

Department of Veterans Affairs

Funding for COVID-19: CARES Act and American Rescue Plan

VA has obligated a total of \$8.7 billion of CARES Act funding through February 2, 2021 and is on track to fully execute the remaining \$10.9 billion in CARES Act funding in coming months. These funds will provide for Veteran COVID-19 related health care in VA medical facilities as well as in the community. CARES funds will enable VA to place medical staff in areas of greatest pandemic need and purchase needed PPE and other emergency equipment. VA carefully planned its CARES Act spending to ensure that funds would sustain operation through the end of the period of availability (September 30, 2021).

The rapidly changing nature of the pandemic response has highlighted the need for additional funding through the American Rescue Plan to sustain the VA COVID-19 response beyond the expiration of the CARES funding. American Rescue funding will enable additional investments in staffing, equipment and PPE through the end of FY 2021 and continue making investments into FY 2022. It will also enable VA to sustain the investments made under CARES to expand telehealth capabilities for all Veterans and to address the special needs of Women Veterans and Veterans who are homeless or at risk of homelessness. Additionally, the American Rescue Plan funding will enable VA to initiate facility improvements to better support pandemic response and to reduce the backlogs in VBA and the Board of Veterans' Appeals.

CARES Act (PL 116-136) Details

Congress appropriated \$19.6 billion in CARES Act funding to the VA for COVID response, including \$17.4 billion to the Veterans Health Administration (VHA). After authorized transfers totaling \$550 million (to the Canteen in PL 116-159 and other VA administrations in PL 116-260), \$16.84 billion is allocated to VHA. In FY 2020, VHA obligated \$6.26 billion, and plans to obligate \$10.6 billion in FY 2021, before the funding lapses. Total obligations, including FY 2020 and FY 2021 planned obligations, include:

- \$5.5 billion community care (FY 2020 \$2.0 billion; FY 2021 \$3.50 billion)
- \$9.5 billion medical care/hospital costs (FY 2020 \$3.4 billion; FY 2021 \$6.1 billion). includes test kits, personnel salaries, pharmaceuticals, equipment (ventilators), Non-recurring Maintenance (NRM), contracts, and travel & transportation of staff.
- \$257 million on Personal Protective Equipment (PPE) (FY 2020 \$92 million; FY 2021 \$165 million)
- \$971 million homelessness (FY 2020 \$649 million; FY 2021 \$322 million)
- \$151 million on emergency management activities (FY 2020 \$54 million; FY 2021 \$97 million)
- \$300 million on telehealth expansion and sustainment (FY 2021 \$87 million; FY 2021 \$213 million)
- \$150 million for state home construction grants in FY21

American Rescue Plan Details

The COVID-19 pandemic and the corresponding economic crisis are devastating to Veterans and their families across the country. The American Rescue Plan \$17 billion for the Department of Veterans Affairs (VA) will:

- Provide \$12.5 billion for COVID-19 related healthcare ensuring access for 9.2 million enrolled Veterans who may have delayed care or have more complex health care needs as a result of the pandemic, as well as resources for Veterans currently receiving housing support and an estimated 37,000 homeless Veterans.
- Invest \$2.6 billion in VA facilities with an average age of 60 years by updating medical centers to better support supply chain improvements, patient flow, and pandemic readiness. Pandemic readiness measures include expanding negative pressure rooms, updating HVAC and air handlers to limit the spread of disease, and modernizing patient flow in emergency areas.
- Support \$1.7 billion in Information Technology (IT) requirements including continuing recently expanded telehealth capabilities that enabled video-to-home telehealth visits to increase from 2,479 daily visits in February 2020 to 44,783 daily visits in January 2021, a 1,705% increase.
- Add nearly \$262 million for the Veterans Benefits Administration (VBA) to reduce the backlog of compensation and pension claims, which has grown to more than 212,000 from 76,000 in March 2020, to around 100,000 by September 2022.
- Include \$10 million to decrease the Board of Veterans Appeals hearing request (currently 87,499) and intake (35,000 appeals) backlogs. These efforts help Veterans economically by resolving their VA claims and allowing them to begin receiving the compensation.