

**Committee on Veterans' Affairs
Ranking Member Tim Walz
Testimony before the Subcommittee on Military Construction and Veterans'
Affairs on the Department of Veterans' Affairs FY19 Budget Request
Tuesday, April 16, 2018
2358-A Rayburn House Office Building**

TESTIMONY

- Good Afternoon and thank you Chairman Dent and Ranking Member Wasserman-Schultz for the opportunity to testify on VA's Fiscal Year 2019 budget request.
- Time and again members of the House Veterans' Affairs Committee and key stakeholders have raised concerns over privatization at VA. VA's FY 19 budget request lends credibility to those concerns.
- Between FY17 appropriated levels and this FY 19 request, community care spending will have

increased by 49 percent and that is without taking into account the \$4.2 billion in additional emergency funding Congress provided last year.

- Compare this to the 9 percent requested increase for care provided in VA hospitals and clinics during this same period.
- In February, we passed the Bipartisan Budget Act, which included a deal to raise VA's budget caps by \$4 billion over FY 2018 and FY 2019 for rebuilding and improving VA's hospitals and clinics.
- This \$4 billion was to address VA's significant infrastructure needs, and provide additional resources to the VA system.

- Instead of prioritizing construction of hospitals and clinics or non-recurring maintenance, the budget proposes spending almost half of this increase on community care instead of on VA infrastructure.
- This is after we authorized an additional \$4.2 billion in emergency supplemental funding for the Veterans Choice Program last year and are now being asked by VA to authorize an additional \$1.3 billion to get through the end of this fiscal year, and another \$4 billion for FY19.
- If the huge increase in community care spending is not enough, this year's budget request merges the Medical Community Care Account— a

congressionally mandated account meant to provide greater accountability and transparency—with the Medical Services Account so that Congress cannot track how VA is delivering care to our nation's veterans.

- To the average layperson, or even the press—the \$13 billion requested in FY 19 to spend on community care is not apparent. This violates the law we passed only 2 years ago creating this separate account for community care so we could track spending.
- As an oversight body, we should all be concerned with this proposal and VA's disregard of the law by failing to specify the amount it requests to

spend on community care and how much it requests for VA-provided medical services.

- Make no mistake: merging these two accounts will lead to privatization. The only reason we know that on average over \$4 billion in additional emergency supplemental funding is spent each year on the Veterans Choice Program is because of the separate Veterans Choice Fund. Once the Medical Community Care, Veterans Choice Fund, and Medical Services accounts are merged, that \$4 billion per year will come out of VA's medical services budget.
- Instead of addressing VA's infrastructure and resource needs, that money will be spent on purchasing community care just like the

Administration's plan to spend half of its cap increase on non-VA provided care.

- To put this in perspective, over \$38.5 billion has been spent on community care since the Phoenix wait-time scandal. Thirty-eight new VA hospitals could have been built with this amount of money which would have served as a real boost to VA's aging infrastructure. The 31 thousand provider vacancies could have been filled along with the 4 thousand vacancies for logistics, human resources, and contracting staff.
- The DC VAMC—in our backyard—continued to delay treatment of veterans even last month because they did not have the medical supplies, logistics, and human resources staff to support

the providers working tirelessly to deliver quality care to our veterans. All the while, VA officials continued to mislead Congress about procedures delayed due to lack of supplies.

- We cannot continue to allow VA hospitals and clinics to be starved for resources while more and more care is funneled into the community. I think we all agree that community care is necessary to fill gaps and provide convenient care especially for veterans in rural and remote areas—but this is not the solution for fixing VA.
- For this reason we must continue to keep close watch over the manner in which VA spends its precious resources. We would be abdicating our

oversight responsibilities if we were to permit these accounts to be merged.

- This budget does not help fix VA. It seeks to dismantle it. We need separate accounts to adequately track funds spent on VA-provided services and care purchased in the community.
- Thank you and I yield back.