

**STATEMENT OF THE HONORABLE DAVID J. SHULKIN, M.D.
SECRETARY OF VETERANS AFFAIRS**

**FOR PRESENTATION BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, AND RELATED AGENCIES**

BUDGET REQUEST FOR FISCAL YEAR 2019

March 15, 2018

Good morning Chairman Frelinghuysen, Chairman Dent, Ranking Member Lowey, Ranking Member Wasserman Schultz, and distinguished members of the Subcommittee. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2019 Budget, including the FY 2020 Advance Appropriation (AA) request. I am accompanied today by Jon Rychalski, Assistant Secretary for Management and Chief Financial Officer; Mark Yow, Chief Financial Officer for the Veterans Health Administration (VHA); James Manker, Acting Principal Deputy Under Secretary for Benefits; Matthew Sullivan, Deputy Under Secretary for Finance and Planning for the National Cemetery Administration (NCA), and Richard Chandler, Deputy Assistant Secretary for Resource Management, Office of Information and Technology. I also want to thank Congress for making 2017 a legislative success for Veterans. With the unwavering support and leadership of our VA committees, Congress supported and passed groundbreaking legislation on Department of Veterans Affairs (VA) accountability, appeals reform, the Forever GI Bill, Veterans Choice improvements, personnel improvements, and extended Choice funding twice. We have important work left to do, but I am confident we are moving in the right direction. The 2019 budget request fulfills the President's strong commitment to all of our Nation's Veterans by providing the resources necessary to improve the care and support our Veterans have earned through sacrifice and service to our country.

Fiscal Year (FY) 2019 Budget Request

The President's FY 2019 Budget requests \$198.6 billion for VA — \$88.9 billion in discretionary funding (including medical care collections), of which \$76.5 billion is requested as the FY 2019 AA for Medical Care including collections. The \$76.5 billion is comprised of \$74.1 billion previously requested (including collections), and an annual appropriation adjustment of \$500 million for Medical Services for community care and \$1.9 billion for the Veterans Choice Fund. In total, the discretionary request is an increase of \$6.8 billion, or 8.3 percent, over the President's FY 2018 Budget request. It will sustain the progress we have made and provide additional resources to improve patient access and timeliness of medical care services for the approximately 9 million enrolled Veterans eligible for VA health care, while improving benefits delivery for our Veterans and their beneficiaries. The President's FY 2019 budget also requests \$109.7 billion in mandatory funding, of which \$107.7 billion was previously requested, for programs such as disability compensation and pensions.

For the FY 2020 AA, the budget requests \$79.1 billion in discretionary funding including collections for Medical Care and \$121.3 billion in mandatory advance appropriations for Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities benefits programs in the Veterans Benefits Administration (VBA).

This is a strong budget request that fulfills the President's commitment to Veterans by ensuring the Nation's Veterans receive high-quality health care and timely access to benefits and services while concurrently improving efficiency and fiscal responsibility. I urge Congress to support and fully fund our FY 2019 and FY 2020 AA budget requests – these resources are critical to enabling the Department to meet the increasing needs of our Veterans and successfully execute my top five priorities: 1) Focus Resources; 2) Modernize VA Systems and Services; 3) Improve Timeliness; 4) Suicide Prevention; and 5) Provide Greater Choice.

I want to emphasize that the FY 2019 Budget is not a “business as usual” VA Budget. We have critically assessed and prioritized our needs and aggressively pursued internal offsets, modernization reforms, and other efficiencies to provide Veterans the quality care they have earned while serving as a responsible fiscal steward. I greatly appreciate Congress' ongoing support for VA, as demonstrated by consistent support for our legislative priorities and consistently generous enacted appropriations. On behalf of the entire VA and the many Veterans we serve, I thank you for your unflagging commitment to our mission. I take very seriously my obligation to you, the American taxpayer and the Veterans who served our country so well. That commitment is represented in this budget request in which I have worked to bend the cost curve through targeted spending and significant reforms in an attempt to ensure that the VA remains sustainable for years to come.

Priority 1: Focus Resources

The FY 2019 Budget includes \$ 76.5 billion for Medical Care, including collections, \$4.2 billion above the FY 2018 Budget and \$79.1 billion for the FY 2020 AA. I am committed to ensuring Veterans get high quality, timely and convenient access to care *that is affordable* for future generations. As a result, I am implementing reforms that will prioritize our foundational services while redirecting to the private sector those services that they can do more effectively and efficiently. These foundational services are those that are most related to service-connected disabilities and unique to the skills and mission of VHA.

Foundational Services include these mission-driven services, such as:

- Primary Care, including Women's Health;
- Urgent Care;
- Mental Health Care;
- Geriatrics and Extended Care;
- Rehabilitation (e.g., Spinal cord, brain injury/polytrauma, prosthesis/orthoses, blind rehab);
- Post Deployment Health Care; and

- War-Related Illness and Injury Study Centers functions.

VA facility and Veterans Integrated Service Network (VISN) leaders are being asked to assess additional, community options for other health services that are important to Veterans, yet may be as effectively or more conveniently delivered by community providers. Local VA leaders have been advised to consider accessibility of VA facilities and convenience factors (like weekend hours), as they develop recommendations for access to community providers for Veterans in their service areas. Let me be clear, however, that this is not the onset of privatizing VA.

While the focus on foundational services will be a significant change to the way VA provides health care, VA will continue to ensure that the full array of statutory VA health care services are made available to all enrolled Veterans. VA will also continue to offer services that are essential components of Veteran care and assistance, such as assistance for homeless Veterans, Veterans Resource Centers, the Veterans Crisis Line/Suicide Prevention, Mental Health Intensive Case Management, treatment for Military Sexual Trauma, and substance abuse programs.

Investing in foundational services within the Department is not limited to health care. For over a decade, NCA has achieved the highest customer satisfaction rating of any organization—public or private—in the country. They achieved this designation through the American Customer Satisfaction Index six consecutive times. The President's FY 2019 Budget enables the continuation of this unprecedented success with a request for \$315.8 million for NCA in FY 2019, an increase of \$9.6 million (3 percent) over the FY 2018 request. This request will support the 1,941 Full-Time Equivalent (FTE) employees needed to meet NCA's increasing workload and expansion of services. In FY 2019, NCA will inter over 134,000 Veterans and eligible family members and care for over 3.8 million gravesites. NCA will continue to memorialize Veterans by providing 364,850 headstones and markers, distributing 677,500 Presidential Memorial Certificates, and expanding the Veterans Legacy program to communities across the country. VA is committed to investing in NCA infrastructure, particularly to keep existing national cemeteries open and to construct new cemeteries consistent with burial policies approved by Congress. In addition to NCA's funding, the FY 2019 request includes \$117.2 million in major construction funds for three gravesite expansion projects. Upon completion of these expansion projects, and the opening of new cemeteries, nearly 95 percent of the total Veteran —about 20 million Veterans—will have access to a burial option in a national or grant-funded state Veterans' cemetery within 75 miles of their home.

In order to provide Veterans and taxpayers the greatest value for each dollar, the Budget also proposes certain changes to the way in which we spend those resources. For example, our FY 2019 request proposes to merge the Medical Community Care appropriation with the Medical Services appropriation, as was the practice prior to FY 2017. The separate appropriation for Community Care has restricted our Medical Center Directors as they manage their budgets and make decisions about whether the care can be provided in their facility or must be purchased from community providers. This is a dynamic situation, as our staff must adjust to hiring and departures,

emergencies such as the recent hurricanes, and other unanticipated changes in the health care environment throughout the year. This change will maximize our ability to focus even more resources on the services Veterans most need.

To further ensure that our entire budget request is focused serving Veterans, VA has implemented an initiative to detect and prevent fraud, waste, and abuse (STOP FWA). In support of this initiative, VA (1) established the VA Prevention of Fraud, Waste, and Abuse Advisory Committee, which will provide VA insight into best practices utilized in the private and public sector; (2) is partnering with Centers for Medicare & Medicaid Services (CMS) to replicate their investigation process and utilize their data to identify medical providers with performance issues; and (3) is working with the Department of the Treasury to perform a deep dive to move VA's Community Care Program closer to the industry best practices.

In 2019, VA will take steps to achieve mandatory savings of approximately \$30 billion over the next 10 years, beginning in FY 2021. Due to advancements in treatment and medical technologies, there has been a decrease in the impacts of certain disabilities on the lives of many Veterans.

Priority 2: Modernizing VA Systems and Services

Focusing resources will only take us so far – we need to modernize our VA systems and services, so the Department can continue to provide high quality, efficient care and services, and keep up with the latest technology and standards of care. Key modernization reform proposals included in the FY 2019 Budget Request are Electronic Health Record Modernization (EHRM), Financial Management Business Transformation, modernizing our legacy systems, and infrastructure improvements.

Electronic Health Record Modernization

The Budget invests \$1.2 billion in EHRM. The health and safety of our Veterans is one of our highest national priorities. On June 5, 2017, I announced my decision to adopt the same electronic health record (EHR) system as the Department of Defense (DoD). This transformation is about improving VA services and significantly enhancing the coordination of care for Veterans who receive medical care not only from VA, but DoD and our community partners. We have a tremendous opportunity for the future with EHRM to build transparency with Veterans and their care providers, expand the use of data, and increase our ability to communicate and collaborate with DoD and community care providers. In addition to improving patient care, a single, seamless EHR system will result in a more efficient use of VA resources, particularly as it relates to health care providers. Given the magnitude of this transformation and the significant long-term costs and complex contracting needs, we are requesting a single separate account for this effort.

This new EHR system will enable VA to keep pace with the improvements in health information technology and cyber security which the current system, VistA, is unable to do. Moreover, the acquisition of the same solution as DoD, along with the

added support of joint interagency governance and support from national EHR leadership including VA partners in industry, government, academic affiliates, and integrated health care organizations, will enable VA to meaningfully advance the goal of providing a single longitudinal patient record that will capture all of a Servicemember's active duty and Veteran health care experiences. It will enable seamless care between the Departments without the current manual and electronic exchange and reconciliation of data between two separate systems. To that end, I have insisted on high levels of interoperability and data accessibility with our commercial health partners in addition to the interoperability with DoD. Collectively, this will result in better service to our Veterans because transitioning Servicemembers will have their medical records at VA. VA is committed to providing the best possible care to Veterans, while also remaining committed to supporting Veterans' choices to seek care from private providers via our continued investment in the Community Care program.

Legacy Systems Modernization

The FY 2019 Budget continues VA's investment in technology to improve the lives of Veterans. The planned Information Technology (IT) investments prioritize the development of replacements for specific mission critical legacy systems, as well as operations and maintenance of all VA IT infrastructure essential to deliver medical care and benefits to Veterans. The request includes \$381 million for development to replace specific mission critical legacy systems, such as the Benefits Delivery Network and the Burial Operations Support System. Investments in IT will also support efforts and initiatives that are directly Veteran-facing, such as mental health applications to support suicide prevention, modifications of multiple programs to accommodate special requirements of the community care program, Veteran self-service applications (Navigator concept), education claims processing integration consolidation, and benefit claim appeals modernization. The Budget also invests \$398 million for information security to protect Veterans' information.

The FY 2019 Budget request would increase the Department's ability to apply agile program management to the dynamics of modern IT development requirements. To do this, the Department proposes increasing the transfer threshold from \$1 million to \$3 million between development project lines, which equates to less than 1 percent of the Development account. Through the Certification process, Congress will maintain visibility of proposed changes.

Financial Management Business Transformation

Another critical system that will touch the delivery of all health and benefits is our new financial management system, which is under development. The FY 2019 budget requests \$72.8 million in IT funds and \$48.8 million in fair share reimbursable funding from the Administrations for business process re-engineering to support Financial Management Business Transformation across the Department. These resources support the continued modernization of our financial management system by transforming the Department from numerous stovepipe legacy systems to a proven, flexible, shared service business transaction environment. Even though the U.S.

Department of Agriculture (USDA) is not moving forward as VA's Federal Shared Service Provider, VA continues to work with USDA to ensure a smooth transition. VA's Office of Finance continues to manage the program and the implementation is on schedule and within budget.

Infrastructure Improvements and Streamlining

In FY 2019, VA will focus on improving its infrastructure while we transform our health care system to an integrated network to serve Veterans. This budget requests \$1.1 billion in Major Construction funding, as well as \$706.9 million in Minor Construction for priority infrastructure projects. This funding supports projects including the St. Louis, Missouri, Jefferson Barracks Medical Facility Improvements and Cemetery Expansion project; the Canandaigua, New York, Construction and Renovation project; the Dallas, Texas, Spinal Cord Injury project; and national cemetery expansions in Rittman, Ohio; Mims, Florida; and Holly, Michigan. VA is also requesting \$964 million to fund more than 2,100 medical leases in FY 2019 and \$672.1 million for activation of new medical facilities.

VA appreciates the support of Congress and is grateful for the passage of the VA Choice and Quality Employment Act of 2017 (Public Law (P.L.), 115-46), which included authorization for 28 major medical leases, some of which had been pending authorization for approximately 3 years. The leases will establish new points of care, expand sites of care, replace expiring leases, and expand VA's research capabilities. In FY 2019, VA is seeking Congressional authorization of four new outpatient clinic leases to expand services currently offered at existing clinics. The requested leases would be located in the vicinities of Lawrence, Indiana; Plano, Texas; Baton Rouge, Louisiana; and Beaumont, Texas.

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

VA's FY 2019 Budget includes proposed legislative requests, consistent with the Veteran Coordinated Access & Rewarding Experiences Act draft bill that VA submitted last fall, which, if enacted, would increase the Department's flexibility to meet its capital needs. These proposals include: 1) increasing from \$10 million to \$20 million the dollar threshold for minor construction projects; 2) modifying title 38 to eliminate statutory impediments to joint facility projects with DoD and other Federal agencies; and 3) expanding VA's enhanced use lease authority to give VA more opportunities to engage the private sector and local governments to repurpose underutilized VA property.

To maximize resources for Veterans, VA repurposed or disposed of 131 of 430 vacant or mostly vacant buildings since June 2017. VA is on track to meet the goal that

I set in June 2017 for VA to initiate disposal or reuse actions for all 430 buildings by June 2019.

The Department is also a participant in the White House Infrastructure Initiative, which is exploring additional ways to modernize VA's real property assets, and support our continued delivery of quality care and services to our Nation's Veterans. The proposed Infrastructure Initiative includes flexibilities for VA to leverage existing assets to continue its efforts to reduce the number of vacant buildings in its inventory; tools to leverage VA assets for the construction of needed new facilities to serve Veterans; and an increase to VA's existing medical facility leasing threshold, which would streamline our leasing process so VA can more quickly and efficiently deliver facilities to provide care and services to Veterans.

Accountability and Effective Management Practices

Another critical system VA is significantly improving relates to employee accountability. The vast majority of employees are dedicated to providing Veterans the care they have earned and deserve. It is unfortunate that some employees have tarnished the reputation of VA while so many have dedicated their lives to serving our Nation's Veterans. We will not tolerate employees who deviate from VA's I-CARE (Integrity, Commitment, Advocacy, Respect, and Excellence) values and underlying responsibility to provide the best level of care and services to them. Last May, VA established the Office of Accountability and Whistleblower Protection. Between June 1, 2017, and December 31, 2017, VA removed more than 900 staff (not including probationary terminations) and placed more than 250 staff on suspensions of 14 days or greater. We thank Congress for passing the Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 (P.L. 115-41), so that new accountability rules for VA are now the law of the land.

We are also focused on improving our unduly burdensome internal hiring practices. In the face of a national shortage of health care providers, VHA faces competition with the commercial sector for scarce resources. Over the past year, we reduced the time it took to hire Medical Center Directors by 40 percent and obtained approval from the Office of Personnel Management for critical position pay authority for many of our senior health care leaders. But there is much work left to do. I will need Congress' help with legislation to reform recruitment and compensation practices allowing VA to stay competitive with the private sector and other employers.

Priority 3: Improve Timeliness

Access to Care and Wait Times

VA is committed to delivering timely and high quality health care to our Nation's Veterans. Veterans now have access to same-day services for primary care and mental health care at the more than 1,000 all VA clinics across our system. I am also committed to ensuring that any Veteran who requires urgent care will receive timely care.

In 2017, 81.5 percent of nearly 6 million outpatient appointments for new patients were completed within 30 days of the day the Veteran first requested the appointment ("create date"), whereas 97.3 percent of nearly 50.2 million established appointments were completed within 30 days of the date requested by the patient ("patient-indicated date"). VHA has reduced the Electronic Wait List from 56,271 entries to 20,829 entries, a 63.0 percent reduction between June 2014 and December 2017. The Electronic Wait List reflects the total number of all patients for whom appointments cannot be scheduled in 90 days or less. During FY 2018 and FY 2019, VA will continue to focus its efforts to reduce wait times for new patient appointments, with a particular emphasis on primary care, mental health, and medical and surgical specialties.

In FY 2019, VA will expand Veteran access to medical care by increasing medical and clinical staff, improving its facilities, and expanding care provided in the community. The FY 2019 Budget requests a total of \$76.5 billion in funding for Veterans' medical care in discretionary budget authority, including collections. The FY 2019 request will support nearly 315,688 medical care FTE, an increase of over 5,792 above the 2018 level.

VA is implementing a VISN-level Gap Coverage plan that will enable facilities to request gap coverage providers in areas that are struggling with staffing shortages. It is a seamless electronic request that allows VISNs to focus resources where they are most needed according to supply and demand. Telehealth will be the principal form of coverage in this initiative, which is budget neutral.

NCA has begun phase one expansion of the weekend burial pilot program, which provides Veterans and family members with increased access to burials at select national cemeteries. During phase one, NCA will offer cremation-only weekend burials at six cemeteries. The FY 2019 Budget will support phase two of the pilot by expanding the weekend program to an additional five cemeteries.

Accelerating Processing of Disability Claims

Since 2013, VA has made remarkable progress toward reducing the backlog of disability compensation claims pending over 125 days. VBA's FY 2019 budget request of \$2.9 billion would allow VBA to maintain the improvements made in claims processing over the past several years. This budget prioritizes more timely review of 1.3 million rating claims and 187,000 higher level reviews to decrease the amount of

time Veterans wait for a resolution. It also prioritizes fiduciary care for vulnerable beneficiaries to ensure protection for VA's most vulnerable veterans who are unable to manage their VA benefits. This budget supports the disability compensation benefits program for 4.5 million Veterans and 600,000 survivors.

To continue improving disability compensation claims processing, VBA has implemented an initiative called Decision Ready Claims (DRC). The DRC initiative offers Veterans, Servicemembers, and survivors faster supplemental claims decisions through a partnership with Veterans Service Organizations (VSO) and other accredited representatives to assist applicants with ensuring all supporting evidence is included with the claim at the time of submission, enabling the claim to be decided within 30 days of submission to VA. In FY 2019, VBA plans to complete 25 percent, or nearly 300,000 disability compensation claims, under the more timely DRC initiative.

Decisions on Appeals

In August 2017, the President signed into law the Veterans Appeals Improvement and Modernization Act of 2017 (P.L. 115-55), which represents the most significant statutory change to affect VA claims and appeals in decades and provides much-needed reform. VA is in the process of implementing the new claims and appeals system by promulgating regulations, establishing procedures, hiring and training personnel, and developing IT systems. By February 2019, all requests for review of VA decisions will be processed under the new law, which will provide a more efficient claims and appeals process for Veterans, with opportunities for early resolution of disagreements with VA decisions.

The FY 2019 request of \$174.8 million for the Board of Veterans' Appeals (the Board) is \$19.2 million above the FY 2018 Budget and will sustain the 1,025 FTE who will adjudicate and process legacy appeals while implementing the Appeals Improvement and Modernization Act. The Board is currently on pace to produce over 81,000 decisions, a historic level of production.

In addition, VBA is also undertaking a similar, multi-pronged approach to modernize its appeals process through legislative reform, increased resources, technology, process improvements, and increased efficiencies. The requested \$74 million for appeals processing increases VBA's appeals FTEs by 605, more than 40 percent above 2018.

This increase comes after VBA realigned its administrative appeals program under the Appeals Management Office (AMO) in January 2017, as part of an effort to streamline and improve performance in legacy appeals processing. The improved focus and accountability resulting from this realignment helped increase VBA appeals production by 24 percent, decrease its appeals inventory by 10 percent, and increase its appeals resolutions by 10 percent, resolving over 124,000 appeals during FY 2017.

In FY 2019, the Appeals Modernization project will achieve the benefit of using Caseflow Certification, which is a commercially developed system that will help reduce

errors and delays caused by disjointed manual processing, and improve the Veteran experience by enabling transparency of appeals processing and ultimately facilitating the delivery of more timely appeals decisions.

Priority 4: Suicide Prevention

Suicide prevention is VA's highest clinical priority, and Veteran suicide is a national health crisis. On average, 20 Veterans die by suicide every day —this is unacceptable. The integration of Mental Health program offices and their alignment with the suicide prevention team and the Veterans Crisis Line is being implemented to further enhance VA's ability to effectively meet the needs of the most vulnerable Veterans. The FY 2019 Budget Request increases resources to standardize suicide screening and risk assessments and expands options for safe and effective treatment for Veterans struggling with post-traumatic stress disorder and suicide.

The FY 2019 Budget requests \$8.6 billion for Veterans' mental health services, an increase of 5.8 percent above the 2018 current estimate. It also includes \$190 million for suicide prevention outreach. VA recognizes that Veterans are at an increased risk for suicide, and we have implemented a national suicide prevention strategy to address this crisis. VA is bringing the best minds in the public and private sectors together to determine the next steps in implementing the Ending Veteran Suicide Initiative. VA's suicide prevention program is based on a public health approach that is ongoing, utilizing universal, selective, indicated strategies while recognizing that suicide prevention requires ready access to high-quality mental health services, supplemented by programs that address the risk for suicide directly, starting far earlier in the trajectory that leads to a Veteran taking his or her own life. VA cannot do this alone; 70 percent of Veterans who die by suicide are not actively engaged in VA health care. Veteran suicide is a national issue and can only be ended through a nationwide community-level approach that begins to solve the upstream risks Veterans face, such as loss of belonging, meaningful employment, and engagement with family, friends, and community.

Executive Order to Improve Mental Health Resources

On January 9, 2018, President Trump signed an Executive Order (13822) titled, "Supporting Our Veterans During Their Transition From Uniformed Service to Civilian Life." This Executive Order directs DoD, VA, and the Department of Homeland Security to develop a Joint Action Plan that describes concrete actions to provide access to mental health treatment and suicide prevention resources for transitioning uniformed Servicemembers in the year following their discharge, separation, or retirement.

VA encourages all transitioning Servicemembers and Veterans to contact their local VA medical facility or Vet Center to learn about what VHA mental health care services may be available.

REACH VET Initiative

As part of VA's commitment to put forth resources, services, and technology to reduce Veteran suicide, VA initiated the Recovery Engagement and Coordination for Health Veterans Enhanced Treatment (REACH VET) program. This program finishes its first year of full implementation in February 2018 and has identified more than 30,000 at risk Veterans to date. REACH VET uses a new predictive model to analyze existing data from Veterans' health records to identify those who are at a statistically elevated risk for suicide, hospitalization, illnesses, and other adverse outcomes, so that VHA providers can review and enhance care and talk to these Veterans about their needs. REACH VET was expanded to provide risk information about suicide and opioids, as well as clinical decision support to Veterans Crisis Line responders and is being further expanded to provide this important risk information to frontline VHA providers. REACH VET is limited to Veterans engaged in our health care system and is risk-focused, so while it is critically important to those Veterans it touches, it is not enough to bring down Veteran suicide rates. We will continue to take bold action aimed at ending all Veteran suicide, not just for those engaged with our system.

Other than Honorable Initiative

We know that 14 of the 20 Veterans who, on average, died by suicide each day in 2014 did not, for various reasons, receive care within VA in 2013 or 2014. Our goal is to more effectively promote and provide care and assistance to such individuals to the maximum extent authorized by law. To that end, beginning on July 5, 2017, VA promoted access to care for emergent mental health care to the more than 500,000 former Servicemembers who separated from active duty with other than honorable (OTH) administrative discharges. This initiative specifically focuses on providing access to former Servicemembers with OTH administrative discharges who are in mental health distress and may be at risk for suicide or other adverse behaviors. As part of this initiative, former Servicemembers with OTH administrative discharges who present to VA seeking emergency mental health care for a condition related to military service would be eligible for evaluation and treatment for their mental health condition. Such individuals may access the VA system for emergency mental health services by visiting a VA emergency room, outpatient clinic, Vet Center, or by calling the Veterans Crisis Line. Services may include assessment, medication management/pharmacotherapy, lab work, case management, psycho-education, and psychotherapy. As of December 30, 2017, VHA had received 3,241 requests for health care services under this program. In addition, in FY 2017, Readjustment Counseling Services through Vet Centers provided services to 1,130 Veterans with "Other than Honorable" administrative discharges and provided 9,889 readjustment counseling visits.

Priority 5: Greater Choice for Veterans

Veterans deserve greater access, choice, and control over their health care. VA is committed to ensuring Veterans can make decisions that work best for themselves and their families. Our current system of providing care for Veterans outside of VA requires that Veterans and community providers navigate a complex and confusing

bureaucracy. VA is committed to building an improved, integrated network for Veterans, community providers, and VA employees; we call these reforms Veteran Coordinated Access & Rewarding Experiences, or Veteran CARE.

Veteran CARE would clarify and simplify eligibility requirements, build a high performing network, streamline clinical and administrative processes, and implement new care coordination support for Veterans. Veteran CARE would improve Veterans' experience and access to health care, building on the best features of existing community care programs. This new program would complement and support VA's internal capacity for the direct delivery of care with an emphasis on foundations services. The CARE reforms would provide VA with new tools to compete with the private sector on quality and accessibility.

Demand for community care remains high. The Veterans Choice Program comprised approximately 62 percent of all VA community care completed appointments in FY 2017. We thank Congress for the combined \$4.2 billion provided in Calendar Year 2017 to continue the Choice Program while discussions continue regarding the future of VA community care. Based on historical trends, current Choice funding may last until the end of May 2018, depending on program utilization. VA has partnered with Veterans, community providers, VSOs, and other stakeholders to understand their needs and incorporate crucial input into the concept for a consolidated VA community care program. Currently, VA is working with Congress to develop a community care program that addresses the challenges we face in achieving our common goal of providing the best health care and benefits we can for our Veterans. The time to act is now, and we need your help.

In FY 2019, the Budget reflects \$14.2 billion in total obligations to support community care for Veterans. This includes an additional \$2.4 billion in discretionary funding that is now available as a result of the recently enacted legislation to raise discretionary spending caps. Of this amount, \$1.9 billion replaces the mandatory funding that was originally requested in FY 2018 to be carried over into FY 2019. This funding will be used to continue the Choice Program for a portion of FY 2019 until VA is able to fully implement the Veteran CARE program. The remaining \$500 million will support VA's traditional community care program in FY 2019. The Administration would also support using discretionary funding provided in FY 2018 in the cap deal to ensure that the Choice Program can continue to operate for the remainder of FY 2018.

Finally, the Budget transitions VA to recording community care obligations on the date of payment, rather than the date of authorization. This change in the timing of obligations results in a one-time adjustment of \$1.8 billion, which would support a total 2019 program level of \$14.2 billion for community care needs.

Forever GI Bill

In addition to expanding choice in health care, the Harry W. Colmery Veterans Educational Assistance Act of 2017 or the Forever GI Bill contains 34 new provisions, the vast majority of which will enhance or expand education benefits for Veterans,

Servicemembers, Families and Survivors. Most notably, this new law removes the 15-year time limitation for Veterans who transitioned out of the military after January 1, 2013, to use their Post-9/11 GI Bill benefits. This law also restores benefits to Veterans who were impacted by school closures since 2015, expands benefits for certain Reservists, surviving dependents, Purple Heart recipients, and provides many other improvements. Thirteen of the 34 provisions were effective on the date of enactment, while the remaining provisions have future effective dates ranging from January 1, 2018, to August 1, 2022.

Closing

Thank you for the opportunity to appear before you today to address our FY 2019 budget and FY 2020 AA budget requests. These resources will honor the President's commitment to Veterans by continuing to enable the high quality care and benefits our Veterans have earned. They will support my efforts to achieve my top priorities while ensuring that VA is a source of pride for Veterans, beneficiaries, employees, and taxpayers. I ask for your steadfast support in funding our full FY 2019 and FY 2020 AA budget requests and continued partnership in making bold changes to improve our ability to serve Veterans. I look forward to your questions.