

**STATEMENT OF
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DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE, SUBCOMMITTEE ON MILITARY
CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES
BUDGET REQUEST FOR FISCAL YEAR 2021**

MARCH 4, 2020

Good afternoon, Chairwoman Wasserman Schultz, Congressman Carter, and distinguished Members of the Subcommittee. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2021 Budget for the Department of Veterans Affairs (VA), including the FY 2022 Advance Appropriation (AA) request. I am accompanied today by Dr. Richard Stone, Executive in Charge, Veterans Health Administration (VHA); Dr. Paul Lawrence, Under Secretary for Benefits, Veterans Benefits Administration (VBA); and Jon Rychalski, Assistant Secretary for Office of Management and Chief Financial Officer.

I begin by thanking Congress and this Subcommittee for your continued strong support and shared commitment to our Nation's Veterans. With the funding provided by Congress, VHA provides high quality health care services to 9.3 million enrolled Veterans; VBA provides educational benefits for over 900,000 beneficiaries and guaranteed over 624,000 home loans; and our National Cemetery Administration (NCA) will inter an estimated 137,600 Veterans and care for over 4 million gravesites in our 156 sacred National Cemeteries. We are on the other end of the national security continuum, as we take care of those who have already borne the battle, and I continue to believe this is one of the noblest missions in government.

Progress

Solid progress on some of the most transformational initiatives in VA's history has taken place in the last 18 months, with the result being a string of wins that puts Veterans front and center where they belong.

One of our most notable accomplishments is the near-flawless implementation of the VA Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act of 2018 signed into law by President Trump in 2018, giving Veterans real choice over their health care decisions. Emboldened by predictions of an imminent VA system collapse, we effectively rolled out this landmark legislation with no disruption to Veteran care. Less than 5 months after the rollout of the VA MISSION Act's community care provisions, VA had made more than 2.2 million referrals to community care. In addition, we implemented a new urgent care benefit and more than 90,000 urgent care visits had been completed in the same timeframe, and it is only becoming more popular with Veterans. In October 2019, eligible Veterans conducted more than

5,000 urgent care visits each week, thanks to the 6,400 local urgent care providers that have contracted to provide this benefit for VA.

Success with the VA MISSION Act had tremendously positive second and third order effects. Because Veterans like what they see, VA is delivering more care overall than ever before. In FY 2019, VA completed more than 59.9 million internal episodes of care – a record high and about 1.7 million more than the year before. Even better, Veterans' overall trust in VA now sits at 72 percent, as compared to 60 percent in 2016. Statistics show:

- Eighty-seven percent of Veterans now trust the VA health care they receive;
- In a recent Veterans of Foreign Wars survey, nearly three quarters of respondents reported improvements at their local VA; and
- More than 90 percent said they would recommend VA care to other Veterans.

We expanded other venues of care for Veterans as well. VA is a leader in using telehealth technology to diagnose and treat Veterans remotely, by connecting Veterans with health care providers electronically, sometimes in their own homes. In FY 2019, VA exceeded 2.6 million telehealth episodes of care to more than 900,000 Veterans. To increase access to telehealth services, VA has established multiple innovative agreements for 'Anywhere to Anywhere' connected care programs with Walmart, Philips, T-Mobile, Sprint, and Verizon. These partnerships give Veterans who may need help with Internet service more options to connect with VA health care providers through video telehealth.

We have also tackled some of our most pressing social issues: opioid use disorder (OUD), homelessness, and a regrettable scourge on our society: suicide.

President Trump's 2018 Initiative to Stop Opioids Abuse and Reduce Drug Supply and Demand directly contributed to a 19 percent reduction in the number of patients receiving opioids nationwide. Overall, since the President took office, there has been a 35 percent decline in Veterans being dispensed an opioid from a VA pharmacy.

VA has achieved impressive results in fighting Veteran homelessness by working with local governments, companies, and other stakeholders. In FY 2018, the total number of Veterans experiencing homelessness decreased 5.4 percent, and in 2019, that number dropped another 2.1 percent. In the last two fiscal years, VA has helped 124,900 Veterans and their families by housing them or preventing them from becoming homeless. Thanks to these partnerships, we've seen 78 communities and 3 states effectively end Veteran homelessness.

The success of these partnerships suggests it's a good way to reduce Veteran suicide, and so VA adopted a public-health approach to suicide prevention, which focuses on equipping communities to help Veterans connect with local support and resources. The public-health approach is central to VA's first ever National Strategy for Preventing Veteran Suicide, which was published in 2018, as well as the President's Roadmap to Empower Veterans and End a National Tragedy of Suicide (PREVENTS)

Executive Order (EO) 13861. PREVENTS aims to bring together stakeholders across all levels of government and the private sector to address the national suicide epidemic and provide our Veterans with the specific mental health and suicide prevention services they deserve.

Our recent successes reveal the magnitude of change occurring at VA. But it is only part of the story because we have even more fundamental changes to how VA operates on the cusp of deployment. VA is on the verge of delivering its new electronic health record (EHR) solution at Mann-Grandstaff VA Medical Center (VAMC) in Spokane, WA, followed by VA Puget Sound Health Care System (HCS) in Seattle and American Lake, WA. Congress has made it clear, and I have always maintained, that we not rush to implement a new EHR at the sacrifice of the quality patient care we promised and are committed to delivering to our Veterans and other beneficiaries. VA identified that the new EHR solution requires additional systems configuration to execute planned user training at the Mann-Grandstaff VAMC in Spokane, Washington. As such, VA is not proceeding with the previously planned March go-live at this location. VA is taking every precaution to deliver an effective system for our clinicians and users, and we are committed to getting this absolutely right for our Veterans. Analysis has begun in earnest on the schedule impact of the user training shift, and we hope to have a revised and fully vetted schedule to present to key stakeholders in the coming weeks; with periodic updates provided as needed. After implementation at our initial sites, the new EHR will be delivered to over 1,200 VA hospitals and clinics through a phased deployment strategy. Concurrent with the deployment of our new EHR modernization is the installation of a new medical logistics system, the Department of Defense's (DoD) Defense Medical Logistics Standard Support (DMLSS) system. We are also deploying our new accounting and acquisition system, the integrated Financial and Acquisition Management System, to NCA with full implementation across VA following in the coming months and years.

The magnitude of change has been so great, and the pace so quick, that VA must carefully assess our resource needs to ensure we can adequately sustain what we have accomplished while continuing to make investments in key areas that promise the greatest return for our dollars. It is against that backdrop that our FY 2021 Budget was developed, with emphasis on sustaining the ground we have gained.

Fiscal Year 2021 Budget Request

The President's FY 2021 Budget requests \$243.3 billion for VA — \$109.5 billion in discretionary funding (including medical care collections). The discretionary request is an increase of \$12.9 billion, or 14.1 percent, over the enacted FY 2020 appropriation. It would sustain the progress we have made; provide additional resources to improve patient access and timeliness of medical care services for the approximately 9 million Veterans enrolled for VA health care; and improve benefits delivery for our Veterans and their beneficiaries. The President's FY 2021 Budget also requests \$133.8 billion in mandatory funding, \$9.1 billion or 7.2 percent above 2020.

For the FY 2022 AA, the budget requests \$98.9 billion in discretionary funding including medical care collections for Medical Care and \$145.3 billion in mandatory advance appropriations for VBA's benefits programs: Compensation and Pensions; Readjustment Benefits; and Veterans Insurance and Indemnities.

For Medical Care, VA is requesting \$94.5 billion (including \$4.5 billion in medical care collections) in FY 2021, a 13 percent increase over the 2020 level (including the \$615 million transfer from the Veterans Choice Fund), and a \$2.3 billion increase over the 2021 AA. The request fully supports sustainment of the provisions included in VA MISSION Act, including the streamlining and enhancement of community care services, an urgent care benefit, expansion of our caregiver support program, and other authorities and programs that will improve VA's ability to provide high-quality, timely, Veteran-centric care in line with Veterans' preferences and clinical needs.

This is the largest budget request in VA history, allowing VA to sustain our remarkable progress, continue the upward trajectory of modernizing our systems, and be a center of innovation, providing options to Veterans when it comes to their own care. I urge Congress to support and fully fund our FY 2021 and FY 2022 AA budget requests.

Next, I will highlight progress we have made, as well as planned activities, in health care, benefits, business transformation, infrastructure, and cemetery operations among others and how the resources we are requesting will contribute to our continued success.

Health Care

VA Medical Centers

In January 2019, VHA began an initiative to optimize clinic practice management and improve access to care through the Improving Capacity, Efficiency, and Productivity initiative. The goal of the initiative was to leverage existing resources and increase internal capacity to maximize the care we provide inside VA with the enhanced eligibility for community care under the VA MISSION Act. The project consisted of a 3-phased approach: Phase 1 focused on improving data accuracy (of labor mapping, bookable time, Primary Care Management Model, stop codes, and person class) through one-on-one support via virtual site visits; Phase 2 centered on implementation of tailored strong practice solutions (based on process measure data) to help medical centers maximize capacity using existing resources; and Phase 3 encouraged VAMCs to leverage innovative methods of care, such as clinical resource hubs, clinical contact centers, e-consults, and telehealth services.

Through this effort, the number of VAMCs that met the VA MISSION Act average wait time standard of less than or equal to 20 days jumped from 47 percent to 65

percent. To replicate this success, we are adopting these same practices at an additional 30 VAMCs.

Over the last several years, we have also increased provider staffing levels significantly. In the last year alone, we increased physician staffing levels by 2 percent; Nurse Practitioners by 7 percent; and Physician Assistants by 3 percent. We also increased clinic support staff for providers and delivered an additional 2.8 million total clinical episodes of care in FY 2019. In FY 2019, physician workload increased by 2 percent with over 72 million physician encounters. Clinical workload of physicians, measured in a common relative value unit scale that considers the time and intensity of the service, increased by 4 percent. Provider productivity remained relatively constant.

Community Care Network

We continue our successful deployment of the Community Care Network contracts, which use third party administrators (Optum Public Sector Solutions in Regions 1, 2, and 3; TriWest Healthcare Alliance in Region 4; contracts for Regions 5 and 6 are still in progress) to provide a credentialed network of providers for community care. Region 1 is fully deployed; Regions 2 and 3 are in progress; and Region 4 deployment will begin later this year. Our robust network of over 880,000 providers across the United States gives us exceptional flexibility in meeting Veterans' health care needs no matter where they reside. Realizing that we needed to do a better job of paying claims from community providers, our contracts require administrators to process and pay claims from the community providers based on the more stringent timelines included in the VA MISSION Act. The FY 2021 Budget requests \$18.5 billion for Community Care, an increase of 21 percent over the FY 2020 funding level. These resources will allow us to provide real choice to our Veterans, and we estimate we will have 33 million visits to community care providers in FY 2021, an increase of 3.9 percent over FY 2020.

Caregiver Support Program

As we implement the VA MISSION Act, we are expanding our caregiver program to family caregivers of eligible Veterans from all eras. Under the law, expansion will begin when VA certifies to Congress that VA has fully implemented a required information technology (IT) system. The expansion will occur in two phases beginning with eligible family caregivers of eligible Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975, with further expansion beginning two years after that. The 2021 Budget request for the Caregivers Support Program (CSP) is \$1.2 billion, \$650 million of which is specifically to implement the program's expansion. In October 2019, VA successfully launched a replacement IT solution, known as the Caregiver Record Management Application (CARMA), to support the program. Our efforts in FY 2020 are focused on automating stipend payments and improving existing functionality. Over the course of the next year, we will implement interprofessional Centralized Eligibility and Appeals Teams. This is intended to improve consistency in Program of Comprehensive Assistance for Family Caregivers (PCAFC) eligibility

determinations across the enterprise. Led by physicians, these teams will assist with evaluating PCAFC eligibility, tier changes, revocations, and appeals. To ensure smooth operations following PCAFC expansion, VA is working aggressively to recruit, hire and train new team members. These interprofessional teams will be phased in over the course of the next several months and VA anticipates them being fully mission capable in summer 2020.

Some additional key initiatives include the hiring of a program Lead Coordinator at every Veterans Integrated Service Network (VISN) to standardize care and services. We also implemented the Annie Text system to alleviate caregiver stress and burden through supportive text and developed a toolkit for caregivers that educates and provides resources for caregivers on how to recognize and respond to suicide warning signs. CSP continues to develop, implement, and refine services including peer support, caregiver self-care, and dementia care as well as modernizing processes, programming, and staffing to better serve our Nation's Veterans and their caregivers. As of February 2020, over 350 new staff have been added to the program with the goal of hiring approximately 680 more staff in FY 2020. To continue to support the expansion for this program under the VA MISSION Act, ongoing workload modeling will be assessed, and additional staff may be required.

Suicide Prevention and Treatment

On March 5, 2019, President Trump signed the *National Roadmap to Empower Veterans and End Suicide* (EO 13861), also known as PREVENTS. This created a Veteran Wellness, Empowerment, and Suicide Prevention Task Force that is tasked with developing, within 1 year, a road map to empower Veterans to pursue an improved quality of life, prevent suicide, prioritize related research activities, and strengthen collaboration across the public and private sectors. This is an all-hands-on-deck approach to empower Veteran well-being with the goal of ending Veteran suicide. The road map is on track to be delivered to the White House in the coming weeks. The PREVENTS Office will then work with government agencies on the Task Force, private-sector entities, and State and local communities to implement the recommendations. The FY 2019 Suicide Prevention and Treatment budget was fully executed as planned, supporting the Veterans Crisis Line as well as other critical clinical and community suicide prevention efforts. The FY 2021 Budget requests \$10.2 billion for mental health services, a \$683 million increase over FY 2020. The Budget specifically would invest \$313 million for suicide prevention programming, a \$76 million increase over the FY 2020 enacted level. The request would fund over 19.7 million mental health outpatient visits in a mental health setting, an increase of nearly 272,000 visits over the FY 2020 estimate. This builds on VA's current efforts. Since June 2017, VHA has hired 6,047 mental health providers, which is a net increase of 1,754 providers serving our Veterans. Suicide is a national public health issue that affects all Americans. Suicide prevention is my top clinical priority and we are actively implementing a comprehensive public health approach to reach all Veterans — including those who do not receive VA benefits or health services.

Opioid Safety & Reduction Efforts and Treatment of Opioid Use Disorder

The FY 2021 Budget includes \$504 million, a \$79.1 million increase over FY 2020, to address treatment of OUD and opioid safety and reduction efforts, including specific funding related to programs supported through the Comprehensive Addiction and Recovery Act (CARA) of 2016, Public Law 114-198. Funding for CARA programs is included in the FY 2021 Budget at the level of \$121 million, a \$64.6 million requested increase over advanced appropriation previously approved for FY 2021 to specifically address over-reliance on opioid analgesics for pain management, improve access to treatment for OUD, and to provide safe and effective use of opioid therapy when clinically indicated. This CARA budget would provide support for deployment of evidence-based practices, toolkits, and research to enhance and expand patient-centered, safe, and effective pain care. This will be accomplished through several efforts including: developing and implementing a national program for Opioid Stewardship that will enhance the continued expansion and implementation of the Opioid Safety Initiative; providing funding for fully staffing and supporting CARA-required Pain Management Teams with hiring, toolkits, training and expert guidance; and providing increased access to interdisciplinary pain management through multiple modalities including but not limited to: increased field staffing for pain management teams at facilities; greatly expanded access to telehealth for pain management; and treatment of OUD so that we can reach all Veterans under our care. Another particularly important risk mitigation strategy for opioids, and for all controlled substance, is access to State Prescription Drug Monitoring Programs (PDMP), which allow for safer prescribing. VA is working towards an automated process of PDMP queries that can be accessed within EHR by prescribers and their delegates and therefore integrates into the clinical workflow. We expect this to be implemented in FY 2020. VA is in the process of integrating PDMPs into both the legacy health records system and the new EHR. PDMP's solution for the legacy system will provide integrated access for clinicians and delegates across the available state data bases and the Military Health System. VA's new EHR will initially provide integrated access to prescribers directly to the Washington state PDMP.

Multiple initiatives are underway to increase access to life-saving medication for OUD. In the past 4 years, the number of Veterans with OUD receiving buprenorphine, injectable naltrexone, or opioid treatment program administered methadone increased by more than 20 percent. Most of these medications are provided in substance use disorder treatment clinics, but only about half of Veterans clinically diagnosed with OUD receive treatment in these clinics. In order to reach Veterans where they are, VA launched the Stepped Care for Opioid Use Disorder Train-the-Trainer initiative to increase access to OUD medication treatment in Primary Care, General Mental Health, and Pain Management Clinics. In the first 14 months, 18 pilot teams increased the number of patients receiving buprenorphine in these clinics by 141 percent. During FY 2020, VA plans to provide additional training and support to expand access to stepped care for OUD treatment in settings outside of substance use disorder specialty care with future plans focused on ensuring timely access to life saving medication for the treatment of OUD regardless of where the Veteran presents for care.

VA's Opioid Safety Initiative has greatly reduced reliance on opioid medication for pain management, in part by reducing opioid prescribing by more than 55 percent over the past 5 years. Seventy-five percent of VA's reduction can be attributed to not starting Veterans with chronic, non-cancer pain on long-term opioid therapy and instead utilizing multimodal strategies that manage Veteran pain more effectively long-term. As VA continues its efforts to address opioid over-use, options such as non-opioid medications; behavioral therapy; restorative therapies (such as physical therapy and occupational therapy); interventional pain care; and the Whole Health (WH) system of care transformation that includes complementary and integrative health (CIH) treatments (such as massage therapy, yoga, meditation, acupuncture, Tai Chi, etc.) are important components to VA's Pain Management Strategy. Initial results from the analysis of the 18 WH Flagship sites as required by CARA have just become available and demonstrate a three-fold reduction in opioid use among Veterans with chronic pain who used WH services (including CIH) compared to those who did not in the first 2 years. Monitoring will continue of these original 18 sites as well as the 36 additional facilities that were added in 2018. As required by CARA, all VHA facilities have established or are in the process of implementing interdisciplinary pain management teams or pain clinics that support Veterans and our Primary Care Teams in delivering the best pain care possible. While these efforts are well underway, we must continue to provide access to these safe and effective pain care approaches systemwide, wherever the Veteran is located.

Women Veterans

The number of women Veterans enrolling in VA health care is increasing, placing new demands on VA's health care system. Women make up 16.9 percent of today's Active Duty military forces and 19 percent of National Guard and Reserves. 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 5 years. The number of women Veterans using VHA services has tripled since 2001, growing from 159,810 to over 500,000 today. To address the growing number of women Veterans who are eligible for health care, VA is strategically enhancing services and access for women Veterans by investing \$50 million in a hiring initiative in 2021. The FY 2021 Budget projects \$626 million for gender-specific women Veterans' health care, a \$53 million increase over FY 2020. This Budget would also continue to support a full-time Women Veterans Program Manager at every VA health care system. VHA has also made a commitment to train mental health providers to address women Veterans' complex and unique needs, including gender-related suicide risks. One of our key initiatives is the Women's Mental Health Mini-Residency and national Reproductive Mental Health/Psychiatry consultation initiatives. To date, more than 450 VA providers have attended the mini-residency. Participants indicate that the training increased their competency to provide gender-sensitive care to women Veterans and positively impacted women's mental health services at their local facility. The mini-residency is required training for all Women's Mental Health Champions, who serve as a local contact for women Veterans' mental health.

Additionally, VA launched a National Women's Reproductive Mental Health Consultation Program in FY 2020. With this new resource, expert consultation is now available to all VA clinicians on topics such as treating premenstrual, perinatal, and perimenopausal mood disorders, and treating women's mental health conditions that can be affected by gynecologic conditions. Without this program, key mental health care needs of women might not be detected or treated. User feedback has been overwhelmingly positive. Consultations have focused on highly complex patient presentations and prescribing considerations and reaffirm the critical need for this national resource.

This Budget would continue to support Women's Mental Health training and consultation programs. It would also support 0.10 Full-Time Equivalent (FTE) protected time for a Women's Mental Health Champion at every VHA health care system to facilitate consultations and develop resources that increase the visibility and accessibility of gender-sensitive women's mental health care and contribute to a welcoming care environment.

Treatment of Military Sexual Trauma

When asked by their VA health care provider, about 1 in 3 women and 1 in 100 men report that they experienced sexual assault or sexual harassment during their military service. These experiences, which VA refers to as military sexual trauma (MST), can have a significant impact on Veterans' mental health, physical health, general well-being, and are also associated with an increased risk for suicide. VA's services for MST can be critical resources to help Veterans in their recovery journey. Since VHA began systematic MST-related monitoring in FY 2007, there has been a 344 percent increase in the number of female Veterans receiving MST-related outpatient care and a 256 percent increase in the number of male Veterans receiving MST-related outpatient care. In FY 2019, more than 2,014,671 MST-related outpatient visits were provided—an 11 percent increase from FY 2018. The cost of providing MST-related care is incorporated into broader health care costs for each VA health care system (HCS) and, as such, VHA's requested increases for health care services funding more broadly will directly benefit MST survivors. These funds are needed to maintain the full continuum of outpatient, inpatient, and residential mental health services as well as medical care services that are crucial to assisting MST survivors in their recovery. Funding also supports VHA's universal screening program in which every Veteran seen for health care is asked about experiences of MST, so that he or she can be connected with MST-related services as appropriate. Additionally, funding supports the MST Coordinator program, in which every VA health care system has a designated MST Coordinator who can help Veterans access MST-related services and programs.

Precision Oncology

The FY 2021 Budget includes \$75 million to support VHA's precision oncology initiative, which aims to improve the lives of Veterans with cancer by ensuring that no matter where they live, they have access to cutting-edge cancer therapy using Precision

Medicine, telehealth, and a learning HCS that integrates research with clinical care. Precision oncology is an evolution from one-size-fits-all cancer care. We are learning that we can increase treatment success and decrease side-effects by picking the treatment based upon characteristics of the patient and of the cancer. It primarily focuses on mutations in the patient's and cancer's DNA, respectively. The requested FY 2021 funding for this initiative would support:

- Investment in new national lung cancer network and expanded prostate cancer coverage;
- Enhanced ability to track – and conduct performance improvement – across a broader range of precision oncology quality measures at the national level;
- Scaling access to genetic counseling with the growth of genetic testing;
- Expanding access to national tele-oncology;
- Additional clinical trials for prostate and lung cancer; and
- Exploration of new opportunities for breast cancer research.

Telehealth

The FY 2021 Budget request includes \$1.3 billion for care provided through telehealth. VA leverages telehealth technologies to enhance the accessibility, capacity, and quality of VA health care for Veterans, their families, and their caregivers anywhere in the country. VA achieved more than 1.3 million video telehealth visits in FY 2019, a 26 percent increase in video telehealth visits over the prior year. Representing the fastest growing segment of VA telehealth, more than 10 percent of the 900,000 Veterans using VA telehealth received care through video telehealth in the comfort of their home or another non-VA location using VA Video Connect. In FY 2021, our goal is to have all VA providers offering VA Video Connect services to Veterans when clinically appropriate and requested by the Veteran.

Strengthening VA's Internal System of Care

The FY 2021 Budget supports VHA's Plan for Modernization including continued progress towards becoming a high reliability organization (HRO) and the realignment of VHA Central Office (VHACO) to better support our care providers in the field. The HRO model is the managerial framework for transformational change. HROs focus on continuous improvement and enhancing the customer experience. VHA has identified its own path to high reliability to meet Veterans' unique needs. Starting in 2019, VHA began instilling HRO principles, tools, and techniques at every level of the organization to address root causes; advance VA and VHA priorities; and ultimately achieve our vision of providing exceptional, coordinated, and connected care for Veteran health and wellbeing. In FY 2021, VHA will continue to promote HRO principles and move closer to its aim of becoming a "zero harm" organization that is constantly learning and applying those lessons toward improving Veteran care. On January 8, 2020, VA announced the redesign of VHACO as part of its modernization efforts to reflect leading health care industry practices and address clinical integration. The new structure now supports joint leadership roles of a chief medical officer and expanded chief nursing

officer. The new structure clarifies office roles and streamlines responsibilities to eliminate fragmentation, overlap, and duplication. It also allows VHA to be more agile and to respond to changes and make decisions more quickly. This positions VHA to better support Veterans Integrated Service Networks (VISN) and facilities directly serving Veterans. VHACO staff includes the approximately 20,000 staff located throughout the country that provide operational support to VAMCs. The proposed change in structure will not result in a reduction or termination of staff.

Animal Research

VA conducts an array of research in areas significant to Veterans' health care. VA only conducts research with animals when absolutely necessary. There are some research questions that cannot be addressed other than by research with animals, and VA refuses to ignore Veterans whose health care needs that research. For example, animal research in Cleveland involving researchers from VA recently led to the development of a device that allows Veterans with spinal cord injuries to cough on their own and communicate with a stronger voice, leading to increased independence and a significant reduction in respiratory infections and deaths. This important advancement would not have been possible using computer simulations, test tube techniques, 'organ on a chip' technology, or smaller animal species. VA has very few animal studies active at any one time, but some health care problems like this one can only be addressed with animal research, underscoring the importance of this kind of research in helping Veterans who have been severely injured on the battlefield.

Benefits

Blue Water Navy

One of the most significant changes for our Veterans in 2019, was the signing of the *Blue Water Navy Vietnam Veterans Act of 2019* in June, with an effective date of January 1, 2020. As of February 20, 2020, VA has received over 36,000 potential Blue Water Navy (BWN) claims and has already issued \$105 million in retroactive benefit payments to more than 3,000 BWN Veterans and survivors. In FY 2021, VA expects to receive 70,000 BWN claims and appeals. VA's FY 2021 funding request includes \$137 million for VBA General Operating Expenses (GOE) to support BWN implementation. This Budget request includes sustaining 691 FTE for claims processing; call center agents; quality reviews; and contracting for the continued scanning of deck logs, service records, and paper claims from the National Archives and Records Administration. The Budget also supports standard business operations, which include support to enable Private Medical Records requests, audit reviews of deck log transcription services, and strategic communications/outreach to Veterans and key stakeholders.

Forever GI Bill

The FY 2021 Budget for VBA includes an increase of \$20.5 million as a result of provisions in The Harry W. Colmery Veterans Educational Assistance Act (the Colmery

Act) of 2017. The Department remains steadfast in its commitment to ensuring every Post-9/11 GI Bill beneficiary is made whole based on the rates established under the Colmery Act. We have taken significant steps to ensure there is broad awareness and understanding of our actions to date. VA executed a comprehensive communications and training campaign to schools, Veteran Service Organizations, state approving agencies, students, beneficiaries, and other stakeholders to regularly provide updates and seek input on VA activities and progress.

Appeals Modernization

One year after the successful implementation of the Veterans Appeals Improvement and Modernization Act (AMA), VA is encouraged by an active business transformation that is improving Veterans' appeals experience. AMA is transforming VA's complex and lengthy appeals process into one that is simple, timely, and fair to Veterans and that ultimately gives Veterans choice, control, and clarity in the claims and appeals processes. The FY 2021 request of \$198.0 million for the Board of Veterans' Appeals (the Board) is \$24 million above the FY 2020 enacted budget and will sustain approximately 1,161 FTE. This Budget would prioritize the resolution of legacy appeals at the Board while simultaneously adjudicating appeals under AMA. In addition to adjudicating appeals and claims under AMA, addressing pending legacy appeals will continue to be a priority for VA in FY 2020 and FY 2021. In October, VA finalized an enterprise plan to resolve non-remand legacy appeals by the end of calendar year 2022. I am proud of the work being done at VA to make sure those Veterans waiting the longest for a decision get their results.

Business Transformation

Business transformation continues to be central to my focus and is essential for the Department to move beyond compartmentalization of the past and empower our employees serving Veterans in the field to provide world-class customer service. This means reforming the systems responsible for claims and appeals, GI Bill benefits, human resources, financial and acquisition management, supply chain management, and construction.

Electronic Health Record Modernization

In 2018, VA awarded Cerner Government Services, Inc. a 10-year contract to acquire the same EHR solution being deployed by DoD, which will enable seamless sharing of health information, improve care delivery and coordination, and provide clinicians with data and tools that support patient safety. With the support of Congress, VA's Office of Electronic Health Record Modernization has made significant strides toward Go-Live at our initial operating capability sites in the Pacific Northwest.

The 2021 Budget includes \$2.6 billion to continue VA's efforts to implement a longitudinal health record and to ensure interoperability with DoD. This request provides necessary resources for full deployment of VA's new EHR solution at the

remaining sites in VISN 20 and VISN 22. Additionally, it partially funds the concurrent deployment of waves comprised of sites in VISNs 7 and 21. VA's new EHR solution will be deployed at VAMCs, as well as associated clinics, Vet Centers, mobile units, and ancillary facilities.

Information Technology Modernization

The 2021 Budget of \$4.9 billion continues to invest in the Office of Information and Technology (OIT) modernization effort, enabling us to streamline VA efforts to operate more effectively and decrease our spending while increasing the services we provide. OIT delivers the necessary technology and expertise that supports Veterans and their families through effective communication and management of people, technology, business requirements, and financial processes.

The requested \$496 million in technology development funding will be dedicated to specific modernization efforts to support major initiatives such as the VA MISSION Act, the Colmery Act, BWN, LogiCole (formerly DMLSS), and the Financial Management Business Transformation (FMBT). The Budget also invests \$341 million for information security to protect Veterans' and employees' information.

The 2021 OIT Budget includes \$250 million for the Infrastructure Readiness Program (IRP) to guide the ongoing refresh and replacement of the IT Infrastructure resources that sustain all VA IT operations. IRP identifies the current state of the IT Infrastructure and provides analysis for the strategy to refresh and modernize IT Infrastructure assets based on equipment age, expiration of warranty, support limitations, lifecycle estimates, business requirements, technology roadmap, financial planning and policy changes. The term "Technical Debt" is normally associated with software development and is generally understood to relate to making short term decisions and trade-offs that can cause significant rework to address in the long term. For IRP purposes, "technical debt" refers to the cost needed to bring legacy infrastructure components to a state of full efficacy. Technical debt multiplies year over year and reduces available resources for allocation to VA business priorities.

Reducing technical debt will enable VA to more rapidly deliver IT solutions for joint VA business priorities that enable the exceptional customer experience, care, benefits, and services Veterans have earned. A robust, healthy IT infrastructure is necessary to ensure delivery of reliable, available, and responsive IT services to all VA staff offices and administration customers as well as Veterans.

Financial Management Business Transformation

VA's financial management system for essential accounting and financial activities is more than 30 years old and is growing more obsolete by the day. VA established the FMBT program to achieve VA's goal of modernizing its financial and acquisition management systems. In support of the FMBT program, the 2021 Budget requests a total of \$221 million for FMBT, including \$111.1 million in IT funds and

General Administration funding of \$13.9 million. FMBT will leverage the Franchise Fund to bill costs to the Administrations and Staff Offices when the Franchise Fund sells non-IT services to these customers. Additionally, FMBT is leveraging the Supply Fund for costs associated with implementing the acquisition community. FMBT will achieve its first scheduled deployment in July 2020 with the implementation of the National Cemetery Administration (NCA). This will be followed by the implementation of Veterans Benefits Administration (VBA) General Operating Expense (GOE) in February 2021.

Supply Chain Modernization and LogiCole

VA's request includes \$111.5 million for transitioning VA's Supply Chain Management. VA is embarking on a supply chain transformation program designed to build a lean, efficient supply chain that provides timely access to meaningful data focused on patient and financial outcomes.

VA is pursuing a holistic modernization effort which will address people, training, processes, data, and automated systems. To achieve greater efficiencies by partnering with other Government agencies, VA will strengthen its long-standing relationships with DoD by leveraging expertise to modernize VA's supply chain operations, while allowing VA to remain fully committed to providing quality health care and applying resources where they are most needed.

Based on the collaboration with DoD, VA will transition to LogiCole, formerly DMLSS, on an enterprise-wide basis to replace VA's existing logistics and supply chain solution. VA's current system faces numerous challenges and is not equipped to address the complexity of decision-making and integration required across functions, such as acquisition, logistics, and construction. The LogiCole solution will ensure that the right products are delivered to the right places at the right time, while providing the best value to the government and taxpayers.

VA is piloting LogiCole at James A. Lovell Federal Health Care Center and VA initial EHR sites in Spokane and Seattle to analyze VA enterprise-wide application. In LogiCole, VA is leveraging a proven system that DoD has developed, tested, and implemented.

Infrastructure Improvements and Streamlining

In FY 2021, VA will continue improving its infrastructure and provide for expansion of health care, burial, and benefits services where needed most. The request includes \$1.4 billion in Major Construction funding, as well as \$400 million in Minor Construction to fund VA's highest priority infrastructure projects. These funding levels are consistent with our requests in recent years and represent a combined 8.5 percent increase for Major Construction and Minor Construction funding over the FY 2020 appropriation.

Major and Minor Construction

This funding supports major medical facility projects including providing the final funding required to complete projects in Tacoma, WA – American Lake Construction of New Specialty Care Building 201, and Long Beach, CA – Mental Health and Community Living Center. The request also includes continued funding for ongoing major medical projects at Canandaigua, NY – Construction and Renovation; Alameda, CA – Community Based Outpatient Clinic & National Cemetery; San Diego, CA – Spinal Cord Injury and Seismic Corrections; Livermore, CA – Realignment and Closure of the Livermore Campus; and Dallas, TX – Spinal Cord Injury Center. The request also includes funding to construct an inpatient facility in Tulsa, OK, which will be VA's second project under the authorities provided in the Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2016, also referred to as CHIP IN. The potential project will include both VA's contribution and resources from a partner who will construct a health care facility for Veterans to be donated to VA upon completion.

The FY 2021 request includes funding for national cemetery expansion and improvement projects in San Antonio, TX, and San Diego, CA. The FY 2021 Budget provides funds for the continued support of major construction program including the seismic initiative that was implemented in 2019 to address VA's highest priority facilities in need of seismic repairs and upgrades.

The request also includes \$400 million in minor construction funds that will be used to expand health care, burial, and benefits services for Veterans. The minor construction request includes funding for 37 newly identified projects as well as existing partially funded projects.

Leasing

VA is also requesting authorization of thirteen major medical leases in 2021 to ensure access to health care is available in those areas. The 2021 request includes major medical facility leases that VA previously submitted for Congressional authorization in FY 2019 and FY 2020. These leases include new leases totaling \$88 million and 371,051 net usable square feet (NUSF) in Columbia, MO; Hampton, VA; Lawrence, IN; and Salt Lake City, UT; and replacement leases totaling \$187 million and 849,428 NUSF in Atlanta, GA; Baltimore, MD; Baton Rouge, LA; Beaufort, SC; Beaumont, TX; Jacksonville, NC; Nashville, TN; Plano, TX, and Prince George's County, MD. VA is requesting funding of \$1.054 billion to support ongoing leases and delivery of additional leased facilities during the year. These new and ongoing leases represent over 1.2 million square feet of leased space providing state of the art care for our Nation's Veterans.

Repurposing or Disposing Vacant Facilities

To maximize resources for Veterans, VA repurposed or disposed of 189 of the 430 vacant or mostly vacant buildings since June 2017 resulting in an estimated \$4.5 million in annual operations and maintenance cost avoidance. Due diligence efforts (environmental/historic) for the remaining buildings are substantially complete, allowing them to proceed through the final disposal or reuse process. VA continues to identify additional vacant buildings for disposal or reuse in order to continue to maximize resources and save taxpayer dollars.

Customer Service

As I have described in past testimony, my prime directive is customer service. In order to sustain VA's commitment to customer experience I will be requesting in FY 2021 a shift from a reimbursable authority (RA) funding model to a hybrid RA and budget authority (BA) model for our Veterans Experience Office (VEO). The FY 2021 request is for \$11.5 million in direct BA funding. This strategic shift in VEO's budget model will highlight your commitment and VA's commitment to customer service and the institutionalization of customer experience capabilities within the Department now and in the future. Veterans, their families, caregivers, and survivors deserve nothing less than to know that VA is prioritizing their experiences as a core part of the business. The results and impact of VEO are showing. Veteran trust in VA has increased by 12 percent since 2016. In the last year, Veteran satisfaction with the redesigned VA.gov Web site has increased by 9 percent using Veteran feedback to improve the site – proof positive that when the Department employs VEO capabilities and practices, it produces better results for Veterans, their families, caregivers, and survivors. VEO is also driving the personalization aspect of customer experience by leveraging business processes and integrated technology solutions for Veterans and their families to make their online and telephonic interactions with VA easier and on par with industry. From their first interaction with VA, customers are “known” because of an integrated VA Profile, a data management initiative that synchronizes Veteran data across the VA's systems, thereby creating a comprehensive Veteran customer profile. An accurate customer profile synchronized across multiple systems is significant, as more than a half million Veterans update their contact information with VA each month; now, they do not have to provide the same information each time they contact VA and VA employees can better focus their time on serving Veterans' needs. VA Profile has already made more than 5.7 million contact information updates.

National Cemetery Administration

The President's FY 2021 Budget positions NCA to meet Veterans' emerging burial and memorial needs through the continued implementation of its key priorities: Preserving the Legacy: Ensuring “No Veteran Ever Dies”; Providing Access and Choosing VA; and Partnering to Serve Veterans. The 2021 Budget includes \$360 million for NCA's operations and maintenance account, an increase of \$32 million (9.8 percent) over the FY 2020 level. This request will fund the 2,085 FTE employees

needed to meet NCA's increasing workload and expansion of services, while maintaining our reputation as a world-class service provider. In 2019, NCA achieved an American Customer Satisfaction Index score of 97, the highest result ever achieved for any organization in either the public or private sector. This ranking is the seventh consecutive time NCA received the top rating among participating organizations. The 2021 Budget will allow us to build upon this unprecedented record of success.

In FY 2021, NCA will inter an estimated 137,600 Veterans and eligible family members and care for over 4 million gravesites at 156 National Cemeteries, which includes 11 cemeteries being transferred from the Department of the Army, and 33 soldiers' lots and monument sites. NCA will continue to memorialize Veterans by providing an estimated 360,000 headstones/markers and distributing 630,600 Presidential Memorial Certificates. NCA will also continue efforts to modernize Veterans' memorialization through the Veterans Legacy Program and Veterans Legacy Memorial (VLM). In 2021, NCA will again partner with universities and communities to tell the stories of Veterans buried in VA national cemeteries. In addition to these partnerships, NCA will continue the roll out of VLM, a public memorial platform that shares Veteran-related content with the general public.

VA is committed to investing in NCA's infrastructure, particularly to keep existing National Cemeteries open and to construct new cemeteries consistent with existing burial policies. NCA is amid the largest expansion of the cemetery system since the Civil War. NCA will establish 18 new national cemeteries across the country, including rural and urban locations. The 2021 Budget includes operations and maintenance funding to continue activation of new cemeteries that are open for burials. The FY 2021 request also includes \$94 million in major construction funds for two gravesite expansion projects (Fort Sam Houston in San Antonio, TX and Miramar, CA) and \$86 million in minor construction funds for gravesite expansion and columbaria projects to keep existing national cemeteries open, address infrastructure deficiencies and other requirements necessary to support national cemetery operations.

The Budget request also includes \$45 million for the Veteran Cemetery Grant Program to continue important partnerships with States and tribal organizations. Upon completion of these expansion projects, and the opening of new national, State and tribal cemeteries, nearly 95 percent of the total Veteran population—about 20 million Veterans—will have access to a burial option in a national or grant-funded Veterans cemetery within 75 miles of their homes.

Accountability

The total request for the Office of Accountability and Whistleblower Protection (OAWP) in FY 2021 is \$26.5 million, which includes funding for 125 FTE employees. This is an additional \$4.3 million, or 18 percent over the FY 2020 appropriation and includes funding for an additional 11 FTEs. This funding level will enable OAWP to implement the oversight and compliance requirements of the VA Accountability and Whistleblower Protection Act of 2017 and continue to conduct thorough and timely

investigations into whistleblower disclosures, allegations of senior leader misconduct and poor performance, and whistleblower retaliation. In FY 2019, OAWP received 2,951 submissions, directly conducted approximately 167 investigations, and monitored approximately 551 investigations that were referred out for investigation to VA Administrations and staff offices, as required by law. These efforts are part of VA's effort to build public trust and confidence in the entire VA system and are critical to our transformation.

The FY 2021 Budget also requests \$228 million for the Office of the Inspector General (OIG), an \$18 million increase over the 2020 enacted level, for 1,048 FTEs in 2021 to support essential oversight of VA's programs and operations through independent audits, inspections, reviews, and investigations; and for the timely detection and deterrence of fraud, waste, and abuse. Additional resources will be used to enhance oversight in program areas that are vital to Veterans and taxpayers, particularly implementation of the VA MISSION Act and the ongoing EHR modernization effort. To that end, OIG will significantly expand oversight of community care, including ongoing efforts to detect and deter health care fraud, financial stewardship, and procurement.

Conclusion

Thank you for the opportunity to appear before you today to address our FY 2021 Budget and FY 2022 AA Budget request. The resources requested in this budget will ensure VA remains on track to meet Congressional intent to implement the VA MISSION Act and continue to optimize care within VHA.

Madam Chair, I look forward to working with you and this Subcommittee. I am eager to continue building on the successes we have had so far and to continue to fulfill the President's promise to provide care to Veterans when and where they need it. There is significant work ahead of us and we look forward to building on our reform agenda and delivering an integrated VA that is agile, adaptive, and delivers on our promises to America's Veterans.