

**U.S. DEPARTMENT OF VETERANS AFFAIRS  
BUDGET REQUEST FOR FISCAL YEARS 2024 AND  
2025**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON VETERANS' AFFAIRS**  
**U.S. HOUSE OF REPRESENTATIVES**  
ONE HUNDRED EIGHTEENTH CONGRESS

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**THURSDAY, MARCH 23, 2023**

COMMITTEE ON VETERANS' AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES  
*Washington, D.C.*

The committee met, pursuant to notice, at 10:07 a.m., in room 390, Cannon House Office Building, Hon. Mike Bost (chairman of the committee) presiding.

Present: Representatives Bost, Radewagen, Bergman, Mace, Rosendale, Miller-Meeke, Murphy, Franklin, Van Orden, Luttrell, Ciscomani, Crane, Self, Kiggans, Takano, Brownley, Levin, Pappas, Mrvan, Cherfilus-McCormick, Deluzio, McGarvey, Ramirez, Landsman, and Budzinski.

**OPENING STATEMENT OF MIKE BOST, CHAIRMAN**

The CHAIRMAN. Now, we can go to the committee, full committee. The committee will come to order. I would like to welcome Secretary McDonough where we received VA's budget request 2 weeks ago. The request will again look to an increase in the Department's budget. The request attempts to tackle hospital maintenance, backlogs, investment in mental health, community care, and works to end veterans homelessness. Congress has always prioritized the VA budget, despite all of the accusations about cutting care and benefits for veterans, which is not true. Mr. Secretary, I will always support giving you the resources you need to carry out the mission. As a veteran and the chairman of this committee, this is my number one priority. I also expect and demand that we be good stewards of the taxpayers' investment.

When a budget grows as fast as VA has, there is always, I am sure, waste. The committee has already started highlighting it. VA is spending billions of dollars on management consulting contracts. The Department also owns or leases a huge number of empty or nearly empty buildings all over the country. VA is wasting hundreds of millions of dollars a year on failed IT projects. I hope you will work with me, as you always have, to eliminate the waste and find better uses for that money.

That said, I have some concerns about how the budget request is structured. It has far too many gimmicks in it, and today's gimmicks are tomorrow's headaches. The Toxic Exposure Fund (TEF) is just the beginning. Let us not overcomplicate this. We have been building hospitals with discretionary money for 30 years. Why do

we need one construction fund that uses discretionary and another fund that uses mandatory money now? We have always paid the claims processors' salaries out of the same account. Why do we now need to pay them from a different account now depending on the type of claim that they are working on?

There has been a process for a long time called the second bite, where VA revises its medical care request during the year. It exists for a reason, and it works. Why should we get rid of it? I do not believe anyone intended to use the Toxic Exposure Fund to replace that. The more complex a budget is, the harder it is to manage and have transparency, as these complexities make VA less accountable to the veterans they serve. We are already dealing with some unintended consequences from changes in the budget. The last thing we need to do is create more. I look forward to digging into this issue today. Ranking Member Takano, I now recognize you for your opening statement.

#### **OPENING STATEMENT OF MARK TAKANO, RANKING MEMBER**

Mr. TAKANO. Well, thank you, Chairman Bost. Mr. Secretary, welcome, and thank you for appearing before us today. I believe that budgets reflect our priorities and values, and I am glad that President Biden's priorities for veterans align with mine. I am thrilled to see that the budget request includes investments that will strengthen veterans' healthcare, bolster mental health services, and suicide prevention programs, support women veterans, prevent and end veteran homelessness, begin improving VA's aging physical infrastructure, and modernize VA information technology for future generations of veterans. I am also glad that the administration is requesting significant funding for implementation of my Honoring Our PACT Act, the largest expansion of VA benefits and care in generations. I look forward to learning how resources dedicated to Promise to Address Comprehensive Toxics (PACT) Act implementation will be allocated across different programs.

However, while I am glad to see the overall increases to the budget for VA in Fiscal Year 2024, I want to highlight a concern of mine regarding VA not requesting a second bite. I share the ranking member's concern about the second bite. Any of our freshman members are going what the heck is the second bite? We are going to delve into that question today.

It has been the custom in previous budgets that we have a second bite. VA healthcare is funded through an advanced appropriations process, and the so-called second bite allows VA to adjust its previous asks of Congress to address unexpected changes to healthcare costs, such as new prescription drugs coming to market, or increased costs for labor and materials.

Instead, this year's budget relies on a request of over \$21 billion to the Toxic Exposure Fund, which was only appropriated \$5 billion for Fiscal Year 2023. That is a significant difference. Relying on the Toxic Exposure Fund as a means to address increasing budget demands is a risky proposition when VA has other tools, such as the second bite. Now, I want to understand the intent behind this proposal, especially in light of the volatile budget climate we find ourselves in.

As I am sure you are aware, House Republicans have advocated for a return to Fiscal Year 2022 baselines, which would decrease funding for VA and put implementation of important laws like the PACT Act at risk. Now, I know my colleagues on the other side of the aisle will take umbrage at this statement, but let us be clear, this is not fear mongering. It is fact. This has been widely reported as part of the deal struck to appease Make America Great Again (MAGA) Republicans in exchange for votes for Speaker McCarthy. I would love for them to correct the record and prove me wrong, but maybe they will do that today.

If we return to Fiscal Year 2022 baseline spending, the math does not work in veterans' favor. I understand the chairman of the Budget Committee said this week that even if we cut spending for the entire Federal Government in half, he would not be satisfied. That is the chair of the Republican—that is the Republican chair of the Budget Committee. That statement is deeply troubling. Which half wins? Which half loses? The Department of Defense, and corporations, the top 1 percent, or veterans, children, and seniors? Members throw these words around, but do not consider the math or the consequences of what they say. I have deep concerns that subjecting VA to large and arbitrary budget cuts would undermine VA's ability to deliver on the promise we have made to our veterans. Most significantly, the promise implied in the word pact, in PACT Act. Pact is a promise.

I am also concerned with the level of funding for infrastructure in this budget. Year after year, we discuss the age and disrepair of VA facilities, yet we continue to see funding levels that are not realistic for solving the problems. As we have already seen in certain facilities, the lack of funding for improvement is jeopardizing the access to care for veterans, and we continue to ask veterans to support a healthcare system that is not well maintained and modernized for their needs. I hope this year that appropriators will step up to the plate and provide funding for VA to finally address these issues and not make veterans wait any longer for improvements to their facilities.

Now, I also want to address another infrastructure issue, which is the amount of money that VA invests in modernizing its IT systems. VA is modernizing almost every major IT system in the Department, which I support, and which I believe is long overdue. What I do not support is VA continuing to fail at these endeavors. Thus, I have introduced two bills this week to address these issues. First, is a short-term solution requiring independent verification and validation of these major modernization efforts. The other is the Manage VA Act to create an undersecretary for management at the VA. Numerous other Federal agencies have such a position. VA is the second largest government agency with an important mission and a large budget, but it is not run this way. We need to provide programmatic budget acquisition management support and standardization across the Department to ensure that as budgets continue to grow at VA, we are spending that money appropriately and providing the best healthcare and access to benefits for veterans. We need to give VA the tools it needs to succeed.

With this budget request, it is clear to me that President Biden, you, Mr. Secretary, and I share many of the same priorities. I firm-

ly believe we can make responsible budgeting decisions without renegeing on our sacred promise to our Nation's veterans. I look forward to continuing our conversation today as we discern what this budget request forecasts for the future of VA. Thank you, Mr. Chairman, and I yield back.

The CHAIRMAN. Thank you, ranking member. In response, if I may. Well, first off, we agree on a lot from your opening statement. I also need to say that I do believe you are trying to—many of your colleagues and yourself are trying to drive fear into our veterans for something that is not and is not being talked about. I would request to put into the record a quote of a press release yesterday at 5:53, yesterday at 05:50 p.m. from the Appropriations Chairwoman Kay Granger. In it and I quote, “Republicans are working on policies that will grow and strengthen our economy. We will also find ways to reduce spending without impacting our Nation’s defense, our commitment to our veterans, or the services that Americans depend upon.” So, I just want to put that into the record. I do thank you for your comments and look forward to working together.

Now, Mr. Secretary, I know that you are here today, and we are glad to have you here. Thank you for being here. I am going to recognize you for 10 minutes for your opening statement.

#### **STATEMENT OF DENIS MCDONOUGH**

Secretary MCDONOUGH. Mr. Chairman, Ranking Member Takano, distinguished members of the committee, thank you very much for the opportunity to be here. My thanks in advance as well to the new members, including many among you veterans yourselves. Thank you for continuing your service to this country. VA will be strengthened by this committee’s work, so I attach great importance to our relationship. I pledge to each of you my candor and transparency as we work together on these important matters.

Let me start by telling you a story about army veteran Vika Mars. In 2019, Vika developed a cough that would not go away. So, she went to a urgent care where she was diagnosed with a lung mass and then Stage 4 lung cancer. Despite 11 years of honorable service, she thought she did not qualify for VA care and benefits because she had deployed as a reservist in a non-combat role, albeit in the Central Command. That was not until she received an email from VA this past fall telling her about the PACT Act. Vika said, for the first time in my life, for the first time in my life, I was not worried. I submitted my paperwork. It was such an easy process. Today, thankfully, Vika’s cancer is in remission. Her claim is service-connected, and she is getting the care she needs with VA.

There are many veterans with similar stories. We are delivering now more care and more benefits to more veterans than at any time in our Nation’s history. Vets had over 115 million clinical encounters in the past year, nearly 40 million in-person VA appointments, 31 million telehealth appointments, 38 million community care appointments. On benefits, we set a record of over 1.7 million claims processed, and we are on pace to break that record this year.

Since the PACT Act was signed last August, veterans and survivors have filed more than 1.25 million claims, 25 percent more



than the same period last year. I think we all agree that veterans, including those like Vika, deserve our very best, and with this budget, we can continue serving them with that.

This year's budget request is \$325.1 billion, the largest investment in U.S. history for veterans, their families, caregivers, and survivors. This year alone, this will mean 411,000 vets attending their first VA healthcare appointment, joining approximately 9 million other enrolled vets, 308,000 veterans and 56,000 families receiving their first earned benefits, in addition to the nearly 7 million we currently serve. Over 140,000 veterans and family members being interred a dignified lasting resting place.

This budget is about more than numbers. It is about preventing veteran suicide, our top clinical priority, which gets \$16.6 billion in this budget. It is about ending veteran homelessness, which gets \$3.1 billion in this budget. It is about supporting healthcare for women veterans, which gets over 1.2 billion in this budget. It is about restoring VA's severely aging infrastructure at nearly \$10 billion. This budget recognizes that the traditional approach to infrastructure has fallen short of providing veterans with the modern environments of care they deserve.

No investment in this critical budget is more critical to our success than the investments in people we hire and retain here at VA. We are incentivizing hiring, quickly onboarding staff, and incentivizing retention. We hired more staff at Veterans Health Administration (VHA) in the first quarter of this year than in any previous year in the history of VA. I am proud to report that we hired 2,465 registered nurses, 465 licensed practical nurses, and 788 nursing assistants. We have hired more people in these three critical occupations than at any other time in the last 20 years. Overall, we have onboarded 23,000 new hires this year, on our way to meet our goal of 52,000 new onboarded VHA employees. At Veterans Benefits Administration (VBA), we used regional hiring fairs to interview thousands of applicants and extend same day job offers to nearly 1,100 applicants, putting us on track to fill all 1,871 of the authorized PACT Act hires.

These new members of the VA join the best workforce in the Federal Government. Brittany Walker was hired at the Central Alabama VA Healthcare System this last November. Brittany's siblings, both grandfathers, many other family members, have served in uniform. Now, Brittany's serving their brothers and sisters in arms in a mission that is deeply personal to her. That is the kind of deep devotion that characterizes VA's workforce.

This Monday, we mark the 20-year anniversary of the invasion of Iraq, a war in which many of you and many of your friends served and sacrificed. The work of caring for the brave men and women who fought that war and their families, survivors, caregivers is in full swing and will only grow. America made them a promise. It is our job at VA to keep that promise. We are looking forward to collaborating even more with you to build on what is working and to fix what is not. I look forward to your questions. Thanks again for the opportunity to be here.

[THE PREPARED STATEMENT OF DENIS McDONOUGH APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you, Mr. Secretary. We are going to go to questions, and I would like to recognize myself for 5 minutes.

Mr. Secretary, you know, the new mandatory construction account bothers me a little bit. We are going to struggle to authorize these projects. There could also be favoritism in which projects get put into which account. I need to know why did you request this? Does not it risk going back to the bad old days of politics determining where hospitals get built?

Secretary MCDONOUGH. Yes, thanks so much. As with every dime in this budget, we will actively work, collaboratively work with you on oversight and on careful investment of each dime. We have a three-pronged strategy on infrastructure. One, non-recurring maintenance. That is keeping those facilities that we have running. Two, minor construction and leases. This is to maintain and grow access, including in so many of your districts, where there is such broad growth of veterans. Then, third, major construction, which allows us to replace entire VA medical centers.

The reason we asked for the number we asked for is because in the last 10 years, VA has replaced four hospitals, four. Even though the average age of a hospital in VA is 62 years old, the average age of a hospital in the private sector is 13. I think that is an indictment of how we have invested in construction in the last decades. It is because, look, a lot of the blame rests with us. We did not effectively manage the Aurora construction. Since Aurora, we have had three very well-managed replacement facilities, including in Orlando, where it came in under budget and ahead of schedule. Even Orlando is now bursting at the seams because of veteran demand.

The thing that will drive every investment in infrastructure is where the veterans are. We know that data. We share that data with you. Every decision we will make will be pursuant to our established processes that we brief you on, at least quarterly. That Strategic Capital Investment Project and program is an effort by us to let the data and the veterans' requirements drive those investments.

The CHAIRMAN. Mr. Secretary, you know, you are asking for 20 billion in Toxic Exposure Fund next year, but you are not even planning on spending at least 3.5 billion of that. Why are you requesting money that you can not or will not spend?

Secretary MCDONOUGH. Thank you very much, Mr. Chairman. I heard the comments from both you and the ranking member on the TEF, and I know our teams have been meeting regularly on this. I talked earlier this week with the Inspector General. I have just sent him a letter. I have asked, and obviously he is going to do this in all cases, that he give particular focus to the TEF and the investments we make in the TEF, to include the methodologies by which we count what we spend in the account, and the process by which we report that to you.

The PACT Act is a new way of doing business. Importantly, you gave us authority in there that said, any dollars for toxic exposure related care and benefits above the Fiscal Year 2021 baseline can be moved into the TEF. We have done exactly that and no more in this budget, exactly what you allowed us to do. My commitment to you on this is the same as my commitment on everything else,

we will not spend one dime that we have not talked to you about, that we have not briefed you about, and that you are not comfortable, that you are not aware of, and understanding of the methodology for which we are making those decisions.

The CHAIRMAN. Okay. That kind of leads to my follow-up question. You are already asking for 21 billion more of toxic exposure funds for 2025. Is not it too early to estimate that especially when we have not spent money from 2023 and 2024?

Secretary MCDONOUGH. Yes, thanks very much. We are letting the data drive this for us and I know we have been talking to your teams about it. I will give you an example. Yesterday, for the first time, as near as I can tell, and I think I have been around Washington now longer than I would have ever anticipated and surely than I care to admit, but I have never seen VA go set up a claims clinic at the Pentagon. That is what we did yesterday. We had encounters with 1,200 Department of Defense (DoD) personnel who have deployed to United States Central Command (CENTCOM), like so many of you in the last three decades.

The data is telling us what we need in the fund. We have our methodology. We are talking to your staff about it. We will be more than happy to continue to talk to you about it. As I said, I have taken the extraordinary measure of asking the Inspector General (IG) to make sure that he is spending whatever time he can on this question. Look, I am very excited about the PACT Act, but let us be clear, it is a new way of doing business. It is a big piece of business at that. That requires the kind of investment that you gave us the authority to use in that act and this budget uses it.

The CHAIRMAN. Thank you. My time has expired. Ranking member, I recognize you for 5 minutes.

Mr. TAKANO. Mr. Secretary, I want to continue on this line about the PACT, the TEF. You know, the TEF was, I think, envisioned as a way to avoid pitting toxic exposed veterans against other veteran programs and to protect, well, to prevent those same veterans from competing against other discretionary priorities, right? This choice to not ask for a second bite, a one-off given the new budgeting—is this choice to not ask for a second bite a one-off, given the new budgeting dynamic? Or is it something we should expect to see in the future and future budget requests?

Secretary MCDONOUGH. Yes, look, I mean, we asked for what we need in the budget, not a dime more. We use the authorities you gave us to ask for the TEF. We assessed based on that, that we do not need the second bite. As we have briefed this out, including with other members on the Hill, both sides, I think there is some appreciation because frankly, as you know, the second bite in the last couple of years has been in a lot of different places. I know it is the tradition and I know that it is a tradition that we may avail ourselves again of in the future, but it is not like everybody loved the second bite in the first instance.

Mr. TAKANO. Well, but here is the thing, though. The way that we are doing the congressional, the Congressional Budget Office (CBO), and the scoring of bills, the whole way we have set up the TEF is frankly, it has interfered with other priorities, such as my friend Julia Brownley's bill, the Elizabeth Dole bill. I mean, it was all ready to go, but then this whole new situation. We need experi-

ence and, you know, spending experience. If it is not clear, this idea of using TEF money instead of asking for a second bite, it just sort of muddies the water in terms of how we are going to be able to score these bills going forward.

I do not understand why we can not make a clear delineation with sort of the nontoxic exposed expenditures that you have and not having a second bite sort of muddies this. Do you understand what I am trying to ask you here in terms of? It appears to me that what has happened is that you have simply increased the TEF request to make up the difference between what would have been the first bite and the second bite.

Secretary MCDONOUGH. Yes, no, what the authority in the Act, this historic act that all of you, especially you, Mr. Takano, played such a critical role in, the authority says dollars above Fiscal Year 2021 baseline for care or benefits associated with toxic exposure can be placed in the TEF. That is the decision we have made here. That is the authority you have given us. That is the decision we have made.

I have great respect for CBO, but I can not speak for them. Let me just say one other thing, which is you also said this question about making sure that the discretionary fund does not get crowded out. As you know, I have, in fact, last year had a very good exchange with Mr. Bost on this. It is one of the places where he and I do not see the same, you know, eye to eye, but we asked for the third budget category for medical care last year. We repeat that ask this year. That is where we are trying to protect the discretionary account across the board, not in the TEF. The TEF, all we do is what the statute says we can do. Again, we will talk to you about how we came to the conclusions. We have talked to your team about the methodology for those conclusions. We got nothing to hide here. We are just doing what you give us authority to do.

Mr. TAKANO. I am not saying you are hiding anything, Mr. Secretary, I am just befuddled. So, I think I am aligned with you on trying to get our arms around the medical account—

Secretary MCDONOUGH. Yes.

Mr. TAKANO [continuing]. especially the care in the community, and what is driving that. I would urge you to come up with a plan to make it clear, how are you going to get—

Secretary MCDONOUGH. I have been trying.

Mr. TAKANO [continuing]. your arms. I get it, it is hard. If we need to—what do you need from Congress on that? Maybe stay focused on this TEF issue. You know, if the appropriators decline to provide VA its whole TEF request of 20.3 billion, which is entirely possible because they did not give you the full amount you requested previously for the TEF last year, has VA placed itself in an untenable position by not asking for the second bite? What happens if you do not get the 20 billion, is what I am trying to ask you?

Secretary MCDONOUGH. Yes, I am not conceding that we are going to fail on that. You know, I think that the appropriators understand. We have been talking to them too. What we have done here is use the authority that is in the Act that gets a recognition that the Act is a new way of doing business.

You are absolutely right. We do not want to get to the end of—the whole idea in the TEF, we do not want to get to the end of the year and have so many new say, for example, post-9/11 vets coming in for care and somehow wrestling over a limited medical care account so somehow we have to choose between, you know, vets of other eras and vets of the post-9/11 era. The TEF allows us to have confidence that, as you said in your remarks a minute ago, we are not going to have to pit different kinds of care against one another.

That is what we have done in this request and I think it holds up to scrutiny. Believe me, it has been closely scrutinized across the street at the Office of Management and Budget (OMB) and already, I think, being closely scrutinized by your staff who are very sharp eyed, I have noticed.

Mr. TAKANO. Well, Mr. Chairman, before I yield back, I just want to say I hope that some other member of the committee will pursue this issue about the discretionary spending. Why is that needed? There has been only, you know, exactly one briefing for committee staff on the day that the President released the budget, and then VA took more than a week to provide its complete budget books to the committee. I just want to get you to commit that we will have more staff briefings in the near future all of this.

Secretary MCDONOUGH. You have got my commitment on that. An easy one, yes.

Mr. TAKANO. All right, I yield back, Mr. Chairman.

The CHAIRMAN. Thank you, ranking member. Representative Radewagen, you are recognized for 5 minutes.

Mrs. RADEWAGEN. Talofa. Thank you, Chairman Bost and Ranking Member Takano for holding this hearing today. Thank you, Secretary McDonough, for your testimony. A special thank you to Representative Brownley for your help in organizing the Women Veterans Task Force this year. I look forward to working with you as co-chairs to address the needs of our female veterans and bring some actionable items before this committee over the next 6 months.

I want to applaud VA's budget proposal for prioritizing hiring more women health professionals and recognizing that women veterans are the fastest growing veteran population. Secretary McDonough, while the number of women veterans served by VA has steadily increased over the last 5 years, the fact remains that over half of all women vets are still not using VA benefits or services. Other than hiring women's health personnel to fill in the gaps in female focused care, what are VA's plans to encourage women veterans to use the benefits and services they have rightly earned? What is VA doing to get the word out and ensure that women veterans feel safe and welcome at VA?

Secretary MCDONOUGH. Talofa. Thank you very much for that question. We now serve about 600,000 women veterans. About 300,000 of those women veterans are of childbearing age. In Fiscal Year 2021, we had about 6,000 deliveries. We anticipate about 10,000 deliveries this year. The trendline is up, but it is not near up as high as we would like it.

Among the things, so, just to follow your questioning, you are obviously intimately familiar with our investments in what we call gender specific care, which allows us to hire specific specialists and

to buy specific technology critical to women's healthcare. In addition to that, we are using the PACT Act to message women veterans, in particular. We have had more outreach events, including events specifically focused at women veterans across the country than in any time in VA history since the President signed that act into law. We have been using our local vet collaborative efforts, including most recently in the specific, where we had more Pacific based veterans participate in our outreach event than ever before. 38 percent of the participants were women veterans.

What I have given you here is a series of inputs. We will see what the output metrics suggest over the course of this year in terms of women veterans filing claims, getting service connection, and getting care. We will maintain an open line with you on that. There is no higher priority for us as it relates to outreach than ensuring that more eligible women veterans get their care.

Last point, last week, we changed our mission statement to more completely incorporate the passion and the commitment from President Lincoln in our mission to make sure that every veteran in the country, including women veterans, see themselves in VA facilities. That is going to take more than changing the mission statement. It is going to require us to do the things you are talking about to include ensuring women feel welcome and safe at VA facilities and that they can get the full suite and access to care that they need.

Mrs. RADEWAGEN. Thank you. I also had a question. I am out of time now pretty much, about telehealth and broadband, but I will submit that for the record.

Secretary MCDONOUGH. Thank you.

Mrs. RADEWAGEN. Thank you. Mr. Chairman, I yield back.

The CHAIRMAN. Thank you. Representative Brownley, you are recognized for 5 minutes.

Ms. BROWNLEY. Thank you, Mr. Chairman. Thank you, Mr. Secretary, for being here. Thank you for your announcement in the change of the motto. I think it is terribly important. We have had these discussions for a long time, and I think women veterans across our country will applaud it, very much so.

Secretary MCDONOUGH. Well, nobody's more demanding of it than you. I did not want to have to face you one more time without having that for you.

Ms. BROWNLEY. I do not want to spend my whole 5 minutes on TEF again. I do want to just point out, you know, the problem is the way CBO is now scoring, and I know you said that CBO, you can not account for them, that is their department. The problem is, is the way they are scoring it is the appropriators are saying, for example, the Elizabeth Dole bill, they are scoring it at an astronomical price. The appropriators are just saying with regards to TEF, well, we just kind of have to see how this goes, you know, before we can really begin to account for any of this.

As a consequence, it sounds to me based on the appropriator's response, is that we are going to have to wait years before we initiate any new programs. I would argue that Elizabeth Dole, for example, would actually save VA resources that can be reinvested into other programs. That is, you know, it is kind of that is the dilemma, you know, that we are just—the PACT Act is really important, and the execution of it is really, really important, but it could stifle every-

thing else in terms of good things moving forward for veterans. If you have a comment, great. I just wanted to get that point across.

Secretary MCDONOUGH. Well, I can guarantee you I would not be the first administration official to disagree with a CBO ruling or a CBO score, but I think I probably should stay out of that. You know that we feel really strongly about the caregiver program. If there is something that we can—you and I have had this conversation, if there is something more we can do of our own authority to move out in the way that you guys want us to move out, smartly on that, I would be happy to do it. That is on the merits and on the substance. On the scoring, again, I just do not feel like I am in a position to help on that.

Ms. BROWNLEY. All right, well just, you know, based on long-term care, the Elizabeth Dole bill, it does seem like in the budgeting request for Fiscal Year 2024, you are still allocating 65 percent of the resources to institutionalized care. That is how it appears to me. To me, that is a problem, you know, because we want to get away from that. That is the way I read the budget is that the VA's Fiscal Year 2024 request of \$12.9 billion really represents a similar spending dynamic from previous cycles in terms of institutionalized care.

Secretary MCDONOUGH. Well, I am happy to look at that, but the fact is that the budget anticipates growth of at least another 1,000 participants in the caregiver program for the year ahead. We have seen remarkable growth in that program. We are working with you aggressively on that to make sure that we are acting consistent with your intent on it. The fact also remains that there is a high degree of demand for long-term care facilities in the country. I think that there is a cultural and individual based shift, I think, that we are in the middle of. We are making certain assumptions about how quickly that shift will be carried out. I think we are pretty realistic about this in the budget. Again, I would be happy to continue that conversation.

Ms. BROWNLEY. Thank you. I just have a few seconds left, but I just wanted to bring up funding for care for women veterans. Deborah Sampson mandated that a 5-year plan be submitted to Congress for retrofitting VAs across the country to address women and their healthcare. That report says that there is, you know, 75 projects nationwide accounting for \$609 million in total estimated costs. I think we know that maybe five or six of those projects have been done. Then you have a capital, or construction and long-term capital planning section within the VA that allocates a whole lot of money, but there is no delineation of does that cover more—

Secretary MCDONOUGH. Yes.

Ms. BROWNLEY [continuing]. resources for retrofitting for women? Can we carve something out so that we can track that?

Secretary MCDONOUGH. Yes, sure. I think we can get you more of this specific data. Here is how the process works for us. As I talked about it a minute ago in reaction to the chairman's questions, we have the three-pronged strategy. All that then is run up against our strategic capital improvement plan. The way that we work that is across the enterprise, our systems can appeal to be included in the SCIP, the Strategic Capital Improvement Plan. Our team rates those individual projects. Those projects that are de-

signed expressly for access to gender specific care are given a quantum or a premium in the scoring on the SCIP process. In effect, there is a way in our existing processes to prioritize the fastest growing cohort of our veterans, women, and ensuring that our facilities are reflecting the needs that they have.

I hope that is helpful. I think there is a way for us to cut that data for you so you can show it and not take my word for it. That is the way we try to make that work within the context of our existing program.

Ms. BROWNLEY. Very good. I hope the VA is demanding that retrofitting for women's health is happening in these facilities, but I hear you. Mr. Chairman, I yield back and thank you for the time.

The CHAIRMAN. Thank you, General Bergman, you are recognized for 5 minutes.

Mr. BERGMAN. Thank you, Mr. Chairman. Secretary McDonough, you, I think, lead the only bureaucracy in Washington, D.C. that has the potential to have a heart because that is not core of bureaucracies. Just like corporations, the heart. The heart of your bureaucracy is based upon the sacrifice of the men and women who, through their service and through their willingness, enabled us to still be the United States of America.

You and I have had a chance to dialog, to talk, look at each other eye to eye on many occasions. I can only thank you for never giving up on what it really means, which is to take care of the veterans, to take care of their families, to enable them to take next steps, whatever that might be. You have got a big challenge because of the fact that the decisions that you are forced to make are largely viewed by those who are not deeply into it, as monetary. Again, the heart drives that.

As we sit up here on the dais, it does not make any difference what side, we are faced with the challenges of how do we allocate, if you will, or how do we decide on what we do as a committee to enable you to do your job. Right now, I think if you looked at the two pots of money in the general, the federal spending, you know, we are 70-plus percent mandatory spending, which we do not spend a whole lot of time on, which concerns many of us who are trying to do better and make improvements. Sometimes improvements are you are required to reduce things in the area. In one area to give to another. When you put it into mandatory, that kind of limits our ability to do that. In this particular case, why does your budget take money out of regular discretionary medical care accounts to increase the Toxic Exposure Fund?

Secretary MCDONOUGH. Yes, thanks, Mr. Bergman. I really appreciate the comments. As I was saying to the chairman and to Mr. Takano, as I understand the motivation for the TEF in the first instance back last summer, was to try to ensure that there was a way to not end up with, through our standard budgetary process, of pitting different characterizations of veterans against one another. By giving us the authority in the TEF to take any incidental dollar invested in benefits or care above Fiscal Year 2021 baseline for toxic exposure, we would avoid that.

That is what we are trying to do, not trying to limit any additional oversight. In fact, I am inviting additional oversight, including from our IG, and I have just committed again to additional



briefings, as many as we need, to Mr. Takano. What we are trying to do is be consistent with the statute. I think there is some wisdom in the statute in trying to make sure that we have the investments we need. I think we have worked really hard since the bill was enacted to come up with a way to do that and to come up with a way to do that that stands to oversight, that stands to scrutiny. We will hold ourselves to that standard going forward.

Mr. BERGMAN. Thank you for using the keyword oversight.

Secretary MCDONOUGH. Yes.

Mr. BERGMAN. I know you will do that. I know I do not have much time left. As we move forward with still dealing with suicide prevention and I would ask, maybe to take for the record here, is VA considering looking at partnering with any other entities when it comes to really evaluating potential breakthrough therapies in suicide prevention to include, you know, the continued expansion of care in the community? Last, when you think about what are we really trying to do for veterans, and that is to give them the outcomes and give them the outcomes in an expeditious manner because they are at risk. Having said that, we will not see a reduction in the risk if we, as the bureaucracies, do not change and enable the free market to provide those veterans with everything from independent care to appeals process to get better claims. I just wanted to thank you for all you have done. Thank you, sir.

Secretary MCDONOUGH. Thank you, Mr. Bergman.

Mr. BERGMAN. I yield back.

The CHAIRMAN. Representative Levin.

Mr. LEVIN. Thank you, Mr. Chairman, and great to see you, Mr. Secretary. Thank you for your good work. Thank your entire team for their good work on behalf of our veterans. I wanted to hit a few different items. I wanted to start with the Veterans Transitional Assistance Grant Program, which was established as part of the Isakson and Roe Act. The program is designed to support local organizations that provide coordinated transition assistance services, such as resume assistance, interview training, and job recruitment training to veterans and their spouses. Can you provide an update on implementation of that?

Secretary MCDONOUGH. In all candor, I can not because I did not study that provision this week.

Mr. LEVIN. No problem.

Secretary MCDONOUGH. Let me make sure I get you an answer on that.

Mr. LEVIN. You got a lot on your plate, I know that. Back in 2021, VA estimated full program implementation would cost \$26.3 million per year, but the budget request says only \$1.3 million for this program, and the Fiscal Year 2024 request includes 5 million. Our hope is that you can clarify when full funding will be used to fund that program, which is only authorized for 5 years. Hopefully you can—

Secretary MCDONOUGH. Got it.

Mr. LEVIN [continuing]. additionally provide the information, can commit to moving expeditiously to provide an update and fully fund that.

Secretary MCDONOUGH. Yes, count on that.

Mr. LEVIN. Great. Let us shift to infrastructure funding. There is a \$10 billion request for construction, which does appear to be a pretty significant increase from previous years, but the devil's in the details. Your own budget request noted full implementation of the SCIP list would cost about 130 billion. There is 5.7 billion for non-recurring maintenance, which I think continues the trend of using inefficient short-term solutions to sort of piecemeal facilities together. There is 2.3 billion in discretionary funding set aside for major and minor construction, which really is a drop in the bucket of what you need.

Two years ago, by comparison, Kaiser Permanente, and granted, Kaiser and VA are very different. VA is a very different entity. Kaiser told the Senate they invest 3 percent of their overall operating revenue on facilities and infrastructure. Then the independent budget Veteran Service Organizations (VSOs), they have noted their concerns with the fiscal 2024 request. My question for you, Mr. Secretary, is when will VA begin appropriately prioritizing its capital asset needs in the budget? Perhaps I should be directing this at OMB as well, but I would love your insights on this.

Secretary McDONOUGH. Yes, thanks so much. Just one second on NRM, the Non-Recurring Maintenance, that is a big number for non-recurring maintenance. You know, we have a very good track record on using those dollars expeditiously, transparently, and to good effect, including, you know, keeping facilities, updating facilities consistent with care requirements. We think that is a good investment. We think we can execute it well.

I guess I would say that I welcome us investing even more in infrastructure. Our argument, which has been made in a lot of different ways and this was a big topic last year because it was before we were about to announce our recommendations, our comprehensive recommendations consistent with the PACT Act, but at nearly \$10 billion here, we are talking about more money than we have ever asked for in the past. We are more than happy to talk you through our whole SCIP list and how we work that where that is the basis on which we make these decisions. The more money we have, the farther we can get down the SCIP list. But we are also mindful of the economy we are working in right now, where there is a lot of construction in the country, there are a lot of demands for inputs to construction. We also want to be clear eyed about this.

If you get the sense that we are not sharing with you the full picture, it is true that our annual budget is not the full picture of our SCIP list. We will be more than happy to come briefly on that.

Mr. LEVIN. Appreciate that and would just remind all my colleagues and for our freshmen that are here that polling on the popularity of investing in veterans infrastructure is off the charts. Republicans, Democrats, Independents, it is at 80-plus percent. People want to see better investments in VA hospitals and infrastructure.

The last question I have time for right now, Mr. Secretary, back in 2020, we authorized an increase in the grant and per diem rate during COVID-19 that is set to expire on May 11. It will bring the maximum rate to \$58.55. In your view, is that adequate for high cost of living areas to recruit and retain staff and provide high quality services?

Secretary MCDONOUGH. We are already having a problem, and you and I have talked about this in San Diego. I was just in Seattle last week. This is a major problem for our—and, you know, I talked to Mr. Banks yesterday about the importance of this program in Fort Wayne. This is a very important program for us to meet our shared goal of getting every veteran under a roof. I think experience is showing us right now that those rates are not enough to keep the kind of staff that we need to help ensure that we are doing the outreach and getting people into houses.

I do not have a specific proposal for you today. We are working this question. We are very proud of the work we are doing on veterans' homelessness, but we will not be satisfied till we are done with it.

Mr. LEVIN. Just in closing, I could not agree more. We so appreciate all the work you are doing to try to house homeless vets. My concern, as I know many others are concerned, is that this is going to set us back and could considerably set us back. I appreciate all your work there, and I will yield back to the chairman.

Secretary MCDONOUGH. Thank you.

The CHAIRMAN. Thank you, Mr. Levin. I just want to make a quick comment on the statement of the we do need to add to the buildings and do our building. Maybe we should talk to our good friends over in the Senate and have them actually appoint the Air Commission, and then we can actually move forward with that too. You know, that law was just an suggestion for him. With that, Representative Murphy.

Mr. MURPHY. Thank you, Mr. Chairman, and thank you, Secretary, for coming today. I am a proud representative of the sixth most veterans in any district in the country. In fact, one in seven of my constituents is a veteran. You add active-duty military with Camp Lejeune, and the other Marine bases, it is a big deal in eastern North Carolina.

I am going to bring up the issue that I spoke with you just a few minutes ago. I just want to let everybody know about this because in the Doctors Caucus this morning, we talked about drugs coming into this country from China. That 90 percent of our APIs, Active Pharmaceutical Ingredients, come from China today. Our Food and Drug Administration (FDA) is doing an absolute abysmal job in looking at these drugs, seeing their purity, seeing their impurities.

What happened in 2016 was that the VA, and I do not understand this policy, and we talked about it. I am not going to reiterate something we have already talked about. The fact that the VA Schedule 65 I B allowed drugs to come from non-TAA, Trade Agreements Act, country, which includes China. The DoD does not allow this. We are now, so subsequently, allowing drugs to come to our veterans, as well as, you know, other drugs coming into this country that are not being analyzed, are not being reviewed, are not being inspected.

This is an absolute troubling thing to me as a physician, but it is really more troubling to me that this is what is going into our veterans. We now, you know, like it or not, ballistic or not, are at war with our greatest adversary. We saw this with a balloon. We saw this with the absolute flood of fentanyl coming into this country from China. You know, I do not expect you, we talked about

this earlier, you were not aware about this, and that is no big, that is nothing against you at all. I would like a commitment from you, and I know I can stand by this, that this issue will be researched, because it is absolutely—I am ineffable about this, I can not understand why this was done. I know everything is about saving money. If we are giving our veterans drugs that have not been inspected, that is absolutely dangerous upon this country.

I would just like your commitment that I would like to get back. I would like some ruling on this. If there is any way to get out of this commitment in 2016, I think for the sake of our veterans, we need to explore that.

Secretary MCDONOUGH. Yes, you have got my commitment, Mr. Murphy, absolutely.

Mr. MURPHY. It is a big deal. We are trying to—one thing that the pandemic, there are some silver linings that brought back into this country that we are absolutely reliant on our greatest adversary for drugs in this country and we are coming in absolutely blind, not knowing what we are taking every day. These are going into the bodies of our veterans. It is not satisfactory.

Our department, I will shift on this a little bit, we are talking a lot about money and efficiency and you are asking for a lot of money. I did some calculations just on the old interweb, got these the other day, that the VA spends five times more per patient than the United Kingdom (UK) does in their British healthcare system. I am going to disagree a little bit with my colleagues on the other side of the dais, that more money is always a good thing because we are being absolutely, and I have worked in VAs, I have visited the VA clinics, we are being absolutely abysmal in our efficiency in spending.

Do you have a department of efficiency, or are you relying on outside consults, or folks to come in and tell you about what is efficient, what is not efficient? We are not spending our money wisely and just throwing money at something is not the right way to bring the best care to our veterans.

Secretary MCDONOUGH. Yes, thanks very much, Mr. Murphy. You know, I think we would put VA outcomes for our vets up against anybody, most particularly the UK system. You know, I think that that is the most important measurement for us.

Mr. MURPHY. Agreed.

Secretary MCDONOUGH. What is the outcome and the VA outcomes are first rate, one. Two, we are constantly measuring efficiency of outcome. Right now, we are going through a process I think—

Mr. MURPHY. I am just going to interrupt you. I understand that, but it is a big deal that we spend our money wisely. Just in my limited time—

Secretary MCDONOUGH. I could not agree more with you.

Mr. MURPHY [continuing]. it really is crucial. It is just like if you looked in the private world, you know where every paperclip goes.

I just want to bring one thing out. I was visiting one of our new VA clinics in Morehead City the other day, a nice facility, but I asked them about mental health and I am going to follow up with General Bergman's question. I asked them, when can they get an appointment, given our absolute abysmal suicide rate in this coun-

try with our veterans. You know, they can get a first appointment for mental health, but then it is four to five months later to get their second appointment. If we are not moving the needle on veteran suicide, what can be done about that?

Secretary MCDONOUGH. Yes, thanks very much. One, I just want to say, we now have data for two successive years, 2019 to 2020, 2020 to 2021, where we did reduce. It is still too high. We did reduce veteran suicides, one. Two, that wait time is not an outlier in the system for second appointments. You are absolutely right. This is a reflection of the limit that we have across the healthcare system in the United States, and VA is no exception, of trained mental health professionals. Third, that means we have to increase access in every way we can. I would be happy to talk more about that, and we have to go to more nontraditional methods.

One I just want to call your attention to is a program where we are training and deploying veterans as peer support specialists with fellow veterans, veterans in recovery helping other veterans, which is not dissimilar, by the way, and something I am quite familiar with, which is Alcoholics Anonymous, where an alcoholic in recovery mentors another alcoholic. We see that as a very effective tool. We now have 1,200 such specialists across the country. Veterans helping veterans. Those are the kind of innovative new treatments as we increase the number of healthcare professionals that are going to be critical to continue the downward trend on suicide. We are better. We are nowhere near where we need to be, and we will not rest until we get to zero.

Mr. MURPHY. Thank you. Just one thing, I would urge you to reach out to academic institutions via telehealth. That is what I am trying to do with our institution.

Secretary MCDONOUGH. Definitely.

Mr. MURPHY. That moves the needle. Then finally, I just would urge, given all the money that you have requested, I am a very staunch advocate of hyperbaric oxygen for some of these disorders, and I would ask that you consider using some of that for chambers. Thank you.

Secretary MCDONOUGH. Thank you.

Mr. MURPHY. I will yield back.

Secretary MCDONOUGH. Thank you.

The CHAIRMAN. Thank you. Representative Pappas.

Mr. PAPPAS. Thanks, Mr. Chairman, and thank you very much, Mr. Secretary, for your comments. It is great to see you again here. I appreciated your comments in particular on PACT Act implementation. I know that continues to be a big-to crack. We look forward to working with you on that. Obviously, we have seen a very high volume nationwide of individuals signing up and filing claims. I have heard good things from my VSOs in New Hampshire on this front who are generally pretty satisfied with how things are going.

In delving into the numbers a little bit, my State kind of lags other similarly sized states in terms of the number of veterans that are enrolling in healthcare, filing disability claims through PACT Act. I am wondering if you could address outreach efforts as it pertains to PACT Act, any gaps that you are identifying and how your department intends to fill those gaps.

Secretary MCDONOUGH. Yes, thanks very much. I think you can look at the numbers and see a big number, see a small number. We had some time last week we passed the 400,000th claim filed under the PACT Act. As I said, you can see that as a big number, see it as a small number. I prefer to see it as a small number, especially when one considers that there is as many as 4 million veterans who deployed into CENTCOM from 1991 to 2021. The question then is why are veterans not registering, filing claims? It may be a trust issue. Veterans may have had a bad experience in the past. We are trying to accommodate for that in our outreach efforts.

Two, there is still bad info to include information that many vets fear an existing service connection rating will be lowered if they apply for the PACT Act. In the overwhelming more than 90 percent of cases, your service connection rating is going to increase. It will not decrease. This rumor is sticky enough in the community that that may be reducing certain filing.

Two other historic trends, women, as Ms. Radewagen suggested, are not applying and have not traditionally applied at the same rate. Vika Mars, the soldier I talked about in the beginning, is an example. They do not see themselves as veterans. That is our failing, not theirs. We have a nettlesome history of Black veterans not applying at the same rate as their White counterparts, but also not having the success in getting ratings as their White counterparts. We have to address each of these things.

Last point, we are doing this in a very concerted way, in a joint way between VHA and VBA at the local level. Any of you who would like to work with us on a claims clinic in your district, we would love to do that. Those are the kinds of things we are doing in Community Based Outpatient Clinics (CBOCs), in hospitals, in Veterans of Foreign Wars (VFWs), in American Legions, where we are doing claims clinics. We are doing toxic exposure screenings onsite, and we are using that to drive this specific outreach. We would be more than happy to do more of that, although we have done a lot of it in New Hampshire.

Mr. PAPPAS. Well, thanks. I know we have a claims clinic scheduled next week, actually.

Secretary MCDONOUGH. Great.

Mr. PAPPAS. We look forward to that opportunity and continuing the conversation. I know the VSOs are very interested—

Secretary MCDONOUGH. Good.

Mr. PAPPAS [continuing]. in being a force multiplier on those efforts. I wanted to raise one additional issue with you. As you know, we have suffered at the Manchester VA Medical Center in terms of our infrastructure failing. We have seen flies in the emergency room on several occasions that have canceled surgeries. We had a major pipe burst in recent weeks that has flooded a large portion of the hospital, and cold weather left the facility without heat or hot water, which impacted a number of different services, including mental health and urgent care. I can not say enough about the hospital staff that worked round the clock to make sure veterans got appointments. They did a terrific job. Unfortunately, this is a recurring theme at the Manchester VA. We have seen some important investments in women's healthcare and mental health and

other areas where services have been added. I am wondering if you can address specifically the issues there against the backdrop of the larger picture of the need for more money for maintenance and hospital infrastructure.

Secretary MCDONOUGH. Yes, well, this is why that NRM number that we talked about a minute ago is so important, the non-recurring maintenance, you know, that what do they call it Arctic vortex or whatever, that led to that burst pipe in Manchester wreaked havoc also in Maine. Our ability to move quickly with that is dependent on having an agile and robust NRM.

On the broader question about access in New Hampshire, this is why we are asking for the historically large, by an order of magnitude, investment in infrastructure in this bill, because it will allow us to get further down those SCIP list priorities to ensure that we get the care we need.

The last point is, I think our team does a very good job of this in New Hampshire, which is the longer we do not modernize these facilities, the more reliant we are on the community. That is a good thing and that is a bad thing. It is good if the community has access. In many communities across the country, the pandemic has demonstrated that the private sector healthcare system is also full. It is a good thing that we are collaborating with, getting better at paying, getting better at sharing records with our private sector colleagues, but they are not immune to the access challenges that we are having. This is again, why we need the kind of robust investment that we are asking for in the infrastructure in this budget.

Mr. PAPPAS. Thanks for those comments and for your specific attention to the issues at Manchester.

Secretary MCDONOUGH. Thank you.

Mr. PAPPAS. I yield back my time.

Ms. MACE. Thank you. Congressman Van Orden, you are up.

Mr. VAN ORDEN. Mr. Secretary, thank you very much for coming. I appreciate it. I also appreciate you hosting my Ranking Member Mr. Levin in your office. It was fantastic.

I do want to make some comments referencing some remarks that were made earlier. I will remind my colleagues on this committee that there are several of us who have deployed repeatedly to combat understanding that we could be killed and leave our wives widows and our children without fathers. That we have been to many funerals and three of us have pounded our naval special warfare devices into several people's coffins and then buried them and then got on our knees and looked at their fatherless children in the eye.

For anyone to imply that we do not understand the consequences of what we are talking about in relationship to service members' children is either ill-informed or disingenuous. I echo the comments of the chairman of this committee that we will not tolerate that. We know what we are doing and we care deeply about what we are saying. I would appreciate it if everyone would remember that.

Mr. Secretary, I am the chairman of the subcommittee that deals with the transition from being an active-duty service member to a veteran. Many people do not understand that that process takes a millisecond. On Monday, you are an active-duty service member, on

a Tuesday, you are a veteran. During that period of time, you lose your uniform, you lose a sense of purpose, you lose a rank, a title. That is when our servicemen and women kill themselves.

It is my number one legislative priority. My Ranking Member Mr. Levin, who I am incredibly proud to serve with, his legislative priority is veterans' homelessness. We are doing this together. What I have found is that the problem is not with your organization. The problem is with the Department of Defense, because when we try to work out our transition assistance programs, they feel like we are trying to get people to retire from the military early. I knew when it was time to retire. Morgan, you are medically retired, and Eli was only in the military for about 20 minutes, I guess. I have boots that have served longer than you, pal, make sure that is clear. We knew when it was time to retire. We are not making people retire from the military. We want to make sure that we transition from being a productive member of the military to a productive member of society.

I want to ask you, what is your relationship with the Secretary of Defense? You guys sit at the same table.

Secretary MCDONOUGH. Yes.

Mr. VAN ORDEN. I mean, do you talk to Lloyd? I am going to call him Lloyd. You know why? I am in Congress now.

Secretary MCDONOUGH. Yes.

Mr. VAN ORDEN. Do you talk to Lloyd often?

Secretary MCDONOUGH. Yes, I do. Thank you for the question. I am also glad to know that somebody up here will understand my accent when I hear yours.

Mr. VAN ORDEN. It is from Stillwater, Minnesota.

Secretary MCDONOUGH. Yes, that is right.

Mr. VAN ORDEN. Yes.

Secretary MCDONOUGH. You are a cheese eater.

Mr. VAN ORDEN. Yes.

Secretary MCDONOUGH. Although born in Minnesota.

Mr. VAN ORDEN. Of course, to my shame.

Secretary MCDONOUGH. I talk a lot with Lloyd about this question.

Mr. VAN ORDEN. Okay.

Secretary MCDONOUGH. He and I have spent a lot of time together, including on things that, you know, over the last 15 years and things that you guys are all involved in too, I think. Yesterday's event at the Pentagon where we actually had a claims clinic, where we had toxic exposure screenings. We had 1,200 Pentagon personnel engage with us, a VA component, about the PACT Act, about toxic exposure screenings is evidence of that. That he not only supports us but welcomed us into the Pentagon to have these conversations.

Mr. VAN ORDEN. I am going to ask you this. I am going to ask for your help.

Secretary MCDONOUGH. Yes.

Mr. VAN ORDEN. I am going to ask for your help with the Secretary of Defense so that me and my Ranking Member Levin, can get in there to talk to these folks and explain to them that we are not trying to diminish the military, we are trying to make our country better. I am going to ask you to help facilitate that.



Secretary MCDONOUGH. Yes.

Mr. VAN ORDEN. If we can all sit down together to get this done—

Secretary MCDONOUGH. Yes.

Mr. VAN ORDEN.—the country is going to be better.

Secretary MCDONOUGH. Yes.

Mr. VAN ORDEN. Can you do that, sir?

Secretary MCDONOUGH. I can. You know he was Army.

Mr. VAN ORDEN. I know.

Secretary MCDONOUGH. You are okay with that?

Mr. VAN ORDEN. Yes. Yes, in a show of bipartisanship, I will work with someone from the Army.

Secretary MCDONOUGH. Okay.

Mr. VAN ORDEN. All right?

Secretary MCDONOUGH. Thank you.

Mr. VAN ORDEN. With that, I yield back.

Ms. MACE. Thank you. Congressman Mrvan?

Mr. MRVAN. Thank you, chairwoman. Mr. Secretary, thank you for joining us today. I want to thank you for your implementation of the PACT Act. The 1.5 million individuals who are receiving treatment now, wherever I go, people talk about the success of that. Within my district, they also talk about the transition of the Mission Act also, and how that is benefiting different members of my community.

Today, I wanted to talk to you as chairman of the Subcommittee of Technology Modernization last Congress and my current role as the ranking member of Oversight and Investigations Subcommittee, I have personally witnessed the acquisition and management challenges that VA is currently facing and has faced for years. As budgets grow, these issues are only going to become more pronounced unless we provide VA with leadership on these issues. Ranking Member Takano has introduced and I have cosponsored a bill to create the position of an undersecretary for management to help alleviate some of these issues. With the departure of the Deputy Secretary, it makes the need for leadership and coordination of management and acquisition initiatives across the VA that much more necessary. In your opinion, Mr. Secretary, what are your thoughts on that piece of legislation and is it purposeful?

Secretary MCDONOUGH. Yes, thanks very much, Mr. Mrvan. I have not. I took a lot of notes when Mr. Takano was speaking. I have not seen the actual legislative text. My first reaction is we need the undersecretaries we have to be confirmed. You know, we got our Undersecretary of Health confirmed last year. That is the first time in 5 years the Department's had a confirmed undersecretary. We are still sitting with our—we have our Undersecretary of Benefits, hopefully he will be confirmed. It has been at least 5 years, or 4 years since there has been a confirmed Undersecretary of Benefits.

The first thing is I would like to have like a full component to carry out the mission we currently have, one. Two, I think we take very seriously the fact that our information technology investments enable everything else we are doing. I think we are among the leaders in the Federal Government. That is why I think that is, in large measure, because of not only the people we have on staff, but

also our new confirmed, or our new Assistant Secretary for Information Technology, Kurt DelBene. He is not only a well-regarded technologist; he is a proven manager. I would hate to see him layered. Again, I would have to look at the bill itself.

Mr. MRVAN. I concur and agree with you in the technology drives the vision.

Secretary MCDONOUGH. Yes.

Mr. MRVAN. Then for my remaining time, I just want to address two things that you had mentioned.

Secretary MCDONOUGH. Yes.

Mr. MRVAN. You said the trust gap.

Secretary MCDONOUGH. Yes.

Mr. MRVAN. You had mentioned that you want to close that. If I can ask how? Then second, you had mentioned the disparity in the African American Black participation veterans in the system. How are you addressing to close that gap?

Secretary MCDONOUGH. Yes. The answer in both instances is execution. I can say all sorts of things, but until people see a different VA than the one they fear or the one they interacted with before, then we will not develop the trust that we need. Now, there are places where this is not an issue. In those places, we see veteran to veteran, them talking to one another about and affirming to one another why they should go ahead and file a claim, why they should get their care at VA. Overwhelmingly, that is the experience. There are still pockets where that is not the experience.

I will tell the story of one very highly decorated veteran who returned from Vietnam and went to his VA. They said, well, we only serve real veterans here. He said, well, what is a real veteran? The person said World War I and World War II, and Korea, not Vietnam. This is a person who worked for VA. He said he could not help but think that as a Native American, this person was also commenting on his race. We simply, you know, that person chose to wait another 50 years, that veteran chose to wait another 50 years before he went back to VA. That is a failing, right? When he comes back, we have to make damn sure that that does not happen again. We build the trust by executing. When we do that, vets affirm to one another that this is worth their time. Until we do that everywhere, they will not.

Mr. MRVAN. Thank you, Mr. Secretary. With that, I yield back.

Ms. MACE. Thank you. Congressman Luttrell is now recognized for 5 minutes.

Mr. LUTTRELL. Good afternoon, Mr. Secretary. One of the biggest issues that I am always presented with the veterans in my district is the electronic healthcare records. I know you inherited this issue. It was mentioned also that maybe creating an undersecretary for management might drive that issue to bed. Do you believe that is a fact?

Secretary MCDONOUGH. I think that right now we have a structure that is enacted by statute that says the budget for the EHRM, the Electronic Health Record Modernization effort needs to be managed by the Deputy Secretary.

Mr. LUTTRELL. It that is in place, why is it taking, we are almost at a decade, correct?

Secretary MCDONOUGH. Well, longer than that.

Mr. LUTTRELL. Okay.

Secretary MCDONOUGH. This is a 20-year project.

Mr. LUTTRELL. That seems to me a problem.

Secretary MCDONOUGH. You are right about that. You are right about that.

Mr. LUTTRELL. I would love to hear a timeline of when hey, this is we are finished.

Secretary MCDONOUGH. Yes.

Mr. LUTTRELL. If you can give me an idea on that, please.

Secretary MCDONOUGH. Sure, right now, we are in negotiations with a contractor, Oracle Cerner, on the existing contract to finish this project in 10 years. We need a record that is up. We need a system that is up and functioning and that is responsive to our clinicians across the system all the time. The outcome of those negotiations on the contract, which is this is envisioned in the initial contract, which was, I think, awarded in 2018 or 2019, I think 2018. This is the review period. The outcome of those negotiations will determine our ability to do just that. I would be more than happy to. We have talked at length with Mr. Mrvan, Mr. Bost, Mr. Takano, many of the members of the committee on this over the last couple of years that I have been in here. I would be more than happy to stay on top of this with you.

Mr. LUTTRELL. This one is way too much time and way too much money.

Secretary MCDONOUGH. You are right about that.

Mr. LUTTRELL. I am in a very rural area, and we utilize our private institutions.

Secretary MCDONOUGH. Yes.

Mr. LUTTRELL. I am by no means saying that VA hospitals and new VA hospitals are not absolute. Are we missing the boat on possibly shifting our focus to allow our veterans to go to private institutes instead of pumping billions and billions of dollars to recreate new hospitals?

Secretary MCDONOUGH. Yes. One is I just want to make sure that we are focused on I do not think as an entire healthcare system, we have the right amount. I do not think anybody believes we have the right amount of infrastructure, meaning especially in rural communities like yours, rural states like mine, that I think that we are under-resourced for infrastructure. In fact, in many communities, the only healthcare facility is a VA facility, CBOC, or hospital, one.

Two, we are aggressive about using the authorities we have under the Mission Act that Mr. Mrvan just mentioned. Our budget this year going forward anticipates basically a 75/25 percent split on medical care between care in the direct care system and care in the community. Right now, we are running and have been running in the context of the pandemic, about 70/30, if not 65/35. We have tried a lot of different things to—this is what I think Mr. Takano was talking about—make sure that those referrals into the community are the right thing. Who determines whether they are the right? In large measure, the veteran. We want that to be the veteran in coordination and consultation with their healthcare provider.

Now, what we have to make sure is when our veterans are referred to the community, we actually get records back from that visit so that we are not—in a resource constrained health economy already, we are not having unnecessary procedures done twice and three times, and that VA can then coordinate that care in an effective way. That is the thing we do best, right? I think we do a good job of making referrals. I think there are people who think we refer too many. I think there are people who wish we would refer more. I would like over time to be closer to 25/75 than 35/65. What is going to drive this question is going to be what drives every question, which is veteran satisfaction and veteran outcomes.

Right now, veteran outcomes in the direct care system are the best. Veteran satisfaction without patient care is largely the same. Where we sag is women veterans, veterans of color. Why? We do not have enough gender specific care for women and we have a trust issue that we have to continue to address with our veterans of color. I hope that answers the question.

Mr. LUTTRELL. For the most part, yes, sir.

Secretary MCDONOUGH. Yes.

Mr. LUTTRELL. Thank you. My time is up.

The CHAIRMAN. Representative—

Secretary MCDONOUGH. Thank you.

The CHAIRMAN.—Deluzio, you are recognized.

Mr. DELUZIO. Thank you, Mr. Chairman. Secretary McDonough, good to see you.

Secretary MCDONOUGH. Nice to see you.

Mr. DELUZIO. I want to echo something Ranking Member Takano dug in on earlier and share his concern around the budget and the idea of cuts and what their impact would be on the VA, on my fellow veterans. I have heard talk in this committee earlier in the month about cuts, cuts to the discretionary budget. Earlier this week, an article in Roll Call dug into Republicans Issues Conference and other coverage around cuts to discretionary spending. Those cuts, I think, would be devastating to the VA, come on the backs of my fellow veterans should they hit the VA.

I read your letter, Mr. Secretary. The Appropriations Committee Ranking Member DeLauro, copy of it here, outlining the effect of a multibillion dollar cut for the VA. It is a disturbing letter, to be frank. Amongst other things, a rollback to Fiscal Year 2022 funding would mean 13 million fewer outpatient visits in the VA for my fellow veterans. Mr. Chairman, I ask unanimous consent to include the letter in the record.

The CHAIRMAN. Without objection.

Mr. DELUZIO. Thank you, sir. Mr. Secretary, for my colleagues and others who have maybe not seen this, could you explain as plainly as you could, how would these proposed cuts cripple and hurt veterans care?

Secretary MCDONOUGH. Well, we have seen important historic growth in our budget over the last several years. Access to benefits has increased 71 percent in the last decade. Access to care is increasing. I laid out some of the numbers earlier. We would worry about going back to the Fiscal Year 2022 number, as I wrote to the Appropriations Committee, because it would lead to as much as \$26.7 billion in reduced investment to us. That would, as you have

already suggested, reduce healthcare visits by 13 million. That is 9 percent. It would increase the time necessary to process claims at VBA. It would lead to a \$345 million reduction in our Office of Information Technology for some of the technology investments we have just talked about.

Then, of course, the kind of infrastructure investments the President envisions in this budget would not be possible. We would be back to something even less than what we experienced in the last decade, which has allowed us to only build four hospitals in 10 years. That is in a very resource constrained healthcare economy already, including in so many of our rural settings. I would be very worried about our ability to meet the high standards that you all expect of the investments that you gave us at Fiscal Year 2022 levels.

Mr. DELUZIO. I want to shift gears a bit to, and you have talked in some of the questioning, Mr. Secretary, about outcomes. We see tons of studies talking about the quality of care, the cost effectiveness of care in the VA relative to private sector care. Certainly, I am proud to receive my healthcare at the VA. We have seen ballooning costs on the fee for service care outside of the VA system relative to growth within VA medical facilities between Fiscal Year 2022 and the revised request for 2024, a 26.8 percent increase for VA medical services versus a 69.7 percent increase for care outside. Walk me through why we are seeing that growth explode on the one side. What is constraining the VA's ability to do more within VA facilities?

Secretary MCDONOUGH. Yes, thanks very much. I think there are a couple of things. The biggest challenge for us is the demands of the pandemic and the complications of care coming out of the pandemic, one. Two, in the healthcare economy, we have seen a significant shift in where providers are working, right? Thankfully, over the course of the last quarter and a half, as I briefed in my opening remarks, we have seen a significant shift in hiring at VA, an improvement in hiring at VA. Throughout the course of the pandemic between us and then even more so in the private sector, we have just seen shortages in key places, including in specialties. A lot of that cost increase in the community reflects the need for us to move specialty care into the community because we do not have it at sufficient rates in VA to meet the wait times required.

Third, that timeframe corresponds to the enactment of the Mission Act. I think the Mission Act does intend for it to be a easier experience for veterans to get care in the community. That is not a value statement. I think that is just consistent with what the statute intended. I think the statute is having its intended effect.

Those are three of the trendlines that we are seeing. My goal is to make sure that we are adequately staffed such that we can apples to apples, compete for veterans to come keep their care in the VA. When we are adequately staffed and when we keep vets in our care, we offer the best healthcare in the world. I want to make sure that we are actively fighting for that vet's care at every turn. The thing I can do to ensure that we do that is to make sure that we have all the people we need. The thing I am asking you all to do is to invest, to make the investments the President's asked for

here, to ensure that we have the institutions, the buildings, the technology, and the people to be able to do it.

Mr. DELUZIO. Thank you, Mr. Secretary. Mr. Chairman, my time has passed. Thanks for indulging me. I yield back.

The CHAIRMAN. Representative Rosendale, you are recognized for 5 minutes.

Mr. ROSENDALE. Thank you very much Mr. Chair. Mr. Secretary, always good to see you.

Secretary MCDONOUGH. And you.

Mr. ROSENDALE. Initially, I was encouraged by the Department of Veterans Affairs press release on March 3, 2023, that announced the relaxation of the masking requirement at the VA facilities. However, I was dismayed to hear that the Montana VA is not relaxing the masking requirements and instead has interpreted the new guidance to enforce mask mandates across all clinics. My office received a policy statement from Montana VA stating that all Montana VA clinics will require patients to wear a mask until a majority of counties have low rates for a consistent amount of time. "The metrics and reasoning are not well defined." Montana has not had a mask mandate for over 2 years throughout the State. Do you think that the transmission rates in Boise, Idaho, should impact the masking decisions in Lewis and Clark County in Montana?

Secretary MCDONOUGH. I would have to dig into this. I am not exactly sure what the transmission rate in either one is, but obviously the intent behind the new guidance is to—

Mr. ROSENDALE. I understand intent, but do you believe just based on, I mean, everybody talks about hard science, real science, accurate science. Do you believe that the transmission rates in Boise, Idaho, should impact the masking decisions in Lewis and Clark County, Montana, which is where Fort Harrison is located?

Secretary MCDONOUGH. Yes, I think that the new guidance gives the local leadership the authority to make those decisions based on the local conditions. In as much as Boise is not in Montana, it strikes me as not a local site that—

Mr. ROSENDALE. Okay. Well, we have a situation where transmission rates in Lewis and Clark County in Montana are impacting the masking decisions in Carter County, Montana. These two counties are 8 hours away from each other, the same distance that it is from Boise, Idaho to Lewis and Clark County, Montana. This is what we are being forced to deal with. It is a huge State. You have been there. We have traveled together.

Secretary MCDONOUGH. Yes.

Mr. ROSENDALE. We cannot be utilizing the information from one county 8 hours away to enforce some kind of a decision in another one that, quite frankly, has been determined to be ineffective anyway. Despite the Department's attempt to spin their new policy, the mask guidance could still result in veterans being denied care. They are being denied care, and that is unacceptable. Do you support the VA denying veterans medical care over their unwillingness to wear a mask?

Secretary MCDONOUGH. Look, I think you are familiar with the strength of my feeling in ensuring that all vets get the care that they need.

Mr. ROSENDALE. Okay. Well, then we need to send that message down to the veterans hospital and facilities throughout Montana so that they understand that as well. This policy is a disservice to the veterans, and I am going to continue to harp on it and push back against it until the mandate is completely lifted.

Secretary McDonough, the Oracle Cerner, our favorite subject, Electronic Health Record (EHR) has created a lot of safety risks, delays, and morale problems, severe morale problems at the five medical centers where it is currently implemented. You know how strongly I feel that it should not be introduced at any more facilities until all these problems are solved and as we have stated for the last 2 years, until the system is fully functional.

The Institute for Defense Analysis estimated it costs between \$33 and \$38 billion for implementation over the last 13 years, or over 13 years. This is more than double the VA's initial cost estimate, more than double. I continue to see change orders and additional charges from Oracle to cover their shortcomings and unforeseen obligations and obstacles. What are you doing to hold Cerner accountable?

Secretary MCDONOUGH. Thank you, Mr. Rosendale. I think, as you know, we are in negotiations right now with Oracle Cerner to successfully deploy a fully functional system within 10 years. We are engaged in those conversations right now, and the way forward is heavily dependent on the results of those negotiations. We require, as you and I have discussed both privately and in this setting, efficient and properly functioning system across the entire system.

At the end of the day, the vets do not care what technology we use. They just care that we have access to this. That is what the purpose of the program is. That is what the goal of these ongoing negotiations is. I will make sure that we continue to keep you and your staff up to date on that and on any further decisions, not only on the contract, but once that is resolved, onward deployments.

Mr. ROSENDALE. Okay. I am about out of time. I would just like to say that literally lives have been put at risk because of that system, and we need to make sure that it is functioning properly, fully functional before it is rolled out at any other site. Thank you, Mr. Chair, I yield back.

Secretary MCDONOUGH. Thank you, Mr. Rosendale.

The CHAIRMAN. Thank you. Mr. McGarvey, you are recognized for 5 minutes.

Mr. MCGARVEY. Thank you, Mr. Chairman. Thank you, Mr. Secretary. Appreciate you being here today. As we have talked about and has been discussed, we have talked a lot about the PACT Act and the resources given by the last Congress through the PACT Act to the VA. I know in Louisville, Kentucky, my home district, we get calls from our vets all the time. I even was stopped in a coffee shop recently by a vet thanking for the increased resources and what we are doing. I appreciate the tremendous work you all have done in that regard of getting out there, working on outreach, talking, getting a communications plan there, so people know about these new benefits, so that not just they know about it, but as we have hinted to today, survivors, children, that they understand these benefits as well.

Of course, we can always do more, and we always want to do the most we can to help those who have served our country. I just want to ask you first, how are you, Mr. Secretary, using the resources that Congress provided to specifically reach out to our underserved communities, in our traditionally underserved communities? How are you guys promoting VA benefits and services, including those PACT Act benefits? I think this is important, and I know I have asked you more than one question in this.

Secretary MCDONOUGH. Yes.

Mr. MCGARVEY. As part of this, how are you all measuring the reach and the impact of these resources that are being given to you in this communication?

Secretary MCDONOUGH. Yes, thanks very much. We are going about this as aggressively as we can, consistent with additional both authorities and resources you gave us in the PACT Act to reach veterans where they are. That includes traditional media, earned media. You gave us a generous budget for paid media, aggressive use of social media, and each of those gives us metrics that we can measure, and we would be happy to share those with your teams.

We are also using our VA presence in communities across the country to talk directly to veterans and to make sure that we are demonstrating through things like claims clinics and, you know, for deployed toxic exposure screenings so that veterans can see themselves what this means and can actually start the process to get them. That is ultimately going to be the metric for us, which is service connection is established, benefits provided, and care provided.

At the end of the day, this is an outcomes-based effort. Everything else is inputs and that is obviously important, but at the end of the day, meaningless. I want to get to the point where we are succeeding in such a way that veterans are talking to each other about the success of their engagements with VA. That is the most important thing that, which happens to be true in every other walk of life too, when somebody you trust, somebody with a similar experience tells you that something has worked out for them, it is going to make you more likely to try it yourself. That is our goal at the end of the day.

Mr. MCGARVEY. I appreciate that. I know you guys in getting this effort, and I agree with you that getting to that point where veterans are telling other veterans is going to be crucial in building that trust and getting people to get the benefits that they have earned, and they deserve. I know you guys also use a lot of contractors to do this work. Just looking at this, does the VA right now have the resources to provide the oversight of these contractors? Do you feel you have enough sufficient resources?

Secretary MCDONOUGH. Yes, I mean, I am very mindful of what the chairman said in his opening remarks, which is that he kind of put a flag on this issue of the use of management consultants, I think he said. I am taking from this hearing that this issue keeps coming up. I believe we have sufficient checks on oversight of all the contractors we use, but it is a fair question, let me, in all candor, let me take that and work it.



Can I go back to your earlier question one second? I want to say one thing to veterans who are watching, which is I think there is a belief sometimes among veterans that either they do not qualify, or they are not deserving, or that somebody is more deserving than they are of these benefits or of this care. I guess I want to say the following, which is this is not only care and benefits you have earned, but I want to directly address this issue about whether you would be taking something from another veteran or from a battle buddy. Because of the way we now use claims and our ability to automate the claims and all the data that comes from the claims, you filing a claim and telling us your story will help us understand the story of other veterans in your unit, other veterans in the unit you relieved, other veterans in the unit that relieved you. Not only are you not taking something from another veteran, but in fact, you are helping us get a better picture of what other, your battle buddies, have experienced, and that might actually open the door to additional care and additional benefits to your battle buddies whom you may feel deserve it more than you.

The thing we want more than anything is for veterans to file those claims and to come in to see us. Those of you who did not have a great experience with us in the past, we get that. We want to be better. I think we can be better. Surely you are all going to hold us to account on whether we are better.

Mr. MCGARVEY. Thank you, Mr. Secretary. I appreciate that point. Mr. Chairman, Ms. Chairman, Madam Chairman, I yield back. There we go.

Ms. MACE. Thank you. Representative Ciscomani, you are up for 5 minutes.

Mr. CISCOMANI. Thank you, Madam Chair. Mr. Secretary, good to see you. Thank you for being here to give us your time and to testify on the Department's budget. I am proud to represent Arizona's 6th congressional District, as you know, and it is home to about 70,000 veterans in Arizona. As a member of this committee, I am going to continue to support our veteran community and look forward to working with my colleagues and you to advance a bipartisan solution and solutions for those who fought to protect our country.

In light of that, in the last few years, the Veteran Employment Through Technology Education Courses (VET TEC) Pilot Program, which you mentioned in your testimony that you submitted to the committee, seems to have been a great success, with 12,644 veterans having completed the program at an 84 percent graduation rate. The program boasts a 64 percent employment rate. Graduates of the program making an average salary of over \$65,000 per year with some of the best technology companies in America.

However, it is my understanding that the funding for this pilot program will run out as early as May of this year. I have introduced bipartisan legislation that will make this program a permanent educational benefit offered to veterans. Would you support a permanent authorization of this program, and can you speak to the experience of the Department of Veteran Affairs in administrating this VET TEC program?

Secretary MCDONOUGH. Yes, thanks very much. We are very proud of the VET TEC program. We do think that we like working

back from outcome. Outcome here is not just the possession of the skill or the certificate that you have the skill, but rather a job. When you think about what the American economy needs, especially in the 21st Century, we need agility, ability to learn new things, ability to lead people, ability to operate in a complex environment. Those are all skills that our veterans have woken up and judged themselves against, been judged against, for their entire career.

Our then challenge, if they already have those skills, is how do we give them, or how do we help them get additional skills? VET TEC has proven itself. I would be happy to look at a permanent authorization. I am just not going to commit to it yet because I want to make sure I understand, consistent with the tone of the rest of the discussion, the cost, and how we would account for that. It is a high performing program. We feel quite good about it. Vets seem to find it useful. At the end of the day, the outcome measure that matters most, which is, is it leading to jobs and increased quality of life? The answer seems to be yes. It is very attractive. I will be happy to look at a permanent authorization with you.

Mr. CISCOMANI. Thank you, Mr. Secretary. Madam Chair, I yield back.

Ms. MACE. All right, thank you. Representative Ramirez is recognized for 5 minutes.

Mrs. RAMIREZ. Thank you, chairwoman. Well, I think it is still morning, so good morning and welcome, Secretary McDonough. Today, I want to speak about the address—I want to address the proposed \$31 billion cut to the VA funding that will directly impact the veterans I serve in the Illinois 3rd congressional District. It is no secret that homeless veterans remain at significant risk with their numbers rising steadily in recent years, as we have talked about today. We also know that many factors contribute to this trend, such as unemployment, mental health issues, and substance abuse disorders, all of which can make finding stable housing extremely difficult. As such, I know that one of the priority initiatives for the VA is ensuring that people experiencing homelessness are able—veterans experiencing homelessness are able to find permanent housing.

I was pleased to see that the VA's request came in for \$3.1 billion for its homeless programs, and it is a continuing investment of resources and funding to provide services to veterans at risk of experiencing homelessness. I also know that it is a lot cheaper to help someone prevent homelessness than someone who now has to become homeless and then get rapid rehousing. I know that for a fact it costs three times more when someone has lost their home to be able to move into permanent housing than the prevention work that we do.

I am really grateful that we continue to do this work and that last year we permanently housed 38,000 veterans, a lot due to the additional funding and flexibilities provided in the COVID relief packages. Can you, Secretary, explain to me the potential effects funding cuts, and the pending expiration of the pandemic flexibilities will have on progress toward reducing both sheltered and unsheltered veteran homeless?

Secretary MCDONOUGH. Yes, thanks very much. We are very proud of the work that we have done to reduce veteran homelessness. We set a goal to house 38,000 homeless vets last year, calendar 2022. We actually housed about 40,400 vets last year. We have set a similar goal this year. This year's goals also focus on, as we have going back to 2009, prevention of homelessness, as you suggested. We believe that, and we show that VA programming since about 2009 has prevented homelessness for about a million veterans and family members because of the agility and the flexibility of the funding that Congress has generously given us each of the last several years.

I do have a particular concern about the grant and per diem rates going forward after the expiration of the public health emergency. We are working through that with our homeless program office, and we will talk to you guys about that. I would worry about reduction in that traditional bipartisan support for homelessness programming, and especially as we are getting good progress, good momentum on the numbers that we are facing, and especially understanding that for many of our homeless vets, getting them under a roof is the first step to addressing whatever issues may have led to homelessness in the first instance, joblessness, untreated mental health disorder, substance use disorder.

I feel really good about our success. I feel good about our transparency on this. I feel good about our outcomes. That is why the President's asking for \$3.1 billion this year.

Mrs. RAMIREZ. Thank you, Secretary. I know my time is running out, so I want to really quickly pivot to GI benefits for student veterans. It is critical we protect veteran access to quality higher education, but currently, we do not have a pathway to address what happens to veterans' GI benefits if they have been defrauded by their college. Today, I am introducing a bill to change that, and in fact, restore GI benefits for those veterans who have been defrauded. Approximately how many student borrowers who have filed a borrower defense claim with Department of Education are veterans utilizing a GI benefit?

Secretary MCDONOUGH. You know what, I do not have that number off the top of my head, but I would be more than happy to get you that specific number.

Mrs. RAMIREZ. Thank you. I would appreciate that. Just to close in these 3 seconds—

Ms. MACE. Time is running out. I apologize.

Mrs. RAMIREZ [continuing]. I want to thank you for your work, and I will continue to work with you to make sure we do not cut vital services to our veterans. Thank you.

Secretary MCDONOUGH. Thank you, ma'am.

Ms. MACE. Representative Crane is now recognized for 5 minutes.

Mr. CRANE. Thank you, Madam Chairwoman. Thank you, Secretary McDonough, for showing up today. I know you got a lot on your plate, must be a tremendous job. From talking to you briefly, I think one of the best things about my perception of you is that I do believe you have a heart to help and serve and support one of our most important communities.

I do want to address real quick what is becoming a theme up here, and I do not think it is going to go away. Mr. Ranking Member Takano's remarks about the math not working with MAGA Republicans wanting to return to 2022 levels and cut spending. He said the math does not work. You guys want to know what math does not work? The fact that year after year after year after year up here, we continue to spend more money than we have. That is why we have over \$31 trillion in debt.

One of my other colleagues over here said if we cut money from our budget, it would be disastrous to our veteran community. You guys want to know what would be disastrous to our veteran community? If we went completely bankrupt and we plummeted this country into some Third World nation because again, nobody up here in any committee hearing that I ever go to talks about spending less money or being more responsible. Yes, they talk about being responsible with the money that we spend, but you never see them wanting to make any cuts whatsoever.

I am telling you right now because I am looking at a bunch of folks out here in chairs, and I know you guys have kids and grandkids, and I know you love this country and our way of life here. I am telling you right now, if we do not knock this stuff off and quit making it partisan or political, the fact that we keep spending money we do not have, my kids, your kids and our grandkids are not going to have squat, period, point blank. That is just a fact. I really hope I am not alive to see that day and all the blank faces when that day comes and your kids can not afford, you know, to go to college or a car, or a house.

On that note, Secretary McDonough, you said you are letting data drive the future spending that you are looking at in 2023, 2024, 2025 in this record budget. Does the \$31 trillion in national debt factor into the data you are using to create your historically large budget, sir?

Secretary MCDONOUGH. Yes, the data I was referring to there is the data for the TEF, the Toxic Exposure Fund, which is obviously governed, as the statute suggests—

Mr. CRANE. Right.

Secretary MCDONOUGH [continuing]. by any incidental dollar over the Fiscal Year 2021 baseline. That is the data I am talking about. How many vets, what kind of care, what kind of benefits, so that we can then certify to you that we are following the law.

Mr. CRANE. I know. I do not want to downplay your job, sir, because again, I know it is very difficult. I want you to think about that and I want you to consider because honestly, when I talk to other folks, other secretaries, nobody seems to be factoring that into their data. It seems like everybody has front sight focus on I am just going to get through the next 2 years and I am going to do the best job I can for this little group that I look after. I totally understand that. The bottom line is we are bankrupting this country and nobody wants to do anything about it but pay it lip service.

The next question I want to ask you, sir, what are you doing to make sure that vets are not hindered from utilizing the Mission Act where they can utilize private facilities, doctors out in town? I know you have this goal of, you know, having world class healthcare, and I think that is great, I really do. Here is another

fact, it is very difficult for the U.S. Government or any government for that fact to compete with the private sector. One of the reasons is because the private sector does not have to deal with a lot of the bureaucratic red tape that anybody in government does. I want to make sure that we are, you know, championing the Mission Act and making sure that our veterans have access and they are supported in going out into town to use private facilities and private doctors as well, sir?

Secretary MCDONOUGH. Thanks very much for the question. I had mentioned earlier that last year we had 38 million community care appointments. Now, the question is, is that too many? Is that too few? I choose to, as I said earlier, let the results tell us. The most important result for us is the veteran experience. Each time a veteran has this engagement, an engagement with us, we ask them a survey that is designed to get to three things. Was it easy to get access? Was the engagement with us effective? Then an emotional quotient. The three Es. The emotional quotient is, did you feel respected?

Mr. CRANE. Yes.

Secretary MCDONOUGH. Were you treated with dignity? Our data suggests that is good. There is unevenness across the system on this. Some veterans, and I know you and I have talked about this, there are veterans in different communities across the country who feel that they are being denied that right.

Mr. CRANE. Yes.

Secretary MCDONOUGH. When you see those, I hope that you will raise those directly with me and we will get to the bottom of them. I also want us all to be mindful of right now as we come out of the pandemic, access times in the community are not great either.

Mr. CRANE. Right.

Secretary MCDONOUGH. I want our veteran to be able to get the care they need when they need it with a good outcome. That is the basis on which we will make these decisions. I will tell you, though, as we have discussed, my guess is at the end of the day, I might be more defensive of the system and keeping more care in the system than—

Ms. MACE. We are up on time.

Secretary MCDONOUGH [continuing]. you might be, but I will never let that predisposition drive the outcome. The goal here is the outcome for the veteran.

Mr. CRANE. Thank you, Mr. Secretary. I appreciate it.

Ms. MACE. All right, thank you. Representative Landsman, you are recognized for 5 minutes.

Mr. LANDSMAN. Thank you, Madam Chair, and thank you, Secretary. I appreciate it. I want to comment on a point that was made about spending and our budget. Obviously, this is a hearing about the important investments we make in veterans. I agree that we can no longer pay lip service to this issue. I think there is a debate as to how we resolve it. Many of us, including a lot of Republicans, believe that it is about paying a person's fair share in taxes. If you get to a place where our tax code is fixed and everyone is paying their fair share, we will have a balanced budget and we will not have to do anything to undermine the work that you are doing to help veterans.

I went to our VA, we have a great VA facility in Cincinnati, this past week. I was, as I always am when I am there, really taken by the professionalism, the care, the compassion, but also just how packed our VA always is, and the fact that when folks come in, they get tremendous care. I mean, they get the best care, and the data says as much. I have just a few comments. I am more than happy to have you comment on them. They are not questions as much as they are, just things I would love to put on, you know, put in the record and share with you.

One is when a veteran comes in, they get great care. On the mental health issue in Cincinnati, in particular, incredible care. Nearly half of those veterans who commit suicide, however, never receive mental health care. I think one of the questions is how do we look at what others are doing in terms of best practices, getting out into the community, doing that outreach. Social media is one thing, earned media, you know, how do we get to where folks are living and build those relationships? I think those are dollars well spent to get them in the door, and that is boots on the ground more than anything else.

Number two, there is a big backlog in claims. Obviously, the PACT Act is a big part of that. I think something around 200,000. As you are looking at the budget and investments, I think investing in the staffing required to alleviate those backlogs is going to be really important.

Then three, I am really glad that you mentioned Mr. DelBene and his work because he was instrumental in making sure the Affordable Care Act (ACA), that system worked. Having his leadership to me will be transformative and not doing anything to undermine his ability to get this thing where we need it to be is really important. I am glad you said that.

With that, I yield back my time unless the Secretary wants to comment on any of those.

Secretary MCDONOUGH. Well, out of sensitivity to everybody's time, let me take and come see you about the specific things we are doing on outreach. I agree with you very much. Then, you know, what are we also doing to find veterans who are not tethered to us but may be tethered to something else? I have talked to some members of the committee about interesting other technologies, capabilities, processes, and, you know, there is one called I think it is called Towering Oaks that we are now looking into because one of the members has raised that with us. Let us find vets where they are.

Mr. LANDSMAN. Yes.

Secretary MCDONOUGH. Let us support what works and let us take care of them.

Ms. MACE. Thank you, Mr. Secretary. Thank you for being with us again today. We are very deeply appreciative of your work here. A few questions. Last year, we spoke about the prevalent issue in Charleston, South Carolina, at the Ralph H. Johnson VA center. The cost of living in Charleston is enormous. To rent an apartment nearby, a three-bedroom apartment for a family of four will cost you \$3,000. You go 2 miles down the road, it will cost you \$5,000 a month, month to month. The price and cost of living post-COVID has just been enormous.

Housing costs have been up almost 30 percent over the last year and a half. I get complaints all the time in our office from those that work at the VA and the inability to make ends meet with the jobs that they do. They have one of the most important jobs in the country, as you are aware of. Despite the high cost of living, locality pay combines both rural and city costs of living as you know and it sort of it disrupts the data in Charleston, right? That does not really impact us in the way that it should. We talked about this last year and I realize that General Services Administration (GSA) plays a primary role in establishing locality pay. Certainly, you have a voice and can advocate for these issues because we want to give our vets the best and the brightest that we can offer. That means they have got to be able to afford their bills and afford their rent in very expensive places.

My first question is what has been done in the last year since we last spoke and what do we need to do now? How do we fix this? I do not want to have this conversation a year from now and just, you know, be talking about all the good things we are going to do and then we never get them done.

Secretary MCDONOUGH. Yes, fair enough. I remember our discussion last year. I know that you and our staff in Charleston takes great pride in that sign on the facility which shows it is the highest ranked hospital for all of South Carolina.

Ms. MACE. What have we done in the last year specifically?

Secretary MCDONOUGH. Since we discussed this last year, I have raised this issue of locality pay, rest of the U.S. versus some locality pay bump for Charleston and several other of our localities.

Ms. MACE. Is there a legislative fix? Like how do we get this for these localities.

Secretary MCDONOUGH. Unfortunately, the way locality pay works is there is a, you know, Congress has set up a salary commission.

Ms. MACE. Yes.

Secretary MCDONOUGH. We work that with Office of Personnel Management (OPM). I am hoping we are in a position to address that the next time you and I talk. I can not say when that gets resolved by OPM.

Ms. MACE. Yes.

Secretary MCDONOUGH. Third, we are exercising what we call special salary rates for particular capabilities everywhere we can. I can get you the numbers of what that means—

Ms. MACE. Are we doing it—

Secretary MCDONOUGH [continuing]. for Charleston.

Ms. MACE [continuing]. at the Ralph H. Johnson?

Secretary MCDONOUGH. Yes.

Ms. MACE. I would love that information after this hearing.

Secretary MCDONOUGH. I will get you that information.

Ms. MACE. It would be great.

Secretary MCDONOUGH. Yes, the one that is going to come new next is one for technologists in particular. OPM has been very helpful with us on that especially with all the tumult in the private sector and technologists being laid off. We think we should be competitive there. Special salary rates will help us be competitive there. We will get you the Charleston specifics.

Ms. MACE. Yes, that would be great. Then I have a few other questions. You know, a lot of us have talked about veteran suicide, 6,500 more or less vets—

Secretary MCDONOUGH. Less.

Ms. MACE [continuing]. commit suicide every year. Are you familiar with the seven privately funded MDMA assisted therapy clinical trials being conducted at different VA facilities around the country?

Secretary MCDONOUGH. In as much as I know about them, yes. Am I intimately familiar with them, no. I am proud of the fact that we are testing a lot of different things across to try to make sure that we are doing the most effective thing. I did visit one last weekend in Orlando.

Ms. MACE. In the studies that have been done at these VAs that are privately funded at seven facilities around the country, do you know the effectiveness of these trials with vets with Post Traumatic Stress Disorder (PTSD)? Do you know how effective these breakthrough therapies and plant-based therapies have been for the vets?

Secretary MCDONOUGH. I can get you the answers there.

Ms. MACE. I know the answer. The answer is 88 percent have seen a significant reduction overall in their PTSD. Even better than that, 67 percent of vets who have gone through breakthrough therapies, we are talking about MDMA specifically, when they do three therapeutic sessions, controlled environment over an extended period of time, the percentage of those that have zero indications of PTSD is 67 percent.

If we are going to lose 50 to 60,000 vets to suicide over the next decade, what do we have to do to get this plant-based therapy, the breakthrough therapies to our vets so that almost 90 percent of them have seen a huge improvement in their quality of life, their depression, an improvement in their PTSD, 88 percent. Then you have got 67 percent have zero indication of PTSD. This is huge. So far, it has been privately funded. What do we got to do to get? I guess there has been about 559 million set aside for suicide prevention. This is it. I mean, this is just huge in what it can do for our vets. How do we get this to all of our facilities across the country? What do we got to do to get there?

Secretary MCDONOUGH. Yes, well, we have the National PTSD Center of Excellence we are very proud of. We consider ourselves a mission with years of—

Ms. MACE. Sixty-seven percent of vets who have been through these trials at seven of your VA facilities see zero indication of PTSD after going through three sessions of MDMA. I would encourage you to get read up on it, get educated on it, understand the data, and the science, and the statistics behind it because this is literally life saving measures for our veterans.

There are many of them here who were on this committee who sacrificed everything in their lives, were willing to take a bullet for our country. I hope like hell that we can do what is right for them so that they do not commit the number of suicides we are seeing on a daily basis. Thank you. The chairwoman will yield back. Thank you. Next up, we have Representative Budzinski for 5 minutes.



Ms. BUDZINSKI. Thank you, Madam Chairwoman, and Mr. Ranking Member. Mr. Secretary, it is nice to see you again. I appreciated the opportunity to visit with you a couple of weeks ago. I think when we visited, I had mentioned that as a new member of the committee, I was going to go back home during recess and establish a veterans council to hear directly from veterans throughout Central and Southern Illinois about their concerns and so I can bring them to this committee and really be the best advocate I can be. We did that last week in Decatur, which was great. We had a diverse set of veterans that were participating in that discussion.

I also had the opportunity to visit our Decatur Veterans Clinic that we have. We have two clinics, as I know you are aware of. One of them is in Springfield. I have to say there is a lot of excitement in Springfield that we are going to be getting a new CBOC facility there. I do just want to mention I look forward to continuing to work with you and your team on the progress of that CBOC because there was a lot of great discussion around that.

But one of the issues that came up during the council was around rural healthcare and access. That is really where my question is going to be focused on. The pandemic changed not only the way we care—the way care is provided, but also reshaped the actual care delivery structure across the country. As you know, more than 600 rural hospitals, which represent nearly 30 percent of our system, are at risk of immediate closure because of poor financial performance in 2022. Other small sites of care disappeared entirely during the pandemic. I can say that my district is certainly not unfamiliar with this reality.

While in some parts of the country the prudent decision would be to buy care from the community, it simply may not exist in some communities. VA must ensure it has developed best practices for delivering care in rural and highly rural communities like those as I mentioned in my district. My question is really related to the budget. The budget request specifically notes, the Office of Rural Health, “expects to see significant expansion of many of these programs in 2023 and 2024 as new sites are added and new rural access innovations are created.” My question, Mr. Secretary, is, given what I have just outlined, can you help me kind of to better understand why the funding for our Office of Rural Health remains stagnant at Fiscal Year 2023 levels for Fiscal Year 2024 and Fiscal Year 2025?

Secretary MCDONOUGH. Yes, thank you for the question. Obviously, the Office of Rural Health, we have expanded that over the course of the last couple of years, and we will continue to use that as an important platform. The medical care account will allow us and then the infrastructure account will allow us to using the analysis from the Office of Rural Health to make sure that we have the care in the communities where we need it, where our veterans are. Mindful, as you say, that the whole topography of healthcare delivery, especially in rural communities, has been deeply affected by the pandemic. I take great pride in the fact that among healthcare providers, VA is often the single most robust investor, increasing access or ensuring access for our rural vets. That is the first part of the answer.

The second part of the answer is we are also going to continue to use the new platforms for the delivery of care, including through our Office of Connected Care, which again, would not be funded by the Office of Rural Health. The Office of Connected Care will make sure that we have forward deployed capabilities in our rural communities so veterans can connect through telehealth, even in areas where broadband is not sufficient, highly rural and rural settings.

Think of it as the Office of Rural Health, as a key component, a key coordinator of all the other investments that we are making in rural communities. Veterans are more likely to be in rural settings. As a result, we take very seriously the need to ensure access across all of our communities in the country.

Ms. BUDZINSKI. Thank you very much. That is helpful. I will yield back my time.

Mr. SELF. Thank you. Mr. Secretary, I think you and I are called the survivors of this briefing.

Secretary MCDONOUGH. Well, I am not, I have not survived yet. When it is done, I will call myself a survivor.

Mr. SELF. First of all, I want to address some of the comments that I heard. By the way, this is Cabinet Secretary Day on Capitol Hill. I apologize for having to step out, as everyone has, but we have multiple Cabinet Secretaries here today. I want to address some things I heard early, though, before I left. The cuts to VA, when you look at the VA today with this request, that would be a 45 percent increase just from 2020 from \$220 billion to \$325 billion. That does not sound like much of a cut to me over 4 years to increase by \$100 billion.

Let us take a look at the percentage of veterans. It has continued to go down since 1970. Obviously, our World War II vets are aging. Our Korean vets are aging. Our Vietnam vets are aging. We tend to look at post-9/11. As a percentage of our population, veterans are decreasing as a whole. Then the last one I want to look at is the increase in employees in the VA. Let us go back to the 2020 date again. You have gone from 389,000 to 453,000 over those same 4 years. \$100 billion, a 45 percent increase of those employees.

I have got three topics that I would like to address with you. The rehiring of the employees that were terminated under the last administration. I think even one of the papers called them bad apples, but I will leave that to you to describe them. Under what authority are you rehiring? You and I have had this conversation on the phone, so this is for the record. Under what authority are you rehiring them and what are the circumstances? The second topic I would like for you to cover is veteran suicide. Obviously, it is not in my district, but it is in the Metroplex, the Dallas Metroplex, the second largest VA center in the Nation, I believe, well over 200,000 veterans in that area. I will tell you that the veterans that I talk to, and frankly, I was at something called the veterans outpost just a couple of weeks ago, and the veterans really do not want to go to the VA when they have suicidal thoughts. They want to go to a local organization where they can talk to fellow veterans or people who understand them.

I see your \$52 million for I think it is 52 million for grants. I think we ought to reorient the suicide to get them into the local organizations, because there is even a mental hospital in the area

that would be happy to help. I ask you to take a look at how we are preventing suicides amongst our veterans. It may not be they want to go to big VA. They may want to go to the smaller organizations, the local organizations, where they can talk to fellow veterans, people who can truly understand them.

My last topic is, as you know, the Deputy Director of the Veterans Intergrated Services Network (VISN) there in Dallas, I do not believe, and I am getting an ear full on this. This is another local issue, but it is the second largest VA, which is why I am bringing it up. I do not think that he was given due consideration for the top job. He has done a fine job for years. Did you post the director position in the Dallas VISN?

Secretary MCDONOUGH. Yes, Mr. Self, thanks so much. On the first question, there is a section of law called Section 714 of the VA Accountability Act and Whistleblower Protection Act. Some time in the 2017, 2018 period, that section of law was used to relieve thousands of VA employees. There has been a series of administrative actions at the Merit System Protection Board, at the National Labor Relations Board, and then also judicial activity in the Federal court system that has found that the exercise of that authority at that time was inconsistent with established practice and statute.

I sent a detailed letter to Mr. Takano and to Chairman Bost about this topic earlier this year. As a result of all of those findings, we obviously have to work with the representatives, in large measure, the union representatives of those employees who have now have these series of administrative and judicial rulings such that they may have authority to try to come back. That is the subject of an ongoing set of negotiations. I want to be careful about what I say in public about this.

My commitment to you and to the committee is to keep you fully informed about how this proceeds. This is why I sent the letter I sent to Mr. Takano and to Chairman Bost earlier this year to make sure that you had a good understanding of the statutory and legal jurisprudential basis for this ongoing set of conversations. You know, I believe in the context of those settlement negotiations, we can come to some reasonable outcome that ensures that if there are bad actors, that they will not have to come back to VA. That is the first issue.

The second issue on veteran suicide, thank you very much for raising it. I think your point about local, making sure that a veteran goes where the veteran feels comfortable is extraordinarily important. What we apply to this is an all of the above approach. Yes, those veterans who want to come to big VA, let us get them into big VA. Those veterans who reach us through the veteran crisis line, if they are in crisis, we are going to get them into care today. Irrespective of where it is, we are going to get them into crisis today. Any veteran who is feeling crisis today, please contact us, dial 988, and then press 1. We will get you into care today.

Those veterans who want to go to, you know, what used to be called VA without the hassles, the vet centers, we have 350 vet centers across the country, counselors available to you today in retail settings in Dallas, throughout Texas, in California. Those counselors, trained counselors, largely veterans, including combat veterans themselves. Those veterans who need to get care in the com-

munity, we are moving a lot of mental healthcare into the community. That is to say, through the community care program. We make those referrals. We then pay for it.

Last, and most importantly, Mr. Takano led the enactment of a new statute that says to any veteran in crisis today, go to get care anywhere, in the community, at VA, go to anywhere to get that care. There will be no copay. There is not going to be no pay. We are going to take care of your emergency situation. That is an important set of new authorities that Mr. Takano has ensured that we have gotten. It is incumbent on us to use those effectively. We are about, Mr. Takano, 6 months into the exercise of those authorities, I believe. We were late in getting them started. We are still learning about how this can function and function well. That feedback to us is really important. Feedback from vets, from VSOs, from the veteran outpost, that will make us better at this new authority.

Look, we are going to do all of the above, including, as somebody earlier talked about, the Sergeant Fox Community Grants, which is now we are into the second notice of funding opportunity. We have moved about \$50 million. This envisions another \$50 million into local organizations where those organizations know their veterans best. Let's invest in them so they can help our veterans most. I hope that is responsive to the questions, Mr. Self. Sorry, on Dallas.

Mr. SELF. The deputy.

Secretary MCDONOUGH. On Dallas, yes. So, you are right. I looked into this yesterday. It was not listed. I can get you more information behind why that was the case. I did check in with the VISN director, and we should have a conversation about that, if you do not mind, in private. I will say this. I am told that our leadership in North Texas for the North Texas system prioritized the data stream that we think is most important for performance, which is the veteran experience data stream. Into the hiring for this position, because that data stream had not been as strong in the North Texas system as it has been in earlier periods, they prioritized somebody with a proven track record in addressing that is what I am told. Again, I think we can have a broader conversation. I want you to know, I did, after we had our conversation yesterday, follow up personally on this issue, and I am more than happy to stay in touch with you personally on it to make sure you receive it.

Mr. SELF. Please do so, Secretary, because we have the second largest, again, well over 200,000 veterans that serve, that are served by this medical center. I believe the man chosen came from a 17,000 veteran center. There is a vast difference between the two and the skill sets. With that, thank you. I turn to the ranking member for any closing comments.

Mr. TAKANO. Thank you, Mr. Chairman. Mr. Secretary, thank you for your testimony today. I look forward to have my staff get together with your staff. Obviously, Chairman Bost and I, you know, have a lot of concerns about the second bite and the TEF. And I look forward to working that all out with you.

Secretary MCDONOUGH. I picked that up.

Mr. TAKANO. It is mainly in the service of wanting to get you more authorizations and more bills through, like Ms. Brownley's Elizabeth Dole Caregiver bill, which I know you care about. There may be some disconnect between Congress, OMB, and your department in terms of just what is going on with our TEF process here. Anyway, I hope we get that straightened out.

With regard to the chair's comments about the increase in funding for VA, it is true funding has increased. I want to point out that even though the total number of veterans has decreased, you know, thanks to medical science, we have seen veterans come back from conflicts who would not have survived in previous conflicts and who have far more complicated comorbidities. Medical science in general has meant that notwithstanding a veteran's combat experience, people are living longer with more comorbidities, and it has become more expensive to take care of the number of veterans that we do have.

The cost of healthcare is rising, is universally rising. We see it expanding in private sector healthcare, and it is not any different for VA healthcare. It is part of what we are seeing, what I see in the Department of Defense wanting to relieve themselves of an obligation to provide healthcare for active duty. We are seeing people on TRICARE for Life who located near military bases believing they could get access to the military hospitals being denied that access because the military wants to reduce its cost exposures. Where are they going? They are going into the community, which also has a shortage of folks. I believe that we need to solve this problem of not enough practitioners both in the private sector and for the VA, which I also believe is understaffed. How are we going to do that? How are we also going to take care of the military's needs? We need combat surgeons. We need combat teams.

I share the chair's interest in making sure that a veteran in crisis can get to the emergency care that they need without having to worry about the cost. By the way, without worrying about their eligibility for VA care. The bill that was successfully signed by President Biden says that even if you are a veteran that is not enrolled in VA, if you are having an emotional mental healthcare emergency, you call that emergency number. Sorry, Mr. Secretary, can we repeat that number? I think it is important. What is that number? 988 and you press 1, right? 988, press 1. You can be connected with someone at VA who can get you connected with care that you do not have to worry about the cost for, and that includes care in the community.

Finally, to just say, yes, I believe that many, many veterans would prefer mental healthcare in a community setting. Let us also remember that that statistic, whether it is 18, 20, 21, 22 veterans dying a day by suicide, that those that are connected to VA care are actually less likely to die by suicide. There is something about being connected to VA which is actually helping to reduce the risk of suicide. That connection to VA is important. I also want to acknowledge that there is a segment of the veteran population that, for whatever reason, would prefer to get their care elsewhere. We have to be respectful of that as well and make sure that we have the capacity to do that.

With that, I look forward to working with my colleagues across the aisle and all over the Congress to make sure that the interests of our veterans is fully served and we will make sure that we fully implement the PACT Act as you are doing. It is a revolutionary bill. Thank you for the work that we have been able to do together, and I yield back.

Mr. SELF. There seems to be nothing new under the sun. In Vietnam, we had PTSD and Agent Orange. In Afghanistan, we continue to have PTS as we refer to it now and burn pits. There seems to be nothing new under the sun. I will comment on the 22 number of suicides a day. Whether that is the exact number or not, I think it is still true that that does not include California and New York. Is that correct? They do not report?

Secretary MCDONOUGH. I do not believe that is true.

Mr. SELF. Okay.

Secretary MCDONOUGH. I believe it does include them.

Mr. SELF. It does include all of them. Okay. In any case, the number is too high.

I ask unanimous consent that the written statement of the co-authors of the independent budget be inserted into the hearing record. Hearing no objection, so ordered.

Mr. SELF. I ask unanimous consent that all members shall have 5 legislative days in which to revise and extend their remarks and include any extraneous material.

Hearing no objection, so ordered. This hearing is now adjourned. Thank you.

[Whereupon, at 12:40 p.m., the committee was adjourned.]

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**A P P E N D I X**

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## PREPARED STATEMENT OF WITNESS

### Prepared Statement of Denis McDonough

Chairman Bost, Ranking Member Takano and distinguished Members of the Committee, thank you for the opportunity to testify today in support of the President's Fiscal Year 2024 Budget and Fiscal Year 2025 Advance Appropriations (AA) Request for VA and for your longstanding support of Veterans and their families.

Our Nation's most sacred obligation is to prepare and equip the troops we send into harm's way and to care for them and their families when they return home. VA is honored to fulfill the promise made to care for our brave Veterans throughout their lives. Over the last 2 years, we have delivered more care and more benefits to more Veterans than at any other time in our Nation's history. In Fiscal Year 2022 alone, the Veterans Benefits Administration (VBA) completed more than 1.7 million disability compensation and pension claims for Veterans, and set a new VA record, breaking the previous year's record by 12 percent. VA is on track to set another year record in Fiscal Year 2023. During this same period, the Veterans Health Administration (VHA) provided more than 115 million clinical encounters, with VA serving over 6.3 million patients. This included roughly 40 million in-person appointments; over 31 million tele-health and telephone appointments; and approximately 38 million community care appointments. VA's relentless commitment to Veterans and a continued emphasis on fundamentals contributed to VA meeting these goals.

I am incredibly proud to report that for the 7th consecutive year, the National Cemetery Administration (NCA) received the top rating among participating organizations in the American Customer Satisfaction Index, with a score of 97 (out of 100), the highest result ever achieved for any organization in either the public or private sector. Committed to excellence and dignified committals, NCA interred nearly 150,000 Veterans and eligible family members in our national cemeteries in Fiscal Year 2022, the highest number of annual interments VA has ever recorded. NCA delivered more than 350,000 headstones, markers and columbarium niche covers around the world and provided nearly 12,000 medallions in 2022 to mark the privately purchased headstones of Veterans.

VA appreciates the tremendous work the Congress has done to enable VA to achieve these exceptional results and we will continue to partner with Congress to secure authorities needed to improve our agility, responsiveness and accessibility to more Veterans than ever before. Both the Veterans Access, Choice, and Accountability Act (Choice Act) of 2014 (P.L. 113-146) and the VA Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act of 2018 (P.L. 115-182) made it easier for Veterans to receive care from non-VA community providers while continuing to benefit from VA's Veteran-centric care coordination. The Veterans Comprehensive Preventions, Access to Care and Treatment Act of 2020 (COMPACT Act; P.L. 116-214) enabled VA to provide health care services to all eligible individuals in acute suicidal crisis at no cost both in VA and in the community.

The enactment of the Johnny Isakson and David P. Roe, M.D., Veterans Health Care and Benefits Improvement Act of 2020 (P.L. 116-315) ushered in significant improvements to various GI Bill programs, expanded the Veteran Employment through Technology Education Courses (VET TEC) program and enhanced education benefits for Veterans, Servicemembers, families and survivors. Both the Commander John Scott Hannon Veterans Mental Health Care Improvement Act of 19 (Hannon Act; P.L. 116-171) and the Support the Resiliency of Our Nation's Great Veterans Act of 2022 (STRONG Veterans Act; Division V of P.L. 117-328) have broadened mental health care and suicide prevention programs and have advanced VA's efforts in promoting well-being among Veterans. The Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act (Cleland Dole Act; Division U of P.L. 117-328) will enhance VA's ability to furnish health care and benefits to Veterans, including rural Veterans. These authori-

ties build upon VA's ability to meet the unique needs of the Nation's heroes and ultimately save lives.

In 2022, Congress passed the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 (PACT Act; P.L. 117-168). The PACT Act represents the largest expansion of Veterans' benefits in a generation, and I am immensely proud that our broad efforts, spanning nearly every Administration and office within VA, have yielded positive results. We continue to see steady increases in the number of toxic exposure-related disability compensation claims filed and processed as Veterans' understanding of the PACT Act grows. Even with these early successes, there is more to do to ensure every possible eligible Veteran receives the benefits and health care they have earned. Our focus will remain on increasing Veteran outreach, processing claims timely, providing health care, modernizing our IT systems and having the right number of people in place to deliver on our promise to Veterans.

VA greatly appreciates Congress' commitment to providing VA the necessary funding to support the PACT Act through its establishment of the Cost of War Toxic Exposures Fund (TEF). As we continue to learn what the full resource requirements are for this incredibly important support to Veterans, we remain committed to transparency and will work closely with our partners, as demonstrated through our recent publicly available dashboard. The 2024 President's Budget request, including our TEF request, will ensure VA fulfills our responsibilities to Veterans, Congress and American taxpayers.

#### **FY 2024 Budget and FY 2025 AA Request**

The total 2024 request for VA is \$325.1 billion (mandatory and discretionary, including collections and the Recurring Expenses Transformational Fund (RETF)), a \$16.6 billion or 5.4 percent increase above the 2023 enacted level. This includes a discretionary budget request of \$142.2 billion (with \$4.3 billion from medical care collections), a \$3.4 billion or 2.4 percent increase above 2023. When combined with \$600 million from RETF, the total discretionary funding level is \$142.8 billion, including collections. The 2024 mandatory funding request is \$182.3 billion, with \$20.3 billion for the TEF, an increase of \$13.6 billion or 8.1 percent above 2023.

The 2024 Budget again proposes to separate out the VA medical care program as a third category within the discretionary budget based on a recognition that VA medical care has grown much more rapidly than other discretionary spending over time, largely due to systemwide growth in health care costs. In 2024, the Budget reflects \$128.1 billion in enacted AA for VA medical care programs, together with a proposed cancellation of \$7.1 billion in unobligated balances, for a discretionary total of \$121 billion for VA medical care, which is in addition to a \$17.1 billion TEF request for medical care.

The 2025 Medical Care AA request includes a discretionary funding request of \$112.6 billion, together with a mandatory advance appropriation request of \$21.5 billion for the TEF. The 2025 mandatory AA request is \$193.0 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, Veterans Insurance and Indemnities), which, together with the TEF, results in a combined mandatory total of \$214.7 billion.

#### **PACT Act**

The PACT Act is a major factor in the expansion of care and benefits to Veterans. In Fiscal Year 2024, VA will continue to work to provide a "One-VA" experience to all Veterans, survivors, family members and caregivers as we proactively work to deliver timely benefits, services and high-quality health care.

VA began nationwide PACT Act-related disability compensation claims processing on January 1, 2023. As of March 4, 2023, VA has received more than 362,000 PACT Act-related claims since August 10, 2022 and completed over 157,000 claims. Using the new PACT Act authorities, VA has granted service connection for over 1,800 terminally ill Veterans.

VA began a comprehensive, targeted outreach effort to encourage Veterans and survivors to apply immediately for PACT Act-related care and benefits. For example, VA hosted 127 PACT Act "Week of Action" events in all 50 States, the District of Columbia and Puerto Rico. More than 50,000 attendees participated in person or online. During these events, VA completed 5,600 toxic exposure screenings and received 2,600 claims for benefits and more than 800 health care enrollment applications. As of March 20, 2023, more than 2.5 million toxic exposure screenings have been performed.

VA has been running a robust advertising campaign to educate Veterans and their families about the PACT Act. To date, VA has spent over \$4 million with dig-

ital, social and traditional media advertising across the country. The campaign's focus is on maximizing awareness of the PACT Act, and the call to action to all eligible Veteran survivors to apply for these benefits that they have earned and deserve. In Fiscal Year 2024, VA will continue to drive paid advertising campaigns as an important way to reach Veterans not currently connected with VA or Veterans Service Organizations (VSOs). VA will continue to focus on marketing efforts on reaching Veterans of all generations, races and genders.

One of the biggest challenges VA will continue to face in Fiscal Year 2024 is identifying and contacting survivors, even more so now that many more are eligible for benefits under the PACT Act. We have mailed nearly 300,000 letters to potentially eligible survivors. VA is also leveraging social media and posting YouTube videos to provide easy to read information on the PACT Act. VA's goal in Fiscal Year 2024 is to continue to provide information on the PACT Act, not just to survivors themselves, but to anyone who may know a survivor so that VA's message can reach as many impacted individuals as possible.

To ensure all eligible Veterans obtain the benefits and care they earned through their service, the Budget for VA medical care provides \$82 million for the Health Outcomes and Military Exposures (HOME) Office, an 85 percent growth over 2022. VHA will regularly screen enrolled Veterans for military-related toxic exposures and ensure clinicians understand how such exposures affect Veterans' health. VA is working to improve the Airborne Hazards and Open Burn Pit (AHOBP) registry and will track the VHA health care utilization of the PACT Act-eligible cohort. To ensure these Veterans receive the highest quality care available, the Budget also provides \$68 million for Military Occupations and Environmental Exposures research, which will yield improvements in the identification and treatment of medical conditions potentially associated with toxic exposures.

VA is also committed to recruiting, onboarding and integrating new employees across the enterprise to further implement the PACT Act for Veterans and survivors. In Fiscal Year 2023, VA held a series of successful hiring fairs. Throughout the next year, VA will continue to hold hiring fairs across the country, with an emphasis on hiring Claims Examiners, H.R. Specialists, IT Specialists, nurses and more. In addition, VA has actively engaged the workforce through a variety of avenues and solicited feedback. These investments in employee engagement will continue to be critical as we look to continue to hire more employees than ever before. Under the initial TEF spend plan approved on October 6, 2022, VA allocated 1,871 positions toward claims processors and support staff. As of March 1, 2023, VA has hired 1,299 of the 1,871 positions (69.4 percent). In addition, VBA Human Capital Services (HCS) secured a PACT Act direct hire authority (DHA) from the Office of Personnel Management (OPM) that will expedite the hiring of mission-critical occupations through September 30, 2027, for Human Resources Management, Human Resources Assistant, General Legal and Kindred and Veterans Claims Examining series positions. The DHA is used with a system of open continuous announcements that results in a steady flow of eligible and available applicants for selection at predetermined timeframes that suit the needs of the organization. VBA has also created opportunities to increase hiring by hosting onsite hiring events designed to connect job seekers nationwide with current PACT Act positions for Veterans Service Representative (VSR), Rating Veterans Service Representative (RVSR) and Legal Administrative Specialist (LAS) positions. VA will continue to leverage all available hiring options to ensure we meet our PACT Act hiring goals – including the use of expanded hiring authorities provided in Title IX of the PACT Act.

### **Investing in Our People**

Providing world class health care is only possible with an enterprise-wide team of the best and brightest in their respective fields. We are hiring more staff across the Department to ensure that care and benefits are delivered in a timely manner while also focusing on improving the employee experience to deliver positive outcomes for Veterans, their families, caregivers and survivors. VA is investing in our people by dramatically increasing hiring, holding surge events to onboard staff more quickly, increasing the use of incentives for recruitment and retention, maximizing pay authorities and scheduling flexibilities, expanding scholarship opportunities and providing more education loan repayment awards than ever before. For example, using the recently approved DHA for mission critical occupations, VBA was able to increase its total workforce by more than 5 percent (more than 1,300 employees) in the first 4 months of Fiscal Year 2023, compared to less than 1 percent growth in the workforce over the same time period in Fiscal Year 2022.

A nationwide onboarding event held in November 2022 resulted in onboarding more new staff in VHA in the first quarter of Fiscal Year 2023 (12,900 staff) than

in the first quarter onboarding in any previous year. This was 86 percent higher than the historical average number onboarded in the first quarter. Onboarding for VHA continued to be high in January 2023 (5,603 new staff onboard, approximately 600 more than last January). VHA's emphasis on hiring has resulted in an overall net increase of onboard staff of 2.1 percent as of January 31, 2023. This is already two-thirds of VA's annual target of 3 percent growth just 4 months into the fiscal year.

In Fiscal Year 2022, VHA nearly doubled the number of scholarships for clinical education offered to employees and increased the number of Education Debt Reduction Program (EDRP) awards to over 3,000. Additionally, the percentage of staff receiving recruitment, retention and relocation incentives (3Rs) more than doubled from 5.9 percent to 12.2 percent. At rural facilities, the use of 3Rs increased from 4.3 percent to 18.9 percent. In addition, for some critical shortage occupations, such as housekeeping aides (10.5 percent to 35 percent) and food service workers (2.1 percent to 18.7 percent), the use of 3Rs increased even more dramatically. These incentives reduce losses in for critical shortage occupations and help VA successfully compete for health care and entry level staff.

### **Focus on Wellbeing of Veterans**

VA's 2024 Budget will provide the resources to ensure we provide the benefits and services to support Veterans' health and economic well-being.

#### **Veterans Benefits**

The 2024 Budget includes \$3.9 billion in discretionary funding for the General Operating Expenses, VBA account, a \$36 million increase over the 2023 Budget. This includes funds for the Veteran Transitional Assistance Grant Program (VTAGP) required under P.L. 116-315, Section 4304, and increased overtime funding to support the timely processing of claims.

The President's Budget provides disability compensation and survivor benefits to over 6 million Veterans and their families; education and job training benefits to 928,000 Veterans and qualified dependents; guarantees about 553,000 home loans and funds 5.6 million total lives insured for Veterans, Service members and qualified dependents.

Last fiscal year, VBA set a record for the highest claims production with more than 1.7 million claims completed. As of March 4, 2023, VBA already has completed 755,271 claims, which is 10 percent more claims than last year at this time. Since the PACT Act was signed, as of March 4, 2023, Veterans and their survivors have filed more than 1,185,301 total claims, an increase of more than 25.4 percent over the same period last year. As mentioned above, VBA continues to hire to increase its claims processing capacity in anticipation of the influx of claims filed due to the PACT Act. VBA developed a robust claims projection model which shows what the claims inventory will look like with the inclusion of PACT Act claims. In addition to hiring, VBA is reviewing processes and developing technology to address the growing complexity of claims. Using Automated Decision Support technology, VBA is automating multiple administrative tasks within the claims process such as locating and compiling information from Veterans' electronic records, verifying military service eligibility for PACT Act claimants, ordering examinations when required, and expediting claims that can be decided based on the evidence of record. The PACT Act authorizes the use of appropriations to modernize and expand the capabilities and capacity of information technology (IT) systems and infrastructure at VBA.

#### **Prevent Veteran Suicide**

VA has made suicide prevention a top clinical priority and is implementing a comprehensive public health approach to reach all Veterans. Funding for mental health, including suicide prevention, is \$16.6 billion in Fiscal Year 2024, up from \$15 billion in Fiscal Year 2023. Our commitment to a proactive, Veteran-centered Whole Health approach is integral to our mental health care efforts and includes online and telehealth access strategies. Whole Health can help Veterans reconnect with their mission and purpose in life as part of our comprehensive approach to reducing risk.

Suicide is a complex issue with no single cause. Maintaining the integrity of VA's mental health care system is vitally important, but it is not enough. We know some Veterans may not receive any health care services from VA. To support this nationwide effort, the budget specifies \$559 million for suicide prevention outreach programs, in addition to \$2.5 billion in suicide-specific medical treatment, which in-

cludes a new \$10 million program to further bolster these efforts under the authority of section 303 of the STRONG Veterans Act.

In 2022 and 2023, VA conducted a \$20 million open innovation grand challenge, known as “Mission Daybreak”, to accelerate the development of solutions across the Nation to reduce Veteran suicide. “Mission Daybreak” is part of VA’s 10-year strategy to end Veteran suicide through a comprehensive, public health approach. VA launched the multiphase challenge in May 2022, receiving more than 1,300 concept submissions from Veterans, VSOs, community-based organizations, health tech companies, industry startups and universities. Mission Daybreak Phase I selection of 30 Grand Challenge finalists was completed in November 2022 and 10 Mission Daybreak innovation winners were announced on February 16, 2023.

The Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP) awarded \$52.5 million to 80 community-based organizations in 43 States, the District of Columbia and American Samoa in Fiscal Year 2022. These organizations provide or coordinate the provision of suicide prevention services for eligible individuals, including Veterans and their families. VA has provided technical assistance to grantees, who began providing suicide prevention services in January 2023. Twenty-one grantees serve Tribal lands including the Navajo Nation, Cherokee Nation, Choctaw Nation, Alaskan Native Tribes and others. Funding decisions prioritized grants to rural communities, Tribal lands, Territories of the United States, areas with medically underserved groups, areas with a high number or percentage of minority Veterans or women Veterans and areas with a high number or percentage of calls to the Veterans Crisis Line. In alignment with VA’s National Strategy for Preventing Veteran Suicide, SSG Fox SPGP assists in further implementing a public health approach that blends community-based prevention with evidence-based clinical strategies through community efforts. The Fiscal Year 2024 Budget plans to award \$52.5 million in grants.

The Veterans COMPACT Act created a new authority in 38 U.S.C. § 1720J for VA to provide health care services to all eligible individuals in acute suicidal crisis at no cost both in VA and in the community. This provision increases access to care and is in full alignment with VA’s National Strategy for Preventing Veteran Suicide. VA published an interim final rule on January 17, 2023, and immediately began providing this new benefit to eligible individuals. As part of implementation VA developed a robust communications plan targeted toward eligible individuals, Veterans and community providers. VA continues to aggressively address critical cross-platform information technology enhancements to ensure that multiple administrative and clinical systems work seamlessly together to ensure timely and efficient care at no cost. We are committed to ongoing education and training efforts within VA and in the community as we deploy this new, life-affirming benefit in our ongoing suicide prevention efforts.

Women Veterans carry an especially high burden of mental health conditions. These include gender-specific conditions associated with heightened suicide risk, such as premenstrual dysphoric disorder, postpartum depression and perimenopausal depression. Among eligible women receiving VHA care, nearly 60 percent are diagnosed with at least one mental health condition (as compared to 37.8 percent of eligible men), and many struggle with multiple mental health concerns, medical comorbidities and psychosocial challenges. VA has implemented numerous initiatives to ensure VHA mental health providers have the expertise to address women Veterans’ unique and diverse treatment needs and assess and address their risk for suicide, and we are committed to expansion of these innovations. VA is also ramping up efforts to increase the visibility of all VA services for women Veterans, including developing a cadre of women Veteran—focused peer support resources and outreach campaigns. Today’s women Veterans need to know what VA has to offer.

Among the risk factors for suicide, substance use disorder (SUD) is strongly implicated. In addition, drug overdose fatalities inclusive of suicide have escalated. Therefore, the need for effective interventions to address substance use cannot be overstated. The President’s Budget includes \$254 million to improve VA’s opioid safety initiative and to continue our joint work with DoD in the field of pain management, consistent with the requirements of the Comprehensive Addiction and Recovery Act of 2016 (P.L. 114–198, Title IX, Subtitle A, §§911–912, the Jason Simcakoski Memorial and Promise Act). VA is also expanding evidence-based SUD treatment and harm reduction initiatives consistent with the Biden-Harris Statement of Drug Policy Priorities. The President’s Budget includes \$231 million supports VA staff initiatives to support Veterans specific needs, including employment, housing, case management, peer support, as well as in-patient and out-patient care.

Furthermore, VA’s budget continues to support expansion of its Psychotropic Drug Safety Initiative to address the growing crisis of stimulant use overdose fatalities.

This initiative ensures the safe and appropriate prescribing of stimulant medications as well as expanding Veterans' access to evidence-based treatments for stimulant use disorder. These include cognitive-behavioral therapy and contingency management, both of which are recommended by the 2021 VA-Department of Defense (DoD) Clinical Practice Guidelines for the Management of SUDs.

President Biden's continued focus on the national mental health crisis recognizes that access to mental health care is challenging. VA continues to evaluate staffing needs and prioritizes mental health hiring and training. However, we recognize that hiring additional mental health staff in VA will not resolve the growing demand. To address President Biden's vision to increase system capacity, connect Veterans to care and create a full continuum of support for Veterans, VA is committed to being the Nation's leader in ongoing research enhancing current mental health treatment, identifying new mental health interventions and developing effective prevention and at-risk identification protocols. Ongoing congressional support for VA Mental Health Centers of Excellence, the Mental Illness Research, Education and Clinical Centers, and mental health research initiatives through the Health Services Research and Development Service will be essential as VA continues to address access, mental health care and suicide prevention.

### **Health Care Budget Request**

Providing Veterans access to the soonest and best care is at the core of our mission. Over the last 2 years, VA has delivered more care to more Veterans through both VA and community care providers than during any time in the Nation's history. Veterans completed more than 73 million outpatient appointments in VA and an additional 38 million community care outpatient appointments in calendar year (CY) 2022. While enrolled Veterans continue to receive most of their outpatient care in VA, more than 3.5 million Veterans have completed at least one outpatient appointment with a community care provider since we implemented the VA MISSION Act of 2018. As such, more than one third of all Veterans enrolled in VA health care have been eligible for and chosen to receive at least one community care appointment at some point in the last 5 years.

Veterans today have more options for care through VA than ever. This includes care delivered both in-house and by our network of community providers. More specifically, VA has more than 1,100 VA medical centers (VAMCs) and community-based outpatient clinics (CBOCs) in which Veterans may receive their care. VA offers care in-person, over the phone or through video appointments as clinically appropriate. VA's community care network has more than 1.3 million community care providers across all 50 States, Territories and possessions of the United States, The District of Columbia and the Commonwealth of Puerto Rico. Enrolled Veterans also have access to community urgent care, and all eligible individuals have access to emergent suicide care.

### **Whole Health**

Whole Health is an approach to health care that empowers and equips Veterans with the ability to take charge of their health and well-being and to live their life to the fullest. Transforming VA into a Whole Health system of care has successfully launched and is receiving full support at both the national and local levels, including strong endorsement in a recent National Academy of Medicine report. In Fiscal Year 2022, 16.3 percent of all Veterans receiving care through VA also received Whole Health services. This care was delivered to 1.1 million Veterans through 3,998,602 encounters which were both Whole Health-specific and which integrated the Whole Health approach into routine clinical encounters. Tele-Whole Health encounters have grown to include 98,000 unique Veterans participating in 513,000 encounters in Fiscal Year 2022, an increase of 39.0 percent unique patients and 32.9 percent of encounters over Fiscal Year 2021. Robust formal evaluations continue to focus on outcomes for Veterans and employees, which includes a review of specific cost avoidance that is traceable to implementation of Whole Health Services (e.g., opioid use reduction, decrease in spinal procedures). The 2024 President's Budget for Whole Health includes \$108 million. VA is fully committed to making the Whole Health approach an integral part of how we deliver care to Veterans and our employees.

### **Women Veterans**

Women make up 17.2 percent of today's Active Duty military forces and 21.1 percent of National Guard and Reserves. VA continues to reach out to women Service members and Veterans, to encourage them to enroll and use the services they have earned. As a result, the number of women Veterans enrolling in VA health care is

rapidly increasing. More women are choosing VA for their health care than ever before, with women accounting for over 30 percent of the increase in Veterans served over the past five years. Investments support comprehensive specialty medical and surgical services for women Veterans at a VA facility or through referrals to the community. The number of women Veterans using VA services has more than tripled since 2001, growing from 159,810 to more than 625,000 today. VA is committed to providing high quality, equitable care to women Veterans at all sites of care.

The Budget requests \$257 million for women's health and childcare programs, a 66 percent increase over 2023. This increase supports \$174 million for the Women's Health Innovation and Staffing Enhancement Initiative. VA is strategically enhancing services and access for women Veterans by hiring women's health personnel nationally to fill any gaps in capacity across all Veterans Integrated Service Networks (VISNs). In Fiscal Year 2023 VA is providing funding for a total of over 1,000 women's health personnel nationally: primary care providers, gynecologists, mental health providers and care coordinators. VA is also addressing clinical equipment needs such as those for mammography, exam tables designed for women with low mobility, and breastfeeding privacy pods. VA is also expanding childcare benefits beyond the current pilot sites.

To support pregnant and postpartum Veterans, VA has developed a Maternity Care Coordination (MCC) program in all VA health care systems to ensure coordination of care both in VA and in the community. This program includes expanding follow up with Veterans for the particularly vulnerable first year postpartum, as well as providing lactation services, training, toolkits and support community of practice.

VA is focusing on enhancing care coordination for preventive care, such as breast cancer screening. VA is implementing the Dr. Kate Hendricks Thomas Supported Expanded Review for Veterans in Combat Environments Act (SERVICE Act, P.L. 117-133); beginning in March 2023, VA is providing SERVICE Act breast cancer risk assessments to Veterans eligible under that Act (generally those who served in certain locations where burn pits were used during the Gulf War and the Post-9/11 era) with referral for mammography as clinically indicated. Breast and cervical cancer screening programs require meticulous tracking to ensure that all eligible Veterans receive appropriate screening and receive results of screening tests, and that followup care is arranged as needed. VA policy requires each facility to have a process for tracking results and timely followup for breast and cervical cancer screening. VA policy also requires that facilities have personnel assigned to breast and cervical cancer care coordination. To ensure accuracy, timeliness and reliability, VA tracks the provision of breast and cervical cancer screening and the availability of breast and cervical cancer care coordinators across the system. VA is also implementing section 603 of the PACT Act by conducting toxic exposure screening for all enrolled Veterans, including women Veterans. The Breast and Gynecologic Cancer System of Excellence is providing state-of-the-art breast and gynecologic cancer care and care coordination across the system through VA's tele-oncology program.

### **Homeless Programs**

VA's longstanding support for Veterans who are homeless or at risk of homelessness is enhanced through taking a Whole Health approach. VA will ensure Veterans who are housed in VA programs do not return to homelessness by implementing a case management model to mitigate risk factors. VA will also leverage its existing programs through targeted outreach to reduce the number of unsheltered Veterans.

The 2024 Budget increases resources for Veterans' homelessness programs to \$3.1 billion, with the goal of ensuring every Veteran has permanent, sustainable housing with access to high-quality health care and other supportive services to end and prevent future Veteran homelessness. This Budget includes funds to assist with the design and development of expanded services for aging and disabled Veterans, a growing need and area of focus for the Department of Housing and Urban Development (HUD) – VA Supportive Housing (VASH) program. In addition, funds will be used to provide a medical home model and population tailored approach to provide in-home primary care and wrap around services to Veterans actively enrolled in the HUD-VASH program, provide additional resources to increase outreach and community engagement efforts, as well as expansion of Veteran justice services, such as treatment courts and Veteran-focused criminal justice initiatives. Funding will also support the VA Grant and Per Diem (GPD) program to increase per diem rates to community partners actively supporting VA's effort to end Veteran homelessness.

On a single night in January 2022, there were 33,129 Veteran experiencing homelessness in the U.S. However, significant progress is being made to prevent and end Veteran homelessness. Since 2010, efforts by VA and our Federal partners have led to a more than 55 percent reduction in Veteran homelessness. Since 2015, there have been 83 communities and three States (Delaware, Connecticut and Virginia)

that have met the criteria and benchmarks established by the U.S. Interagency Council on Homelessness, for effectively ending Veteran homelessness. Additionally, in CY 2022, VA permanently housed more than 40,000 homeless Veterans, exceeding our permanent housing goal for CY 2022 by more than 6 percent.

### **Research**

The 2024 Budget requests a total of \$984 million for research through the Medical Prosthetics and Research account and TEF. These combined resources will improve Veterans' health and well-being via basic, translational, clinical, health services, rehabilitative, genomic and data science research; apply scientific knowledge to develop effective individualized care solutions for Veterans; attract, train and retain the highest-caliber investigators and nurture their development as leaders in their fields; and ensure a culture of professionalism, collaboration, accountability and the highest regard for research volunteers' safety and privacy.

#### *Military Environmental Exposures*

In Fiscal Year 2024, the Office of Research and Development (ORD) will expand its investment in this important area and to coordinate with environmental exposure focused programs as part of the implementation of the PACT Act. Critical components of this effort in Fiscal Year 2024 are building capacity (including the number of researchers funded to conduct military exposures research) and building inter-governmental partnerships. One major step forward is convening an inter-agency workgroup on toxic exposure research, called for in Section 501 of the PACT Act, to identify evidence gaps and craft a strategic plan to address gaps.

#### *Traumatic Brain Injury (TBI)/Brain Health*

Increased investment in TBI remains critical as it is the signature injury of post-9/11 Veterans who served in the wars in Iraq and Afghanistan. While the acute care of TBI has improved, treatments for the longer-term consequences most relevant to Veterans have proven elusive. This injury can lead to lifelong disabilities that can vary by severity, the characteristics of the event or events that caused the injury (e.g., blast versus blunt force) and the number of incidents of injury.

#### *Mental Health, including continued execution of projects under the Hannon Act*

This request supports mental health and suicide prevention research, including the Hannon Act. This effort also includes clinical trials and epidemiological studies on risk and prevention factors, as well as biomarker-driven precision mental health projects done in collaboration with VHA's Office of Mental Health and Suicide Prevention.

### **Cancer and Precision Oncology**

VA is committed to promoting measurable progress toward President Biden's Cancer Moonshot initiative. To that end, VHA's research and clinical oncology programs both collaborate with the National Cancer Institute (NCI) and other external entities to maximize Veterans' benefit from cutting edge improvements in oncology care (for example, by increasing Veterans' access to clinical trials). The 2024 Budget includes \$94 million to support 369 research projects to improve our ability to diagnose and treat cancers.

Clinical trials are often part of standard clinical care for patients with cancer and are a second area of clinical-research integration in Precision Oncology. Together, these elements form a System of Excellence for the full spectrum of care for a particular cancer type. Systems of Excellence are established for Prostate/Genitourinary Cancers and Lung. In 2024, VA will expand on the Rare Cancers System of Excellence, add additional molecular testing capabilities, enhance the pathology and laboratory infrastructure and partner with DoD and others to improve cancer care through the White House Cancer Moonshot.

The Budget invests \$33.3 million within VA's cancer research programs, together with \$215.4 million within the VA medical care program, for precision oncology to provide access to the best possible cancer care for Veterans. The vision of VA's Precision Oncology Initiative is for Veterans to have access to care as close to their homes as possible that is comparable to the Nation's leading cancer centers. Funds support research and programs that address cancer care, rare cancers and cancers in women, as well as genetic counseling and consultation that advance tele-oncology and precision oncology care. The 2024 investment for precision oncology represents a 31 percent increase over 2023.

### **Caregivers**



VA expanded its Program of Comprehensive Assistance for Family Caregivers (PCAFC) to eligible family members and eligible Veterans of all service eras on October 1, 2022. From that date through February 8, 2023, VA received over 44,300 applications. Originally, PCAFC was only available to eligible Veterans who incurred or aggravated a serious injury in the line of duty on or after September 11, 2001. On October 1, 2020, VA expanded the program to eligible Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975, or on or after September 11, 2001. As of February 8, 2023, there are over 45,500 Veterans participating in the PCAFC across the country, including U.S. Territories and 98 percent of PCAFC applications are dispositioned in under 90 days.

The Budget recognizes the important role of these family caregivers in supporting the health and wellness of Veterans. The \$2.4 billion included in this Budget supports staffing, stipend payments, the Program of General Caregiver Support Services (PGCSS), training and education, as well as other services to empower family caregivers of eligible Veterans. In addition, this funding allows for further improvements and enhancements, such as extending telemental health care to caregivers, allowing VA to reach and support more caregivers than before.

VA is currently undertaking a broad programmatic review of the PCAFC to ensure it meets the needs of Veterans and their family caregivers. While this review is underway, VA has suspended annual reassessments for participants of the PCAFC. VA will not discharge or decrease any support to PCAFC participants and their family caregivers, based on reassessment, to include monthly stipends paid to primary family caregivers, as the current eligibility criteria are examined.

As we look to the year ahead, VA seeks to build upon the CSP program with an emphasis on the “Year of the Caregiver.” The Year of the Caregiver is about ensuring caregivers know they belong to a community that cares. Through this theme, VA is not only adding to what it offers to caregivers but focusing on how it is offered and implementing and improving support and services for caregivers of Veterans.

### **Transforming Systems, Processes, and Infrastructure**

VA is transforming systems, processes and infrastructure in order to achieve operational excellence, increase productivity and ensure that systems and processes are easy to use by both the staff and the Veterans we serve. Outcomes for Veterans drive everything we do – because Veterans are the ultimate judges of our success.

#### **Digital Transformation**

VA continues its Digital Transformation journey with the Office of Information and Technology (OIT) providing the infrastructure, engineering, leadership and functions to deliver world-class IT products and services and to improve the end-user experience for Veterans, their families, caregivers and survivors.

Modern Veteran IT services include telehealth services with VA care teams, seamless transition of health care information from DoD to VA systems, acceleration of benefit claims processing, and improved customer digital interactions. To become the Best IT Organization in Government, OIT’s 2024 Budget includes \$6.4 billion in discretionary funding for continued transformation efforts from modernization of aging infrastructure, efficient delivery of IT services to VA employees and enhancement of the Veteran experience.

The Budget prioritizes Cybersecurity, the Infrastructure Readiness Program (IRP) to reduce technical debt, Financial Management Business Transformation (FMBT), Human Resource IT Solutions, Telehealth Services and Claims Automation that allows for timely access to benefits and care for Veterans. Notably, the cybersecurity budget includes \$927 million (combined Base Budget and TEF) to deliver enterprise-wide cybersecurity strategies, policy, governance and oversight to protect Veteran data and VA critical information systems. Also, the 2024 Budget invests in the implementation of Zero Trust Architecture (ZTA) principles. Our goal is to secure Veterans’ data – where it may live –while allowing legitimate access to Veteran and VA data.

Further, the 24 Budget includes re-platforming for VA’s oldest legacy systems onto modern low-code/no-code Platform as a Service (PaaS) and Software as a Service (SaaS) solutions. This will satisfy the increased demand for new IT capabilities, free space for clinical purposes and enhance IT infrastructure services.

#### **Electronic Health Record Modernization (EHRM)**

We readily acknowledge there have been challenges with our efforts to modernize VA’s electronic health record (EHR) system. As we work through the challenges, our commitment remains unwavering—to provide world-class patient care and prioritize patient safety for the Veterans we serve. Though there is still a lot of work to do, important progress has been made since our first go-live in Spokane. For example,

VA requested corrective actions within the Oracle Cerner data base configuration that resulted in a 6-month period without a complete outage. We also continue to improve the system based on feedback from our health care personnel in collaboration with Cerner. On February 17, 23, the three priority pharmacy enhancements were installed as part of the Block 8 upgrade to the EHR system. These enhancements are an important step in resuming EHR system deployment and will reduce burden on personnel at the five sites using the new EHR.

We are focused on assessing and remediating any identified issues at live sites, with a continued focus on patient safety. When we move forward with deployments, we will, of course, incorporate lessons learned and implement continued improvements we have identified, so that we can achieve the benefits of a modern EHR system. We strive to have a system that will support improved access, outcomes and experiences for Veterans, through a single health record from entry into military service through their VA care.

To support the EHR modernization effort, the EHRM Integration Office's (EHRM-IO) 2024 Budget request is \$1.9 billion. This reflects the funding needed to sustain deployed sites and prepare for the next program requirements at sites scheduled to go-live in Fiscal Year 2024 through early Fiscal Year 2026.

The funding will support:

- **EHR (\$1.2 billion):** Contracts for enterprise integration and site implementation activities.
- **Infrastructure (\$424 million):** IT and other infrastructure investments, such as IT upgrades, modifications to existing systems and interfaces.
- **Program management support (\$253 million):** Government staff (e.g., salaries and benefits), Government administrative expenses and contractor support.

VA continues to align requirements and fiscal resources to the EHRM program in support of the long timelines associated with its deployment methodology. For example, planning for deployments requires a 2-year process for infrastructure readiness and 13-months of pre-go-live activities. Interruptions to VA's EHRM funding will create risk for planned activities and significantly impacts sustainment.

In addition to the funding requested for the EHRM account, VHA's Medical Facilities request includes \$750 million in Non-Recurring Maintenance (NRM) funding for facility EHR infrastructure projects, which are aligned to the EHRM deployment methodology.

The EHR has been deployed to five VAMCs, including 22 CBOCs and 52 remote sites with more than 10,000 medical personnel using the system, serving more than 200,000 Veterans. As improvements continue to be made over the next few months, VA will continually evaluate the readiness of each site as well as the EHR system to ensure success. To be clear, we will not go live at any site with unresolved safety critical findings, yet we remain firm in our resolve to continue modernizing the EHR. VA intends to deliver an updated deployment schedule to Congress by May 2023.

#### **FMBT**

The FMBT program is increasing the transparency, accuracy, timeliness and reliability of financial and acquisition activities across the Department. The 2024 Budget includes \$394.7 million (including General Administration, Information and Technology, Supply Fund and Franchise Fund sources) for FMBT, a program that is improving fiscal accountability to taxpayers and enhancing mission outcomes for our employees who serve Veterans. So far, we have completed five successful deployments of the new Integrated Financial and Acquisition Management System (iFAMS) across NCA, VBA and staff offices, all of which have provided invaluable lessons learned and numerous opportunities to improve our approach. As part of FMBT's commitment to continuous improvement, we continue to work with stakeholders and end users to proactively adjust our deployment approach to better manage the complexities inherent in a financial and acquisition system transformation effort of this magnitude. Each implementation brings us one step closer to providing a modern, standardized and secure integrated solution that enables VA to meet its objectives and fully comply with financial management and acquisition mandates and directives. As of February 2023, there have been over 2.1 million transactions successfully processed in iFAMS, and over \$6 billion in payments made through the Department of the Treasury.

Deployment of iFAMS is taking place in phased implementations, called "waves," across VA administrations and staff offices. In just a few months, we will go live with our largest system rollout yet. This includes some of VA's largest staff offices and will increase the current iFAMS user base by almost 50 percent. In December

2023, we will deliver an iFAMS upgrade, which will provide substantial enhancements to system performance, functionality and ease of use. iFAMS will also go live for VBA Loan Guaranty later in Fiscal Year 2024 and continue system rollouts across the remaining VA administrations and staff offices until enterprise-wide implementation is complete.

### **Infrastructure**

The President's 2024 Budget includes \$4.1 billion for construction requirements—\$3.5 billion in Major and Minor Construction appropriations in addition to \$600 million in estimated unobligated balances from RETF planned for Major Construction requirements. Funding for two major medical facility projects, including the St. Louis Replacement Bed Tower, Clinical Building Expansion, Consolidated Administrative Building and Warehouse, Utility Plan and Parking Garages project supporting over 149,000 Veteran enrollees, and two national cemetery expansion projects are included in the request. The 24 Budget includes \$112 million in major construction funds for a gravesite development project at Tahoma National Cemetery and a gravesite expansion project at Jefferson Barracks National Cemetery. The Budget also includes \$182.6 million in Minor Construction funds for gravesite expansion and columbaria projects to keep existing national cemeteries open and for projects that address infrastructure deficiencies and other requirements necessary to support national cemetery operations. RETF will provide funding for eight additional medical facility Major Construction projects, bringing the total to 12 major construction projects funded in Fiscal Year 2024. In addition, VHA's Medical Facilities account includes \$5.75 billion for NRM.

VA's robust Fiscal Year 2024 capital request reflects infrastructure's importance in enabling the delivery of care and benefits and doing so in ways that are sustainable and resilient as guided by Executive Order 14057. For example, the PACT Act significantly expands benefits, and VA must plan for infrastructure required to support this increase in health care for Veterans.

The VA infrastructure portfolio consists of approximately 184 million owned and leased square feet which is one of the largest in the Federal Government, but is rapidly aging and deteriorating. While the median age of U.S. private sector hospitals is 13 years, the median age of VA's portfolio is 60 years. With aging infrastructure comes operational disruption, risk and cost. VA's 2024 Budget highlights the importance of modernizing our infrastructure to maintain and expand our portfolio and support the continuing mission growth.

As part of our Budget request, the Department has included mandatory funding for one ongoing Major Construction project and the completion of various Minor Construction projects that improve VHA facilities. This mandatory funding helps ensure appropriate and required investment in the infrastructure to prevent service delivery disruptions in the future.

Also included in VA's 2024 Budget request are 10 major medical facility leases totaling over 1.5 million square feet of space supporting cutting-edge research and a workload of over 1.7 million outpatient stops and bed days of care. These leases are key to modernizing VA's clinical points of care and increasing access for the increasing number of Veterans anticipated to access VA care because of benefit expansion offered by the PACT Act. These leases will also be the first to go through the new PACT Act committee resolution approval process.

VA has previously presented the need to fully upgrade and modernize our facilities to meet the service delivery objectives expected of modern health care delivery infrastructure, bringing them up to the standards Veterans deserve. VA's aggressive 2024 Budget sets us on this path to modernize or replace outdated VAMCs with state-of-the-art facilities. Additionally, VA is aggressively working to pursue implementation of the goals of Executive Order 14057, which creates a broad set of challenging goals and requirements for Federal agencies to eliminate their carbon footprint and make their operations more sustainable and resilient.

### **Honoring Veterans' Legacies**

The President's 2024 Budget includes \$480 million for NCA's operations and maintenance account, an increase of \$50 million (11.6 percent) over the 2023 Budget, to ensure Veterans and their families have access to exceptional burial and memorial benefits including expansion of existing cemeteries as well as new and replacement cemeteries. With this Budget, NCA will provide for an estimated 140,472 interments, the perpetual care of almost 4.3 million gravesites and the operations and maintenance of 158 national cemeteries and 34 other cemeterial installations in a manner befitting national shrines. This request will fund 2,331 full-time

equivalents needed to meet NCA's increasing workload, while maintaining our reputation as a world-class service provider.

While every eligible Veteran may be interred at any one of VA's open national cemeteries and a significant majority of the 122 VA grant-funded Veterans cemeteries, VA realizes that proximity to a cemetery is an important consideration in whether Veterans and family members choose a VA-funded cemetery for their final resting place. For this reason, NCA is committed to providing 95 percent of the Veteran population with access to first interment burial options (for casketed or cremated remains, either in-ground or in columbaria) in a national or State Veterans cemetery within 75 miles of the Veteran's place of residence. VA has made continuous, significant progress toward meeting that target. In 2024, 93.9 percent of the Veteran population will be served with such access. The 2024 Budget also includes \$60 million for the Veterans Cemetery Grants Program to continue important partnerships with States and Tribal organizations. This grants program plays a crucial role in achieving NCA's strategic target of providing 95 percent of Veterans with reasonable access to a burial option.

Additionally, the 2024 Budget continues NCA's implementation of the Veterans Legacy Memorial (VLM), the Nation's first digital platform dedicated to the memory of more than 4.5 million Veterans interred in VA's national cemeteries and VA-funded State, territorial and tribal Veterans cemeteries. VLM allows family, friends and others to preserve their Veteran's legacy by posting tributes. NCA will also use grant funding requested in the 2024 Budget to provide Veterans Legacy Grants to tell the stories of Veterans interred in our national and grant-funded cemeteries, with an emphasis on those from underrepresented communities.

#### **Conclusion**

Chairman Bost, Ranking Member Takano, thank you for the opportunity to appear before you today to discuss our progress at the Department and how the President's Fiscal Year 2024 and Fiscal Year 2025 Advance Appropriations Request will serve the Nation's Veterans.

