as environmental factors that impact Veteran enrollment and use of VA health care services.

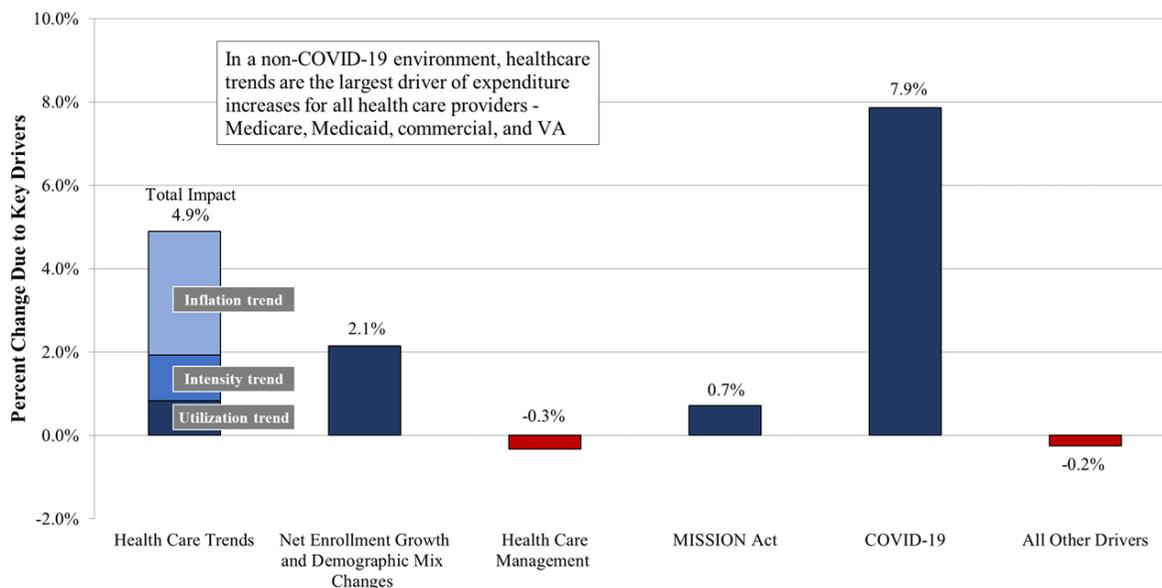
- Historically, growth in expenditure requirements to provide care to enrolled Veterans has been primarily driven by health care trends, the most significant of which is medical inflation. Health care trends are key drivers of annual cost increases for all health care providers – Medicare, Medicaid, commercial providers, and the VA health care system.

Health care trends increase VA’s cost of care independent of any growth in enrollment or demographic mix changes. Enrollment dynamics contribute to a portion of the expenditure growth; however, their impact varies significantly by the type of health care service. An assumption that VA’s level of management in providing health care will improve over time reduces the cost of providing care to enrollees.

- The COVID-19 pandemic had a significant impact on VA health care in 2020 and is expected to impact the amount of care provided for the next few years. During the pandemic, nationwide health care utilization saw a reduced amount of care provided in 2020 and 2021 as individuals chose to defer certain care. It is anticipated that there will be a resulting surge in care in late 2021 continuing through 2022 to fulfill previously deferred services. Additionally, the stay-at-home orders and social distancing mandates have had an impact on the U.S. economy, which is expected to increase reliance on VA for health care.
- The MISSION Act policies continue to drive increases in demand for services available in both VA facilities and the community. However, the modeled year-over-year change due to MISSION is a smaller impact than previous years because a significant portion of the impact due to the law is now incorporated into the baseline.

Figure A quantifies the key drivers of the projected increase in the modeled requirements from 2021 to 2022.

Figure A: Key Drivers of Projected Model Requirements, FY 2021 – FY 2022



- MISSION impacts include provisions for geographic access, urgent care, emergency room pre-authorization, 14-day community care urgent prescription fills, and wait times. Impacts for the MISSION standards for timeliness or quality and organ and bone marrow transplant policies are provided as national estimates and have not been incorporated in the 2020 EHCPM.
 - The projections do not include requirements for several activities / programs that are not projected by the VA EHCPM, including administration cost for the Community Care Network contract, non-recurring maintenance, readjustment counseling, state-based long term services and supports programs, and some components of the Homeless program.

Veteran Patient Workload

VA administers its comprehensive medical benefits package through a patient enrollment system. The enrollment system is based on priority groups to ensure health care benefits are readily available to all enrolled Veterans. When these enrollees become patients receiving VA-provided care, VA's goal is to ensure they receive the finest quality health care, regardless of the treatment program or the location. Enrollment in the VA health care system provides Veterans with the assurance that comprehensive health care services will be available when and where they are needed.

The budget expands health care services for our nation's Veterans while enhancing VA's integrated system of care, strengthening services within VA and improving VA and Veterans' relationships with community providers consistent with the MISSION Act. The 2022 request supports the treatment of 7.1 million patients, a 1.3% increase above 2021, and 119 million outpatient visits, an increase of 3.7% above 2021.

	2020 Enacted	2021 Enacted	2022 Request	2023 Request
Number of Patients	6,975,831	7,037,578	7,129,733	7,198,737
Number of Veterans Enrolled in VA Health Care	9,190,143	9,210,599	9,216,025	9,211,981
Number of Inpatient -Treated	955,611	1,049,167	1,029,850	1,023,791
Number of Outpatient Visits	113,878,000	114,721,000	118,990,000	119,840,000

Medical Care Facilities

VHA operates approximately 5,625 owned buildings on 16,373 acres of land, and 1,690 leases, encompassing 20.1 million square feet of space in its portfolio. The 2022 request supports the operation and maintenance of these VA hospitals, CBOCs, community living centers, domiciliary facilities, and Vet Centers, and the health care corporate offices.

	2020 Enacted	2021 Enacted	2022 Request	2023 Request
VA Hospitals	146	146	146	146
Community Living Centers	134	134	134	134
Mental Health Residential Rehabilitation Treatment Programs (MH RRTP)	115	118	120	124
VA Medical Center-Based Outpatient Care	172	172	172	172
Health Care Centers	13	13	13	13
Community-Based Outpatient Clinics	775	772	783	783
Other Outpatient Service Sites	321	321	321	321
Dialysis Centers	73	72	72	72
Community Resources and Referral Centers	32	32	32	32
Vet Centers	300	300	300	300

Medical Care Areas of Focus

The following table provides obligations in key areas of VA care. Summary explanatory descriptions of these major programs are also provided.

Veteran Medical Care: Key Focus Areas Obligations, Combined Discretionary and Mandatory

(\$s in millions)	2020 Enacted	2021 Enacted	2022 Request	2023 Request
Mental Health	\$10,286	\$11,999	\$13,541	\$14,266
<i>Suicide Prevention/Outreach Programs (non-add)</i>	\$241	\$311	\$598	\$603
Homeless Programs	\$2,499	\$2,305	\$2,640	\$2,197
Connected Care Program	\$177	\$428	\$450	\$330
Caregiver Support Program	\$404	\$1,003	\$1,353	\$1,750
Women Veterans (Gender-Specific Care)	\$565	\$630	\$706	\$772
Opioid Prevention, Treatment and Program Costs	\$390	\$473	\$621	\$635
Rural Health Initiative	\$299	\$300	\$307	\$315
Precision Oncology	\$0	\$71	\$100	\$100

Mental Health

VA plans to obligate more than \$13.5 billion (from all funding sources) for Veterans’ mental health services in 2022, an increase of \$1.5 billion (+13%) above 2021. This request includes \$598 million for suicide prevention programs, an increase of \$287 million (+92%) above 2021. Mental health care comprises of an unparalleled system of comprehensive treatments and services to meet the needs of each Veteran and the family members involved in the Veteran’s care. Veteran demand for VHA mental health care continues to grow, with approximately 1.72 million Veterans (29% of all VHA users) receiving mental health services in a VHA specialty mental health setting in 2020. VA provides a comprehensive continuum of outpatient, residential, and inpatient mental health services for the full range of mental health conditions. Programs provide proactive screening for symptoms of depression, Posttraumatic Stress Disorder (PTSD), problematic use of alcohol, experiences of military sexual trauma (MST), and suicide risk. VHA mental health care rests on the principle that it is an essential component of overall

Mental Health Highlights

Appointments: Between 2016 and 2020, same-day warm hand-offs between the Primary Care Provider and a Primary Care – Mental Health Integration (PC-MHI) provider increased from about 33% to about 55% of PC-MHI appointments which helps ensure veterans are actively supported during the provision of their care and closely managed while being connected with the appropriate VA provider.

COVID-19 Telehealth Response: In 2020, nearly 550,000 Veterans received telemental health services during more than 2.4 million sessions. In contrast in 2019, more than 230,000 Veterans received telemental health during more than 786,000 sessions.

health care, which consists of a continuum of services to include self-help resources, telephone crisis intervention services, outpatient care, residential care (known as Mental Health Residential Rehabilitation Treatment Programs), and acute inpatient care. VA employs a mental health workforce of more than 20,000 psychiatrists, psychologists, social workers, nurses, counselors, therapists and peer specialists.

Suicide Prevention

VA intends to obligate \$598 million (from all funding sources) for suicide prevention programs in 2022. This represents a \$287 million (+92%) increase above 2021. VA's Suicide Prevention Program is based on a public health approach that focuses efforts on utilizing universal, selective, and indicated strategies coupled with access to high quality mental health services and supplemented by programs that address the risks for suicide, all with the goal of intervening before a Veteran reaches a point of crisis. Suicide prevention contains the Veteran Crisis Line, Suicide Coordinators, and the cost of other national efforts to improve awareness of the risk of suicide and improve the care to those Veterans.

A major focus of this request is expanding the Veterans Crisis Line (VCL), which since its launch in 2007, has answered more than 3.5 million calls and initiated the dispatch of emergency services to callers in imminent crisis nearly 100,000 times. Since launching chat in 2009 and text services in 2011, the VCL has answered nearly more than 511,000 and nearly 150,000 requests for chat and text services respectively. Overall, demand for chat and text services have increased by over 59% in the last year. The request also supports an increase in media outreach.

Homeless Programs

VA will devote approximately \$2.6 billion (from all funding sources) for homeless programs in 2022, \$335 million (+14.5%) above 2021. 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 VSOs and other nonprofit partners in communities across the country. Program goals include assisting homeless Veterans and their families in obtaining and maintaining housing stability while promoting maximum recovery and independence in the community.

The 2022 request includes case management funding for the U.S. Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH) program. HUD-VASH is a collaborative program between VA and HUD that provides eligible homeless Veterans a Housing Choice Voucher (HCV) from HUD paired with case management and supportive services from VA. These services are targeted to assist HUD-VASH Veterans in obtaining and sustaining housing stability while recovering from physical and mental health problems, substance use disorders, and functional concerns contributing to or resulting from homelessness.

HUD-VASH targets Veterans with the greatest needs first, ensuring that the most vulnerable Veterans are moved into housing as quickly as possible. HUD awards HUD-VASH vouchers

based on geographic need to public housing authorities (PHAs) who self-identify to HUD their interest in receiving an allocation. HUD announced its 2020 allocation of 4,875 new vouchers in December 2020 and anticipates an additional voucher award of up to 5,000 vouchers will be made prior to the end of 2021. In 2022, VA will maximize the use of existing and additional vouchers, evaluate options for targeting HUD-VASH vouchers to additional populations, and promote strategies to increase the stock of affordable housing.

In 2020, Supportive Services for Low Income Veterans and Families (SSVF), in partnership with HUD and United States Interagency Council on Homelessness (USICH), implemented the Rapid Resolution Initiative. This Initiative reunifies imminently at-risk or homeless Veterans with family or friends as an alternative to entering the homeless system. This initiative seeks to reduce overall demand for traditional affordable housing resources while simultaneously reducing trauma for Veterans and their families who would otherwise become or remain homeless. In 2020, SSVF assisted 112,070 individuals of which 77,590 were Veterans and 19,919 were dependent children.

VA has made significant progress to prevent and end Veteran homelessness. The number of Veterans experiencing homelessness in the United States has declined by nearly half since 2010. On any given night in January 2020, an estimated 37,252 Veterans were experiencing homelessness. Since 2010, over 850,000 Veterans and their family members have been permanently housed or prevented from becoming homeless. Efforts to end Veteran homelessness have resulted in an expansion of services available to permanently house homeless Veterans and the implementation of new programs aimed at prevention, including low-threshold care/engagement strategies and monitoring homeless outcomes. As of March 10, 2021, there were 84 areas (81 communities and 3 states: Delaware, Connecticut and Virginia) that have publicly announced an effective end to Veteran homelessness.

Telehealth Program

The 2022 budget includes \$2.6 billion (from all funding sources) for the total Telehealth program, for telehealth treatment and the connected care program, an increase of \$85 million (+3%) above the 2021 level. VA is continuing to expand this program because of its ability to leverage our VA providers, provide better services to our Veterans, and help address challenges to the delivery of care in rural communities.

In 2020, more than 1.63 million Veterans received telehealth services. This represents 27% of all Veterans who received VA care that year. The use of telehealth services in 2020 increased more than 79.8% over 2019, in large part due to the impacts of COVID-19. Telehealth services are available at 900 VA sites of care and include more than fifty specialties such as mental health care, primary care, and rehabilitation services. This dramatic expansion of telehealth services was supported by \$128 million in CARES Act funding.

Telehealth services are increasing the capacity of the health care system to serve Veterans. There were 21,674 providers in Primary Care, Mental Health, and other ambulatory care areas that had provided at least one visit to an offsite location by the end of February 2020. At the end of September 2020, 35,947 providers had completed at least one offsite visit. COVID-19 illustrated

telemedicine's value in enhancing health care safety and accessibility and accelerated the transformation of American healthcare.

Caregiver Support Program

The 2022 Budget estimates the Caregiver Support Program (CSP) will use approximately \$1.4 billion (from all funding sources), a \$350 million (+35%) increase over the 2021 level, to support the ongoing Program of Comprehensive Assistance for Family Caregivers (PCAFC) program expansion to the inclusion of Veterans of all eras. Through this program, 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 is available to respond to inquiries about caregiver services, as well as serve as a resource and referral center for caregivers.

The PCAFC program provides resources, education, support, a financial stipend, and in some cases health insurance and beneficiary travel, to caregivers of eligible Veterans. As a result of the MISSION Act, the PCAFC program expanded on October 1, 2020 to eligible Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975. Starting on October 1, 2022, eligible Veterans who incurred or aggravated a serious injury in the line of duty between May 7, 1975, and September 11, 2001 will also be able to enroll. The number of participants in the PCAFC is expected to grow from 21,113 in 2020, to 43,328 in 2021, and to 51,645 in 2022. The number of CSP staff has increased to over 1,740 staff as of May 2021, which is over 90% of the Department's goal of 1,900 CSP staff system wide.

Women Veterans

The budget provides \$706 million (from all funding sources) for gender-specific women Veterans' health care, an increase of \$76 million (+12%) above 2021. Women are now the fastest growing cohort within the Veteran community. The percent of women Veterans is projected to increase to about 16% of the total Veteran population in 2040 from 6% in 2000. The overall Veteran population is decreasing at a rate of about 1.5% per year, while the women Veteran population is increasing at a rate of 1% per year. The number of women Veterans using VHA services has increased from 423,642 in 2014 to 560,737 in 2020. This increase may reflect, in part, successful efforts to enroll women Veterans in VHA at military discharge, through the Women's Health Transition Training Program, as well as increasing awareness of and availability of specific services for women throughout VHA. This rapid demographic shift highlights the need to ensure ample capacity for clinical services for women in their childbearing years, including reproductive health services.

To address the growing number of women Veterans who are eligible for health care, VA is continuing to strategically enhance services and access for women Veterans. The request supports \$105 million for the program office and initiative budget for women Veterans' health care, an increase of \$94 million since 2020. Key initiatives include The Women's Health Innovation and Staffing Enhancement (WHISE) Initiative and full-time Women's Peer Specialists (WMH PS). The WHISE Initiative provides funds to the VA medical centers to enhance women's health

programs through hiring of new staff and purchasing equipment specific for women's health care. As a pilot project being implemented in 2021–2022, a full-time WMH PS will be designated within each Veterans Integrated Services Network (VISN). These key staff members will specialize in providing gender-specific peer support services to women Veterans who are using local VHA mental health services. As part of their work, the WMH PS will pilot the Women Veterans Network (WoVeN), a VHA adapted specific peer support group intervention for women Veterans which can be delivered both in-person and via telehealth.

VA has enhanced provision of care to women Veterans by focusing on the goal of developing designated Women's Health Primary Care Providers (WH-PCP) at every site where women access VA. To ensure we meet the needs for the increasing number of women Veterans, the VHA is rapidly increasing access to trained, designated Women's Health Providers through large scale educational initiatives and has trained over 4,800 primary care providers since 2008. Educational efforts include hosting national mini-residency programs at training conferences each year, local mini-residency programs, and the training at rural sites. VA has at least two WH-PCPs at all of VA's health care systems and 90% of CBOCs have a WH-PCP in place. VA is in the process of training additional providers to ensure that every woman Veteran has the opportunity to receive her primary care from a WH-PCP.

Opioid Prevention and Treatment Program

The VA plan for Opioid Prevention and Treatment program is \$621 million (from all funding sources) in 2022, \$149 million (+31%) above 2021. VA continues to pursue a comprehensive strategy to promote safe prescribing of opioids when indicated for effective pain management and to directly address treatment of opioid use disorder and prevention of opioid overdose. The Pain Management Program in Specialty Care Services expanded through the enactment of P.L. 114-198, title XI, the Jason Simcakoski Memorial and Promise Act, to form the Pain Management, Opioid Safety Program (PMOP) office. The increased funding in 2022 will help to staff the PMOP office and allow for more targeted funding of pain management and opioid safety programs primarily at the facility level with national support to ensure successful implementation. In addition, funding will be used to support continued growth and replenishment of VA's Opioid Overdose Education and Naloxone Distribution, which provides naloxone and education to VA patients at-risk for opioid overdose.

Rural Health

The budget supports \$307 million (from all funding sources) for rural health projects, an increase of \$7 million (+3%) above 2021. 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 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, who make up approximately 33% of all Veteran enrollees. During 2020, ORH funded more than 50 rural initiatives that provided

care at VHA sites of care in all 50 states. ORH programs filled gaps in care, used technology to bring care closer to the Veteran, and delivered care directly into rural Veterans' homes.

ORH funded Tele-Critical Care (formerly TeleICU) reached 15 sites in 2020, providing inpatient care to 5,000 Veterans over more than 5,000 encounters. In 2021, this program will be expanding, and ORH will continue to fund sustainment and expansion in the rural space into 2022 and beyond. The Rural Patient Tablet Program provides computer tablets to rural Veterans for delivery of telehealth care into their homes via secure internet connection. As of October 2020, over 54,000 patients have received tablets in fiscal year 2020 generating over 90,000 encounters. Six months after receiving a tablet, there was an increase in Veterans reporting more convenient care (from 67% to 80%), 28% fewer Veterans missed appointments or were no shows in mental health, and an increase in VA's mental health continuity of care measure (from 31.6% to 40.2%).

Precision Oncology

The 2022 request includes \$100 million, \$29 million (+41%) above 2021, to support VHA's precision oncology initiative, which aims to improve the lives of Veterans with cancer by ensuring that no matter where they live, they have access to cutting-edge cancer therapy using Precision Medicine, Telehealth, and a Learning Healthcare system that integrates research with clinical care. Precision oncology is an evolution from one-size-fits-all cancer care. Veterans can see increased treatment success and decreased side-effects when the treatment is based upon characteristics of the patient and the cancer.

Veterans Health Administration Medical and Prosthetic Research

Appropriation and Other Resources

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
Medical and Prosthetic Research Appropriation	750,000	795,000	882,000
American Rescue Plan (PL 117-2, section 8002)	0	9,000	0
Medical Care Support	647,700	668,950	749,700
Federal and Non-Federal Sources	523,460	540,000	540,000
Reimbursements	28,279	81,000	61,000
Total, Budget Authority	1,949,439	2,093,950	2,232,700

Appropriations are net of a rescission of \$50 million for 2020 (P.L. 116-94) and \$20 million for 2021 (P.L. 116-260)

VA will use \$9 million from American Rescue Plan (section 8002) for Research, executed from the Veterans Medical Care and Health Fund.

Final 2022 funding allocations among categories may change based on 2021 actuals and in response to workload demand requirements throughout 2022.

FTE

All funding sources	2020 Enacted	2021 Enacted	2022 Request
Total FTE	3,418	3,454	3,585

Includes direct and reimbursable FTEs and positions funded by American Rescue Plan

The 2022 request for the Medical and Prosthetic Research appropriation is \$882 million, an increase of \$87 million, or 11%, from the 2021 enacted level (base only, excluding mandatory funding). This is the largest year-over-year increase in recent history for medical and prosthetic research. This historic investment will advance the Department’s research mission, including critical studies to understand the impact of traumatic brain injury (TBI) and toxic exposure on long-term health outcomes. The Office of Research and Development (ORD) will also continue to prioritize research focused on the needs of disabled veterans including precision oncology, prosthetics, mental health, and suicide prevention as well as other disease areas.

The funding request supports VA in fulfilling one of its key missions, research and development, and will sustain investments in several critical areas of research important to the Veteran community and their needs. This funding request will enable ORD to fund approximately 2,563 total projects, support more than 1,700 investigators with direct ORD funds, and partner with more than 200 medical schools and other academic institutions in 2022.

VA’s research program is also supported by private and federal grants from other agencies awarded directly to VA investigators. This funding is not managed centrally by ORD, but on a local level at individual VA medical centers (VAMCs). In 2022, grants from other federal organizations, such as the National Institutes of Health (NIH), DoD, and the Centers for Disease Control and Prevention (CDC), are estimated at \$370 million. Funding from other non-federal sources in 2022 is estimated at \$170 million, with a total estimated amount of \$540 million.

Funding Distribution

VA Research supports its priorities through the funding distribution shown in the table below.

Program (\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request	Change, 2021 - 2022
Research Administration (820)	93,705	137,477	148,778	11,302
Biomedical Laboratory R&D (821)	210,085	185,124	200,342	15,219
Rehabilitation R&D (822)	108,636	104,656	113,259	8,604
Health Services R&D (824)	116,239	113,598	122,936	9,339
Cooperative Studies Program (825)	92,983	104,077	112,633	8,556
Clinical Science R&D (829)	76,424	82,732	89,534	6,801
Million Veteran Program (826)	101,929	87,337	94,517	7,180
Discretionary Appropriation Total¹	800,000	815,000	882,000	67,000
Mandatory, American Rescue Plan²	0	9,000	0	(9,000)
Total Resources	800,000	824,000	882,000	58,000

1. Total amounts reflect the total annual appropriation allocated to the programs during the year of enactment. Rescissions are executed from prior year funding.

2. VA will use \$9 million from American Rescue Plan (section 8002) for Research, executed from the Veterans Medical Care and Health Fund. Final 2022 funding allocations among categories may change based on 2021 actuals and in response to workload demand requirements throughout 2022.

New Initiatives for 2022

VA will build on its robust investments to best serve Veterans now and into the future. It is imperative for VA Research to be responsive to the emerging and pressing clinical needs of Veterans and remain on the cutting edge of technology. VA Research will increase funding to advance the Department's understanding of the impact of traumatic brain injury (TBI) and toxic exposure(s) on long-term health outcomes, coronavirus related research and impacts, and precision oncology. New initiatives are highlighted below, with increased funding (in addition to current program funding):

Traumatic Brain Injury (+\$20 million)

TBI is a signature injury of Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn (OEF/OIF/OND). TBI can lead to lifelong disabilities that can vary with TBI severity, number of blast exposures, and characteristics of explosion. Due to the nature of combat and previously unknown injuries that may have occurred from training, TBIs are frequently not recognized at the time of injury. This culminates in TBI diagnosis occurring in VA medical facilities sometime years after the most recent TBI, which has been termed "remote" TBI. This delay in diagnosis and associated care can magnify neurobehavioral conditions that negatively impact Veterans' quality of life.

Toxic Exposure/Military Exposures Research (+\$7 million)

ORD will invest in better understanding the impact of toxic exposures (including burn pits) on long-term health outcomes and continue to drive research focused on the needs of disabled

veterans. Some of the investment include Increase Military Toxic Exposures Research, Launch Military Exposure Research Program, and building further capacity in the research area.

Coronavirus Related Research and Impacts (+\$25 million)

The COVID-19 pandemic has led to an unprecedented set of research actions and requirements for the nation. Research is the only way effective prevention and treatment approaches will be established for COVID-19. VA has a unique ability to contribute to these efforts given its expertise, infrastructure, and organization. VA research covers a spectrum of activities that will require an investment into the underlying infrastructure to maximize the impact VA can have in the battle against COVID-19 and future emerging infectious diseases.

Software-as-a-Service and Cloud Computing (+\$10 million)

As the largest integrated health care system in the country, VA's EHR, genetics, and imaging data put it in a unique position to drive scientific discovery and personalize Veteran care.

Data Security/Counterintelligence (+\$2 million)

ORD will receive reimbursable FTE support from the VA Defensive Counterintelligence (CI) Program in 2022. The mission of the CI program is to conduct defensive CI activities to detect, deter, and neutralize espionage, sabotage, or other intelligence activities conducted for or on behalf of foreign powers, organizations or persons, and international terrorist activities.

Precision Oncology (+\$5 million)

In 2022, ORD will continue to invest in Precision Oncology. Efforts will build off previous support to facilitate a partnership between NIH's National Cancer Institute and VA. Additionally, a more robust cancer knowledge base that integrates genetic and clinical data is needed to identify better treatments, guide care decisions, and identify opportunities for further investigation. The usefulness of any knowledge base depends on the data, mechanisms for sharing them, and the ability to translate findings into care. Fully realizing the promise of genomic-driven cancer care will require adequate resources and innovative partnerships that increase the sharing of data and knowledge, so advances can be realized more quickly to benefit both Veterans and the general patient population.

Sustaining VA/Department of Energy (DOE) Collaboration (+\$2 million)

VA and the DOE are partnering to combine health and genomic data from the Million Veterans Program (MVP) with DOE's expertise in artificial intelligence (AI) and machine learning. Through an inter-agency agreement, a secure personal health information (PHI) computing enclave has been established at the Oak Ridge National Laboratory, and copies of the VA Corporate Data Warehouse (CDW) data and MVP data have been moved. Three joint exemplar projects were initiated in 2019 on using AI to predict risk for death by suicide, and to better understand metastatic prostate cancer and cardiovascular disease in Veterans.

Electronic Health Record Modernization

Appropriations

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
EHR Contract	1,003,500	1,191,000	1,425,498
Infrastructure Support	327,900	1,181,000	951,797
Program Management	168,600	255,000	285,705
Total Appropriated	1,500,000	2,627,000	2,663,000
Rescission of prior year funding	(70,000)	(20,000)	0
Total, Budget Authority	1,430,000	2,607,000	2,663,000

FTE

	2020 Enacted	2021 Enacted	2022 Request
Total FTE	114	226	337

In 2022 VA is requesting \$2.7 billion for the Veterans Electronic Health Record (EHR). This will provide for the purchase of licenses and activities for 25 additional future medical center deployments, site assessments, training of staff, purchase and installation of computer hardware and interface development.

The VA established the Office of Electronic Health Record Modernization (OEHRM) to ensure successful preparation, deployment, and continued operation of the new EHR solution; and the health information technology tools dependent upon it. OEHRM's priority is to ensure that the VA judiciously balances speed of implementation with risk to cost, schedule, and performance objectives to ensure optimal care for Veterans. The 2022 budget continues to build on lessons learned from deployments of the new EHR solution at the initial operating capability (IOC) sites in 2020 and deployments in 2021. These efforts will inform future budgetary requirements and the implementation path moving forward.

The 2022 request is separated into three subaccounts:

Electronic Health Record Modernization Contract. The request of \$1.4 billion will support contracts for site assessments, site transitions, enterprise integration, sustainment and site implementation support for the post Go-Live activities and deployment efforts at future VISNs. This investment will fund twenty-five deployments planned for Waves L-R, VISNs 23, 15 and 19, including medical centers, clinics, Vet centers, and mobile units.

Infrastructure Readiness. The budget amount, \$952 million, will aid in supplying deployment sites with updated computers and network infrastructure capable of supporting the EHR solution six to eighteen months in advance of deployment. The funding will also support on-going system interface requirements.

Program Management Office (PMO). For the PMO, \$286 million will support an increase to 337 FTE leading the up-tempo deployment at a larger number of medical centers to deliver effective change management as the EHR solution is implemented throughout the nation. The goal is to retain qualified experts who understand VA's legacy systems, computer programming languages and interfaces. The request supports reimbursement of 202 VHA experts that are critical to the change management and effective deployment. OEHRM will support the Federal Electronic Health Record Program Office (FEHRM) for \$18 million; part of this request includes federal staff pay, contract support staff, funding for travel, training, equipment, and supplies.

Veterans Benefits Administration

Appropriations

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request	2023 Request
Compensation and Pensions*	110,457,083	124,357,227	137,575,487	147,569,474
Readjustment Benefits	14,065,282	12,578,965	14,946,618	8,906,851
Insurance Benefits*	128,960	131,372	136,950	109,865
Veterans Housing Program**	75,279	667,034	NA	NA
Veterans Housing Liquidating Account	(7,024)	(6,121)	(4,767)	NA
Vocational Rehabilitation Loan Program**	40	21	NA	NA
Native American Veterans Housing Loan	1,149	1,202	NA	NA
Subtotal, Mandatory***	124,720,769	137,729,700	152,654,288	156,586,190
General Operating Expenses	3,125,000	3,164,000	3,423,000	NA
Veterans Housing Program - Admin	200,377	204,400	229,500	NA
Vocational Rehabilitation Loan Program - Subsidy and Admin	460	458	432	NA
Native American Veterans Housing Loan	1,186	1,186	1,186	NA
Subtotal, Discretionary	3,327,023	3,370,044	3,654,118	NA
Total, Mandatory and Discretionary	128,047,792	141,099,744	156,308,406	156,586,190

* Includes advance and annual appropriations in years where amounts in addition to advance appropriations were requested.

** 2020 and 2021 include upward re-estimates. The 2022 request does not include re-estimates, which are calculated at the fiscal year end.

*** Does not include trust funds, proprietary receipts, or intragovernmental transactions.

FTE

All Funding Sources	2020 Enacted*	2021 Enacted	2022 Request	2023 Request
General Operating Expenses	23,872	23,820	24,282	NA
Veterans Housing Program - Admin	876	913	1,011	NA
Vocational Rehabilitation Loan Program - Subsidy and Admin	3	3	3	NA
Native American Veterans Housing Loan	7	7	7	NA
Total FTE	24,758	24,743	25,303	NA

*The FTE in the 2020 column of the 2022 Budget Appendix differ from the chart above due to a data entry error in the Budget Appendix.

VA requests \$3.4 billion for VBA General Operating Expenses (GOE), which is \$259.0 million above the 2021 enacted level and will support 25,303 FTE. VBA's 2022 budget is focused on the two strategic priorities of benefits delivery and suicide prevention.

Benefits Delivery

Agent Orange (AO) Presumptive Conditions. The 2021 National Defense Authorization Act added Parkinsonism, bladder cancer and hypothyroidism to the list of presumptive conditions related to exposure to AO during the Vietnam War. The requested increase of \$40.3 million

supports hiring an additional 334 FTE to process related AO claims.

Veterans’ Clean Energy Job Training. This initiative supports the DOL in developing a clean energy job training program for eligible Veterans, Service members, and spouses that will provide the education, training, and credentials necessary to secure careers in high-growth clean energy sectors.

Digital GI Bill Modernization Effort. An additional \$81.5 million supports the modernization of the Education Service business platform. The modernization will enhance Education Service’s ability to process claims, collaborate with stakeholders and improve communications and service via an online portal. This will enable easier collaboration between external stakeholders (including schools and State Approving Agencies) and VBA for a more seamless Veteran experience.

FTE Optimization to Support Mission Critical Activities. The request supports 95 additional FTE for improved disability compensation claims processing. The COVID-19 pandemic suspended contract medical exams and slowed federal record requests, increasing the disability compensation claims backlog to over 200,000. In addition, 45 additional FTE will support the growing number of Specially Adapted Housing (SAH) grants and implementation of the Ryan Kules and Paul Benne Specially Adaptive Housing Improvement Act of 2019 (P.L. 116-154, GOE funded).

Veteran Suicide Prevention

Disability Employment Pilot Project. VBA will implement an innovative pilot program aimed at providing employment opportunities for eligible Veterans and Service members with service-connected disabilities. This budget includes \$3.6 million for VBA to develop and conduct a pilot from which VBA can identify ways to empower and enable disabled Veterans seeking employment, potentially reducing suicide risk. The pilot program will include researching current employment programs to identify opportunities for improvement or gaps in existing services, and aims to better integrate VA programs. Key stakeholders contributing to the pilot program include the Office of Management and Budget, DoD, DOL and volunteer Veteran participants.

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

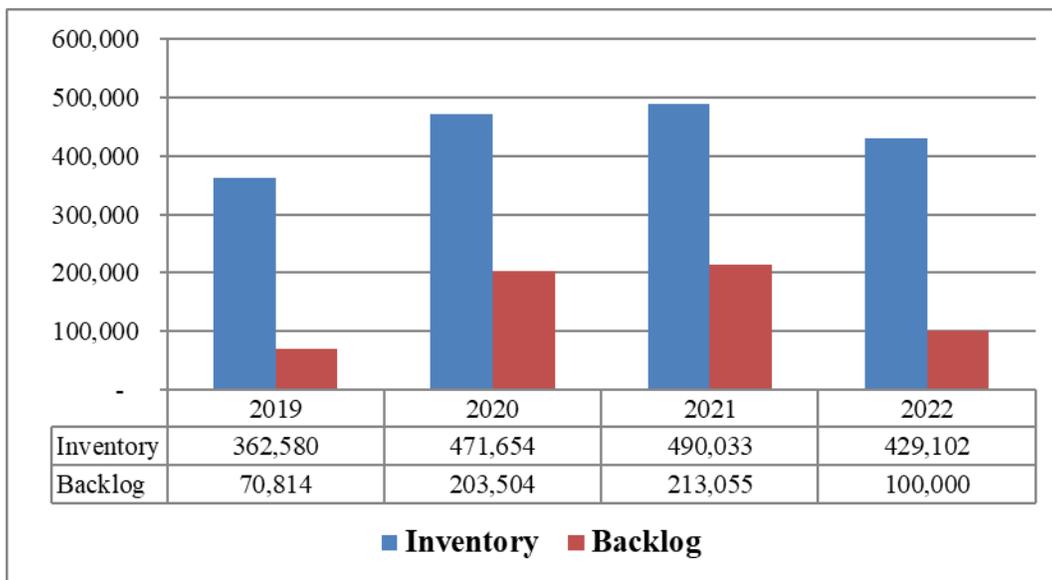
	2020 Enacted	2021 Enacted	2022 Request	2023 Advanced
Compensation Beneficiaries	5,473,639	5,701,085	5,978,696	6,216,898
Pensions Beneficiaries	393,415	370,017	356,827	348,043
Education Program Trainees	875,036	853,993	870,975	885,086
Vocational Rehabilitation and Employment Beneficiaries	123,490	132,788	135,194	137,787
New Housing Loans and Refinancings	1,246,816	1,395,158	968,977	958,649
Insured Persons	5,631,119	5,599,379	5,572,907	6,037,142

Disability Compensation Claims Backlog and Appeals Reform. In 2022, the Disability Compensation program will complete 1.7 million disability compensation rating claims, with the average number of days pending of 85 days, the average number of days to complete of 99 days and an inventory of approximately 100,000 claims pending more than 125 days at the end of 2022. This level may change in the future as the volume of claims receipts increases or decreases.

Projected Compensation Workload and FTE Requirements

	2020 Enacted	2021 Enacted	2022 Request
Compensation Direct Labor FTE	15,505	15,021	15,453
Rating Receipts Compensation Claims	1,454,097	1,600,121	1,610,657
Rating Production Compensation Claims	1,337,075	1,559,994	1,671,588
Year-End Inventory Compensation Claims	449,906	490,033	429,102

C&P Rating Claims Inventory and Backlog (End of Year)



In 2022, VBA will reduce its pending inventory of appeals to 20,000, with zero Notice of Disagreements. As a result, VBA will incrementally reallocate up to 400 employees to other priority areas such as the expanded military to civilian transition program, enhanced outreach efforts and increased numbers of Veteran Readiness and Employment (VR&E) Counselors to maintain the Counselor-to-Veteran ratio of 1:125. The table below projects the reduction of VBA’s compensation and pension legacy appeals inventory through 2022.

Compensation & Pension Appeals Workload

	2020 Enacted	2021 Enacted	2022 Request
Notice of Disagreement Receipts	18,139	1,600	0
Appeals Resolution by VBA	129,251	*9,000	*5,121
Certification of Substantive Appeals by the Board**	110,097	***49,830	***46,085
Pending Inventory	50,882	26,161	20,000

*Resolutions will be remands only 2021

** For 2020, certifications include both original certifications as well as remands returned to the Board for final decisions; for 2021 and 2022, this category will only include recertifications. 2022 Appeal Resolutions and Certifications by VBA are based on a projected 28,000 remands received from the Board

*** Certifications will include recertifications only in 2021 and 2022

Payments to Veterans and Beneficiaries

The amount of benefits payments has increased annually, a result of legislation expanding Veterans' benefits as well as VA's successful efforts to adjudicate claims more quickly. 2022 is expected to follow this trend.

Veterans Benefits: Direct Payments

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request	2023 Advanced
Compensation	105,011,061	115,801,345	130,504,627	138,844,434
Pensions	4,746,355	4,693,714	4,760,036	4,871,476
Education Benefits	11,533,809	11,373,805	11,350,731	11,923,679
Veteran Readiness and Employment	1,463,550	1,802,828	1,824,723	1,931,659
Total	122,754,775	133,671,692	148,440,117	157,571,248

Includes only payments to Veterans (Discretionary and Mandatory). Excludes reimbursable payments such as contract exams

Fiduciary Services

VA conducts a field examination prior to initial appointment of a fiduciary, which includes any subsequent new fiduciary. In 2022, VBA will maintain 1,335 FTE 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.

Fiduciary Program Workload Completed and FTE Requirements

	2020 Enacted	2021 Enacted	2022 Request
Direct Labor FTE	1,270	1,335	1,335
Field Examinations			
Initial Appointment Field Examinations	33,967	33,288	32,625
Follow-up Field Examinations	50,134	49,131	48,154
Follow-up Alternative Field Examinations	22,447	21,998	21,560
Total Field Examinations	106,548	104,417	102,339
<i>Initial Appointments as a Percentage of Total</i>	<i>31.90%</i>	<i>31.90%</i>	<i>31.90%</i>
Accountings	59,500	58,310	56,007

National Cemetery Administration

Budget Authority

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
Operations and Maintenance	329,000	352,000	394,000
Major Construction	172,000	94,000	130,500
Minor Construction	80,520	80,167	106,990
Grants for Veterans Cemeteries	45,000	45,000	45,000
Facilities Operations Fund	360	282	282
National Cemetery Gift Fund	166	1,000	1,000
Compensation and Pension (Headstones & Markers, Graveliners, Burial Receptacles, Caskets & Urns)	153,034	147,563	152,278
Total, Budget Authority	780,080	720,012	830,050

Base funding only. Excludes carryover, CARES Act funding

Note: Per Annual Appropriation in 2020, P.L. 116-94, \$1 million was rescinded from NCA's Operations and Maintenance unobligated balances. Rescission was applied to the 2019 balances carried over into 2020.

FTE

	2020 Enacted	2021 Enacted	2022 Request
Total FTE	2,026	2,120	2,217

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. The 2022 Budget positions the National Cemetery Administration (NCA) to meet Veterans' emerging burial and memorial needs in the decades to come through the continued implementation of the following policies in support of its long-range goals:

- Access: Veterans and eligible family members will have increased access to burial benefits by providing 95% of Veterans with access to a burial option near their homes
- Outcomes: Ensure "National Shrine" standards of appearance are upheld at all VA national cemeteries
- Customer Service: Deliver world class customer service to all NCA's customers to ensure more Veterans and eligible family members will use VA burial and memorial benefits
- Modernizing Memorialization: Veterans will be memorialized through enhanced tributes, such as the Veterans Legacy Memorial (VLM) website, befitting their service and sacrifice to the nation

VA requests \$394.0 million for the NCA Operations and Maintenance account, an increase of \$42.0 million (+12%) over 2021. With this budget, NCA will provide for an estimated 136,000 interments, the perpetual care of over 4.0 million gravesites, and the operations and maintenance of 158 national cemeteries and 34 other cemeterial installations in a manner befitting national shrines.

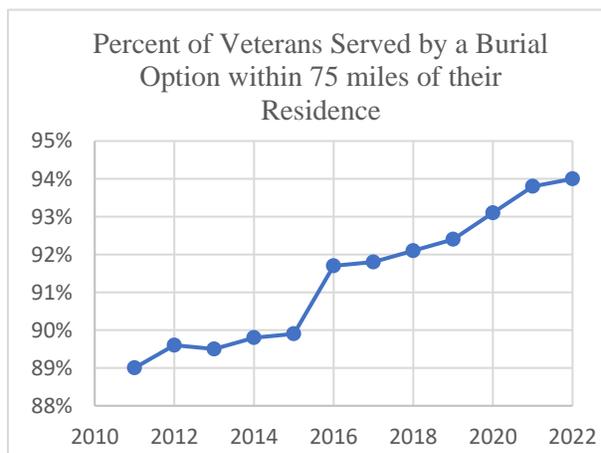
NCA’s 2022 request includes funding to support 2,217 FTE, 86% of which are in the field providing direct support to Veterans and their families ensuring they have convenient access to a burial option in a national, state, or tribal Veterans cemetery, and that they receive dignified, respectful and courteous service.

Included in NCA’s request is \$7.6 million and 11 FTE for the continued activation of the Fargo, ND, Cheyenne, WY, and Northwoods, WI rural cemeteries, continued activation of the replacement cemetery in Morovis, PR, and initial activation of the New York and Indianapolis urban columbarium-only cemeteries and the rural cemetery in Cedar City, UT. Continued activation funding ensures that newly opened cemeteries receive the resources required as interment activity and maintenance workload increase after the initial opening.

NCA also requests \$7.7 million and 35 FTE for existing cemeteries facing workload increases and project expansions in 2022. As NCA’s workload continues to increase, this budget request is essential for NCA to maintain its position as a highly regarded organization, in both the public and private sectors, in terms of customer satisfaction.

In addition, NCA requests \$2.0 million and 26 FTE for initiatives intended to remain a burial benefit provider of choice. These funds will be used to enhance processes and methods to easily apply for and obtain timely burial eligibility determinations and headstones and markers as well as improve the employee experience.

NCA is nearing its goal to provide 95% of Veterans with access to a burial option in a national, state or tribal Veterans cemetery within 75 miles of their homes. VA expects to increase the percentage of Veterans served in 2022 by developing new national cemeteries, adding gravesites at existing cemeteries, and establishing and expanding Veterans cemeteries through grants to states and tribal organizations.



Construction projects to develop new cemeteries will enhance burial services and provide new burial options to Veterans and their families. Construction projects also keep existing national cemeteries open by developing additional gravesites and columbaria or by acquiring and developing additional land. NCA requests \$237.5 million for Construction programs which includes \$94.5 million for Fort Logan National Cemetery (Denver, CO) and Indiantown Gap National Cemetery (Lebanon County, PA) expansions, as well as \$35 million for advanced planning and design and \$1 million for major land acquisition projects. NCA requests \$107 million in the 2022 minor construction budget for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other cemetery operational requirements.

NCA will increase the availability of state and tribal Veterans cemeteries which serve as a complement to VA’s cemeteries by establishing Veterans cemeteries in areas of the country in

which VA is unlikely to establish a new national cemetery. In 2022, NCA requests \$45 million for Grants for Construction of Veterans Cemeteries to provide additional establishment and expansion grants to state and tribal organizations in support of increasing burial access.

Board of Veterans' Appeals

Appropriations

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
Total, Budget Authority	174,000	196,000	228,000

Base funding only. Excludes carryover, CARES Act and American Rescue Plan funding

FTE

All funding sources	2020 Enacted	2021 Enacted	2022 Request
Total FTE	1,157	1,194	1,356

VA requests \$228 million in budget authority, an increase of \$32 million over 2021 and 1,314 FTE (base only, excluding American Rescue Plan) for the Board of Veterans' Appeals (Board) to support its operations. This funding, coupled with the American Rescue Plan, will support a total of 1,356 FTE in 2022. The Board is responsible for making final determinations on behalf of the Secretary for appeals for Veterans' benefits and services 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 the law.

The majority (90%) of the Board's budget is associated with personnel costs totaling \$206 million and supports the Board's four main components: Office of the Chairman, Office of Appellate Operations, Office of the Chief Counsel, and Appellate Support. This will position the Board to hire additional Veterans Law Judges, attorneys, and administrative staff that are vital to achieving mission-critical goals of conducting 50,000 hearings and adjudicating over 111,000 appeals for Veterans.

This budgetary authority is necessary to ensure that the Board and the Department can meet Veterans' expectations regarding timely, accurate appeals processing. It further supports the business transformation as the Department prioritizes the drawdown of the pending legacy appeals while simultaneously adjudicating appeals under the Veterans Appeals Improvement and Modernization Act of 2017 (AMA, P.L. 115-55). The Board is actively pursuing several ongoing business process improvements aimed at streamlining the complex appeals process while improving the appeals experience for Veterans and their families. Such initiatives include: 1) leveraging technology to better modernize appeals processing; 2) maximizing available hearing resources for Veterans; and 3) engaging internal and external stakeholders in streamlining the appeals adjudication process.

Office of Information and Technology

Appropriations

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
Development	427,780	495,546	297,000
Operations and Maintenance	2,739,597	3,205,216	3,131,585
Staffing and Administrative Support Services	1,204,238	1,211,238	1,414,215
Total Appropriated	4,371,615	4,912,000	4,842,800
Rescission of prior year funding	0	(37,500)	0
Total, Budget Authority	4,371,615	4,874,500	4,842,800

Base funding only. Excludes carry over, CARES Act, American Rescue Plan, and Transformational Fund resources.

FTE

All funding sources	2020 Enacted	2021 Enacted	2022 Request
Total FTE	7,828	9,154	8,766

In 2022, VA is requesting \$4.8 billion in appropriated base funds, which when combined with \$670 million from the Recurring Expenses Transformational Fund, will provide \$5.5 billion in total resources, \$638 million (+13%) above the 2021 enacted level (with rescissions). OIT provides IT support across VA to ensure that the mission, vision, strategic goals, and objectives of the Department are met. The technology and resources required to support VA strategic priorities underpin every aspect of the care and services delivered to Veterans. IT enables VA to support critical areas such as Customer Service, MISSION Act Implementation, Business Transformation, and VA/DoD Collaboration. OIT used CARES Act funds to hire term employees to support the VA’s response to COVID-19. The change in FTEs from 2021 to 2022 reflects the end of service of these term employees.

The budget request is separated into the following subaccounts:

Development. The request of \$297.0 million will appropriately align to stakeholder requirements by shifting from developing new software to taking a “buy first” approach to new systems, getting out of the business of building our own applications, and relying more on cloud, managed and shared services, and commercial-off-the-shelf products. The request will support mission-critical areas, including Education Benefits and LogiCole Enterprise Solution (formerly DMLSS). Funding will also support the replacement of legacy systems, such as Benefits Delivery Network, Burial Operations Support System, and Veterans Appeals Control and Locator System.

Operations and Maintenance. The request of \$3.1 billion will support demand and growth in critical programs, including: continued support for Supply Chain Management (DMLSS/LogiCole), Education Benefits, Blue Water Navy, Enterprise Command Center, Enterprise Service Desk, Veterans Experience, Telehealth Services, Managed Services, the

transition to VA's Enterprise Cloud Solution and existing maintenance activities that support Enterprise Systems across VA.

Staffing and Administrative Support Services. The request of \$1.4 billion, which funds 8,668 FTE (500 above the 2021 enacted budget), is \$203.0 million (16.8%) above the 2021 enacted budget level. Most of these resources fund the hospital and regional office IT staff responsible for supporting VA's mission.

Recurring Expenses Transformational Fund. VA plans to supplement OIT's base request with resources from the Recurring Expenses Transformational Fund, which consists of unobligated balances of expired discretionary funds. VA plans to utilize \$670.0 million from the Fund to support information technology systems improvements and sustainment for the following programs:

- \$477.5 million to bolster the Infrastructure Readiness Program
- \$122.9 million for enhancement of the Financial Management Business Transformation
- \$69.6 million for modernization and sustainment of Human Resources systems

Construction

Appropriations

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
Major Construction	1,235,200	1,316,000	1,611,000
Minor Construction	398,800	354,300	553,000
Total Construction	1,634,000	1,670,300	2,164,000
Grants for State Extended Care Facilities	240,000	90,000	0
Grants for Veterans Cemeteries	45,000	45,000	45,000
Total, Budget Authority	1,919,000	1,805,300	2,209,000

The total request for construction is \$2.2 billion, including \$1.61 billion for Major Construction, \$553 million for Minor Construction, an increase from 2021 of \$295 million for Major Construction and \$198 million for Minor Construction. When the Minor Construction funds are combined with \$150 million from the Recurring Expenses Transformational Fund, a total of \$703 million will be available in 2022, a 98% increase from 2021. In addition, VA requests \$45 million for Grants for State Veterans Cemeteries.

Major Construction projects include funding for:

- Restoration of Hospital/Consolidation of Gulfport, Biloxi, Mississippi
- Upgrade Building 100 and 101 for Seismic Retrofit and Renovation, Portland, Oregon
- New Medical Center, Louisville, Kentucky
- New Research Facility, San Francisco, California
- New Critical Care Center, West Los Angeles, California
- Mental Health and Community Living Center, Long Beach, California
- Construction and Renovation - Community Living Center, Domiciliary, and Outpatient Facilities, Canandaigua, New York
- Spinal Cord Injury and Seismic Corrections, San Diego, California
- Spinal Cord Injury, Dallas, Texas
- Construct Surgical Intensive Care Unit and Renovate Operating Rooms, Oklahoma City, Oklahoma
- Replace Bed Tower, Clinical Building Expansion in Saint Louis, Missouri
- Construct New Health Care Center, El Paso, Texas
- Expanded cemeteries in Denver, Colorado and Annville, Pennsylvania

The 2022 budget includes \$100 million to address VA's highest priority facilities in need of seismic repairs and upgrades. The seismic program funds identified unfunded and existing, partially-funded seismic projects within VA's major, minor, and non-recurring maintenance (NRM) programs.

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

General Administration

Appropriations

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
Office of the Secretary	14,715	15,500	16,265
Office of General Counsel	112,209	117,000	125,510
Office of Management	63,992	64,407	73,726
Office of Human Resources & Administration / Office of Operations, Security & Preparedness	95,850	97,132	103,646
Office of Enterprise Integration	28,416	28,652	33,636
Office of Public and Intergovernmental Affairs	12,663	13,500	14,435
Office of Congressional & Legislative Affairs	5,900	7,000	7,480
Office of Acquisition, Logistics and Construction	0	0	0
Veterans Experience Office	0	0	0
Office of Accountability and Whistleblower Protection	22,166	22,720	26,502
Total Appropriated	355,911	365,911	401,200
Rescission of prior year funding	0	(12,000)	0
Total, Budget Authority	355,911	353,911	401,200

Reflects Base direct funding in annual appropriation. Excludes carryover and CARES Act funding.

FTE

	2020 Enacted	2021 Enacted	2022 Request
Office of the Secretary	96	88	80
Office of General Counsel	635	675	717
Office of Management	234	267	316
Office of Human Resources & Administration / Office of Operations, Security & Preparedness	335	338	346
Office of Enterprise Integration	91	91	106
Office of Public and Intergovernmental Affairs	83	84	67
Office of Congressional & Legislative Affairs	47	49	40
Office of Acquisition, Logistics and Construction	0	0	0
Veterans Experience Office	0	0	0
Office of Accountability and Whistleblower Protection	79	108	135
Total Direct Funded FTE	1,600	1,700	1,807
Reimbursable FTE, all offices	1,012	1,200	1,534
Total FTE	2,612	2,900	3,341

General Administration FTE in the 2022 column of the Budget Appendix differ from the table above due to a data entry error in the Budget Appendix.

VA requests \$401.2 million for General Administration, \$47 million (+13.4%) above the 2021 enacted level (with rescissions). This account provides VA Staff Office support for critical operations such as security and emergency preparedness, acquisitions and construction

management, legal review and counsel, financial, budget, and asset management, and legislative review and support to Congress. The General Administration account also provides funding for accountability and whistleblower protection, human resources management, project management, enterprise-level data analysis, public relations and outreach, as well as executive level direction to VA. The Major Construction account funds the Office of Acquisition, Logistics and Construction through reimbursements directed in appropriations language.

Highlights of the 2022 General Administration request include:

- \$125.5 million in budget authority and 717 FTE (direct only, 866 total with reimbursable) for the Office of General Counsel. This includes an increase of \$8.5 million to address an expanding legal workload, including an increasing number of cases before the U.S. Court of Appeals for Veterans Claims. It also expands day-to-day preventative law practice and regulation staff.
- \$103.6 million in budget authority and 346 FTE (direct only, 829 total with reimbursable) for the Office of Human Resources and Administration/Operations, Security and Preparedness to provide departmental leadership for all matters related to human capital, administration, security, and preparedness. The request includes \$3 million for rent increases.
- \$73.7 million in budget authority and 316 FTE (direct only, 320 total with reimbursable) for the Office of Management. The request includes \$9.5 million for program management and implementation of the new financial management system, *iFAMS*, as well as resources for financial and budgetary management, business oversight, and capital asset management.
- \$33.6 million in budget authority and 106 FTE for the Office of Enterprise Integration. The request includes an increase of \$3.6 million to improve VA compliance with the Paperwork Reduction Act and to continue implementation of the Evidence-Based Policymaking Act.
- \$26.5 million in budget authority to support 135 FTE for the operation of the Office of Accountability and Whistleblower Protection, to continue implementation of the Accountability and Whistleblower Protection Act of 2017.
- \$16.3 million in budget authority and 80 FTE (direct only, 116 total with reimbursable) to the Office of the Secretary to provide executive direction for all VA programs. 36 FTE in the Office of Employment Discrimination Complaint Adjudication that report directly to the Secretary are funded by Reimbursable funds.
- \$14.4 million in budget authority and 67 FTE for the Office of Public and Intergovernmental Affairs. Funds will provide for outreach and effective communication with Veterans, the public and local governments by positively enforcing its commitment and readiness to serve the Nation's Veterans of all generations.

- \$7.5 million in budget authority and 40 FTE for the Office of Congressional and Legislative Affairs. The funding will support efforts to form and improve relationships and communications with Washington, DC based associations representing state and local governments and elected officials.

Office of Inspector General

Appropriations

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
Total, Budget Authority	210,000	228,000	239,000

Base funding only. Excludes carryover, CARES Act and American Rescue Plan funding

FTE

All funding sources	2020 Enacted	2021 Enacted	2022 Request
Total FTE	1,001	1,041	1,100

All FTE, from all funding sources

The Office of Inspector General (OIG) requests \$239 million for 1,100 FTE in 2022 to support essential oversight of VA’s programs and operations through independent audits, inspections, reviews, and investigations; and for the timely detection and deterrence of fraud, waste, and abuse. Even before the COVID-19 public health crisis, maintaining an effective oversight program was a significant undertaking in the context of the complexity of VA’s programs and services. The recent passage of the American Rescue Plan Act, which provided an additional \$17.1 billion in supplemental funds to VA, may result in a sustained need for additional oversight.

The 2022 budget request and anticipated carryover from 2021 (including ARP funds) will support salaries, pay adjustments, and benefits increases for agency retirement contributions, law enforcement availability pay, and health insurance, for up to 1,100 FTE. This is 59 FTE above the 2021 baseline of 1,041 FTE. The additional investment in the OIG will support continued oversight of the aftermath of the pandemic without diminishing ongoing work. The request will also fund the expansion of multidisciplinary oversight (e.g., joint staff efforts that include auditors, benefits and healthcare inspectors, criminal investigators, attorneys, project managers, and information technology specialists) to detect and deter healthcare fraud, waste, and abuse, the establishment of a special investigations unit to support and coordinate complex and significant healthcare fraud-related initiatives, and additional oversight of other vital issues such as VA governance and leadership and emergency preparedness.

Asset and Infrastructure Review Commission

Appropriations

<i>(\$s in 000s)</i>	2020 Enacted	2021 Enacted	2022 Request
Total, Budget Authority	0	0	5,000

FTE

	2020 Enacted	2021 Enacted	2022 Request
Total FTE	0	0	20

The VA MISSION Act of 2018 (P.L. 115-182) established an independent commission to be known as the “Asset and Infrastructure Review Commission” (the Commission). The Commission will review VA's recommendations to modernize, or realign VHA facilities, including leased facilities. The Commission will conduct public hearings and provide a report to the President on the VA's plan along with any additional recommendations from the Commission. VA requests \$5 million to support the work of the Commission, including staff and contractual services.

Recurring Expenses Transformational Fund

Appropriations

(\$s in 000s)	2020 Enacted	2021 Enacted	2022 Request
Total, Budget Authority	0	0	820

FTE

	2020 Enacted	2021 Enacted	2022 Request
Total FTE	0	0	0

2022 will be the first year in which resources become available in the Transformational Fund, authority for which was enacted in the Consolidated Appropriations Act, 2016 (P.L. 114–113). Unobligated balances of expired discretionary funds appropriated in 2016 or any succeeding fiscal year may be transferred to the Transformational Fund at the end of the fifth fiscal year after the last fiscal year for which such funds are available for the purposes for which appropriated. The Transformational Fund is available for facilities infrastructure improvements, including nonrecurring maintenance, at existing VHA hospitals and clinics, and for information technology systems improvements and sustainment. The 2022 Budget anticipates a transfer of \$820 million in unobligated balances into the Transformational Fund at the end of 2021, of which \$670 million will be obligated in 2022 for information technology systems improvements and sustainment and \$150 million will be obligated in 2022 for minor construction projects that improve VHA facilities infrastructure.

Department of Veterans Affairs
Office of the Assistant Secretary for Management
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