

**STATEMENT OF THE HONORABLE DENIS MCDONOUGH
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DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
REVIEW OF THE PRESIDENT'S FISCAL YEAR (FY) 2025 and FY 2026
ADVANCE APPROPRIATIONS REQUEST**

APRIL 11, 2024

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 FY 2025 Budget and FY 2026 Advance Appropriations (AA) Request for VA.

VA is honored to serve the Nation's heroes—our Veterans. Over the last three years, we have delivered more care and more benefits to more Veterans than at any other time in our Nation's history. VA is working to provide Veterans, their families, caregivers, and survivors the best care in the world, the benefits they have earned, and a dignified last resting place that honors their service and sacrifice. Last year, Veterans submitted over 2.4 million claims—a record, and 39% more than in 2022. Veterans also submitted nearly 2.3 million intents-to-file—another record, and 65% more than in 2022. In FY 2023 alone, the Veterans Benefits Administration (VBA) completed more than 1.9 million disability compensation and pension claims, breaking the previous year's record by nearly 16%. VA delivered a record \$163 billion in earned benefits to over 6 million Veterans and survivors— and provided more in-person, tele-health, and telephone appointments than ever before. The Board of Veterans' Appeals processed over 103,000 appeals, more than in any previous year. Additionally, more than 46,000 Veterans were permanently housed, far surpassing the Department's goal of 38,000. And more than 4.1 million Veterans of every war and conflict, now rest in VA national cemeteries.

The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act of 2022 (P.L. 117-168) represents the largest expansion of Veterans' benefits in a generation, and I am immensely proud that our broad efforts have yielded outstanding results as we continue to see steady increases in the number of toxic exposure-related disability compensation claims processed. VA just recently fully implemented section 103 of the PACT Act, ahead of schedule, which expanded health care eligibility to all Veterans who were exposed to toxins and other hazards while serving our country at home or abroad and all Veterans who served in the Vietnam War, the Gulf War, Iraq, Afghanistan, or any combat zone after September 11, 2001, or were deployed in support of the Global War on Terror. Nonetheless, we can do more to ensure that every eligible Veteran receives the benefits and health care they have earned. Our focus remains on increasing Veteran outreach, timely and accurately processing of claims, providing more and better-quality health care, modernizing our

information technology (IT) systems, and ensuring that we have the necessary staffing with the right skills to deliver on our promise to Veterans.

FY 2025 Budget and FY 2026 AA Request

VA's total 2025 request is \$369.3 billion (mandatory and discretionary, including collections and the Recurring Expenses Transformational Fund (RETF)), which is a \$32.9 billion or 9.8% increase above the 2024 level. This includes a discretionary budget request of \$134.0 billion (with \$4.4 billion from medical care collections and \$307 million from RETF), an \$8.9 billion, or 6.2%, decrease from 2024. The 2025 mandatory funding request is \$235.3 billion, with \$24.5 billion from the Toxic Exposures Fund (TEF), an increase of \$41.8 billion, or 21.6%, above 2024.

The decrease in discretionary funding of \$8.9 billion from 2024 reflects the Fiscal Responsibility Act of 2023 (P.L. 118-5), which set overall non-Defense discretionary budgetary ceilings. Nevertheless, we project that the 2025 request will provide the necessary resources to meet VA's commitment to deliver timely access to world-class health care and earned benefits to Veterans. The request fully funds over 9.1 million enrolled Veterans, including the continued operation of the largest integrated health care system in the United States and support for care delivered through community providers consistent with the MISSION Act. In 2025 it will also provide disability compensation benefits to nearly 6.9 million Veterans and their survivors and administers pension benefits for over 224,000 Veterans and their survivors. The 2026 Medical Care AA request includes a discretionary AA of \$131.4 billion, plus a mandatory advance appropriation request of \$22.8 billion for the TEF. The 2026 mandatory AA request is \$222.2 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance, and Indemnities).

PACT Act

As of March 23, 2024, VA has received more than 1.3 million PACT Act-related claims and completed over 1,149,000 claims. Using the new PACT Act authorities, VA has granted service connection for over 10,000 terminally ill Veterans. VA will continue to award disability compensation to those Veterans who were subject to a presumption of service connection from the PACT Act. At the same time, in accordance with Title II of the PACT Act, VA is exercising the new presumptive decision process by studying acute and chronic leukemias and multiple myeloma as potential presumptions due to exposure to particulate matter in Southwest Asia. VA is also evaluating other conditions and exposures that may require formal reviews in the future.

In calendar year 2023, more than 361,000 Veterans were newly enrolled into VA health care, an increase of more than 73,000 from FY 2022. Our 2023 health care enrollment efforts focused primarily on bringing in Post-9/11 combat Veterans during a one-year special enrollment period created by Section 111 of the PACT Act. This targeted effort contributed to one of the largest health care enrollment growth periods in VA history. The special enrollment period for combat Veterans ended in September

2023 and, in that month alone, we enrolled 48,763 Veterans in VA health care. In comparison, the prior year's monthly enrollment total around that same time was about 26,000 Veterans.

VA expects our enrollment to continue to grow with the expedited implementation of Section 103 of the PACT Act. Originally planned to be phased in over several years, VA made this new health care eligibility effective in its entirety as of March 5, 2024. That means that toxic-exposed Veterans and those who supported certain overseas contingency operations will be eligible for care earlier than expected, affording our heroes with the world-class health care they have earned sooner.

Investing in Our People

Providing world-class service is only possible with employees who are the best and brightest in their respective fields. We are focusing on improving the employee experience so that they, in turn, deliver exceptional care and benefits to Veterans and their families, caregivers, and survivors. We are increasing the use of incentives for recruitment and retention, maximizing the use of existing pay and scheduling authorities as well as the new authorities recently enacted by Congress in the PACT Act, expanding scholarship opportunities, and providing more education loan repayment awards than ever before. From October 1, 2021 through March 23, 2024, we have hired 14,447 new VBA claims processors – growing our claims processing workforce by approximately 58% – and increased the total size of VBA to more than 33,900 employees, resulting in a record level of claims processing. As a result, VBA has completed 1,030,089 rating benefit claims in FY 2024, as of March 5, 2024, 35% greater than this point in FY 2023. Also, the disability compensation and pension claims backlog (comprised of claims pending for longer than 125 days) as a percentage of all claims received is at 38% as of March 5, 2024, compared to 70% in 2013, which is the last time the rating claims inventory was nearly this high. Forecast modeling continues to show VA remains on track to bringing the claims backlog to 100,000 claims or fewer by the end of 2025. Likewise, the Veterans Health Administration (VHA) hired nearly 62,000 new staff in FY 2023 and, together with substantially improved retention rates, grew the health care workforce by 7%.

During 2023, VHA administered 4,845 scholarships for clinical education to employees and increased the number of new Education Debt Reduction Program (EDRP) awards to 3,398, which brought the total active EDRP participants to over 9,000. Additionally, the percentage of staff receiving recruitment, retention, and relocation incentives (3R) increased from 12% to 18%. At rural facilities, the use of 3Rs continued to climb in FY 2023, increasing from 19% to 20%. In addition, for some critical shortage occupations, such as medical technicians (18% to 33%) and police (13% to 29%), the use of 3Rs increased even more dramatically. These incentives reduced losses for critical shortage occupations and helped VA successfully compete for health care and entry level staff. Additionally, VHA adjusted over 1,700 special salary rates, resulting in a 10% average increase in salaries impacting nearly 41,000 health care workers in support of PACT Act implementation. VHA also authorized critical skills

incentives for over 28,000 employees in 37 different occupations as of the beginning of FY 2024. The average critical skills incentive amount received by these employees was approximately \$7,900.

Thanks to the robust hiring efforts in 2023, VBA and VHA are well-positioned to serve Veterans and need not continue the staff growth of 2022 and 2023 in 2024. Consistent with the 2025 budget, VA will strategically focus its hiring in key areas, to include mental health providers and front-line health care workers in regions with shortages.

Focusing on Wellbeing of Veterans

The FY 2025 budget provides the resources that support Veterans' overall health and economic well-being. The FY 2025 request includes \$4 billion in discretionary funding for the VBA General Operating Expenses account, \$136 million more than the 2024 President's Budget. This includes funds for increased overtime funding for the timely processing of claims and investments in artificial intelligence to improve key processes.

The President's Budget provides disability compensation and survivor benefits to over 7 million Veterans and their families, delivers education and job training benefits to 1.1 million Veterans and qualified dependents, guarantees 433,000 home loans, and funds 5.6 million total lives insured for Veterans, Service members, and qualified dependents.

VA remains steadfast in our commitment to assist Veterans, active-duty Service members, and eligible surviving spouses in retaining their homes and avoiding foreclosure, having assisted over 145,000 borrowers to retain their homes in FY 2023. VA has leveraged a suite of traditional and COVID-19 related loss mitigation options to aid borrowers who have trouble making mortgage payments. To address the needs of Veteran borrowers still experiencing the effects of the COVID-19 pandemic in a rising interest rate environment, or other economic shocks, VA plans to launch the Veterans Affairs Servicing Purchase program on May 31, 2024. This program will provide Veterans an affordable, scheduled monthly mortgage payment that reduces the debt owed over time at a rate much lower than the current market interest rate while eliminating the uncertainty resultant from balloon payments and payoffs.

Preventing Veteran Suicide

Suicide prevention requires a comprehensive public health approach. With a focus on evidence-based clinical interventions and community-based, evidence-informed prevention strategies, we aim to reach all Veterans—both those inside and outside of our system with life-saving interventions.

Suicide is a complex public health and national security issue. In addition to mental health risk factors for suicide, the evidence indicates that we assess a broader

array of socio-economic and socio-cultural risk factors. With no single cause, there is no single solution, and we must be comprehensive in our approach as we know some Veterans may not receive any services from VA. To support this nationwide effort, the budget specifies \$583 million for suicide prevention outreach programs, in addition to \$2.7 billion in suicide prevention-specific treatment. Additionally, the budget plans to spend \$17.1 billion in FY 2025 for mental health care, a critical component of suicide prevention.

Our 10 year National Strategy on Preventing Veteran Suicide (2018) has been codified through VA's Suicide Prevention 2.0 Initiative, Suicide Prevention Now initiative, new laws including the 2020 Commander John Scott Hannon Veterans Mental Health Care Improvement Act, the Veterans Comprehensive Prevention, Access to Care, and Treatment Act of 2020, the National Suicide Hotline Designation Act of 2020, and emerging innovations like Mission Daybreak, combined with research and program evaluation. These efforts together help VA to reach all Veterans, not only those engaged in VA services. For example, in September 2023, the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (SSG Fox SPGP) awarded \$53 million to 80 community-based organizations across 43 States, the District of Columbia, Guam, and American Samoa. These organizations provide or coordinate the provision of suicide prevention services for eligible individuals, including Veterans and their families. VA 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. Twenty-one grantees serve Tribal lands including the Navajo Nation, Cherokee Nation, Choctaw Nation, Alaskan Native Tribes, and others. VA published the Notice of Funding Opportunity for the SSG Fox SPGP on January 26, 2024, for a third year of services.

Increasing Access to Mental Health Care

Telehealth, especially video mental health care including substance use disorder treatment, has played a crucial role in improving access to mental health services. Video mental health care now constitutes 33% of total mental health care visits, showcasing the significant role of telehealth during and beyond the pandemic. In FY 2023, over 1 million Veterans benefited from nearly 6 million video telemental health (TMH) care visits, marking a 5% increase in Veterans and a 1% increase in visits compared to FY 2022; 96% of these TMH visits occurred in a Veteran's home or offsite location, emphasizing the convenience and accessibility of the service. Because most mental health visits can be conducted using TMH, it increases the available options for providing mental health care to all Veterans, no matter where they or their providers are in the U.S. This helps increase health care equity and access. Telehealth offers Veterans greater choice and removes their individual barriers to care—barriers such as stigma, transportation, distance to facility, childcare, financial constraints, logistical issues, and lack of access to in-person specialists who can deliver evidence-based interventions. Telehealth has become a primary consideration for Veterans seeking mental health care, with those in rural areas using video services at rates comparable to

others. With plans to increase telehealth support staff and specialized providers, VA is continuing to enhance its nationwide TMH network so even more Veterans can access mental health care virtually.

Among the risk factors for suicide, substance use disorder (SUD) is strongly implicated. In addition, drug overdose fatalities have escalated. The President's Budget includes \$254 million to improve VA's opioid safety initiative and to continue our joint work with the Department of Defense (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 Administration's National Drug Control Strategy. The President's Budget includes \$264 million to support VA initiatives that address Veteran specific needs, including employment, case management for Veterans experiencing housing instability, peer support, as well as in-patient, residential, and out-patient SUD care, delivered in-person and via telehealth, inside and outside specialty care settings.

Furthermore, VA's budget continues to support expansion of its Psychotropic Drug Safety Initiative to address the growing number of Veterans with stimulant use disorder and crisis of overdose fatalities associated with illicit stimulant use. This initiative increases Veterans' access to evidence-based treatments for stimulant use disorder and overdose prevention, while also ensuring the safe and appropriate prescribing of stimulant medications. Evidence-based treatments for stimulant use disorder include cognitive-behavioral therapy and contingency management, both of which are recommended by the 2021 VA-DoD Clinical Practice Guidelines (CPG) for the Management of SUDs.

Health Care Budget Request

Providing Veterans access to the soonest and best care is at the core of our mission. At a time when VA is expanding access to health care for millions of Veterans and delivering record numbers of appointments, VA is laser-focused on making sure that Veterans have access to world-class health care whenever and wherever they need it. In 2025, planned obligations for VA health care, including TEF, are projected to be \$149.5 billion, an increase of 5.4% above the 2024 budget.

VA offers affordable, timely, and high-quality health care for the Nation's Veterans. In 2023, nearly 70% of VA hospitals receiving 4 or 5 stars in the annual Centers for Medicare & Medicaid Services Hospital ratings, compared to just 41% of non-VA hospitals. VA hospitals outperformed non-VA hospitals in all 10 core patient experience metrics in Medicare's latest survey of patients and, most importantly, more than 91% of the Veterans we serve trust VA with their care, a level unmatched anywhere in the private sector.

VA will ensure that every eligible Veteran has a chance to access VA care, including community care. We can now offer Veterans VA care at almost every turn, whether that is through an in-person appointment, telehealth appointment, placement in our community living centers, or another option. And that is exactly what we want to do.

Women Veterans' Health Care

In 2023, VA celebrated 100 years of providing health care to women Veterans. The budget requests \$264 million for women's health and childcare programs. This funding level supports \$210 million for the Women's Health Innovation and Staffing Enhancement Initiative (WHISE). 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. Through WHISE, VA is funding over 1,000 women's health personnel including: primary care providers, gynecologists, mental health providers and women's health care coordinators, including maternity care coordinators. VA is also using WHISE funding to purchase needed clinical equipment such as new or replacement mammography equipment, exam tables designed for women with low mobility, and breastfeeding privacy pods.

Among eligible women Veterans receiving VHA care, more than half have at least one mental health condition and many struggle with multiple mental health concerns, medical comorbidities, and psychosocial challenges. These include gender-specific conditions, such as premenstrual dysphoric disorder, postpartum depression, and perimenopausal depression, all of which are associated with heightened suicide risk. VA has implemented numerous initiatives to ensure that women Veterans seen at any VA medical facility have access to mental health clinicians with the knowledge and skills to treat gender-specific mental health conditions, including reproductive mental health concerns. Examples include the National Reproductive Mental Health Consultation Program, comprehensive training in reproductive mental health across the lifespan, evidenced-based treatments tailored for women Veterans (as recommended by 2023 VA- DoD CPG for the Management of Pregnancy), and at least one designated Women's Mental Health Champion at each VA medical center (VAMC).

Women Veterans often feel a sense of connection and trust with peer specialists who can relate to their experiences in the military. Evidence shows that peer support is effective for alleviating some conditions unique to a woman's experience, such as postpartum depression. The President's Budget includes \$2 million to support expanding peer support services for women Veterans. VHA is committed to honoring women Veterans' specific needs and treatment preferences by implementing national peer support training initiatives and disseminating novel, gender-tailored peer support interventions. These interventions are developed to be delivered both in person and via TMH to ensure greater access for women Veterans who often report barriers due to caregiving responsibilities.

Homelessness Programs

The 2025 budget provides \$3.2 billion for Veterans' homelessness programs, with the goal of ensuring every Veteran has permanent, safe, sustainable housing with access to high-quality health care and other supportive services to end and prevent future Veteran homelessness. The budget includes funds to assist with designing and developing 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 the 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 program to increase per diem rates to community partners actively supporting VA's effort to end Veteran homelessness.

On December 15, 2023, HUD, released the 2023 Point-in-Time Count, the annual effort to estimate the number of Americans, including Veterans, without permanent housing. Data show that on a single night in January 2023, 35,574 Veterans experienced homelessness in the U.S. Although this reflects a 7% increase in the number of Veterans experiencing homelessness from 2022, VA and our Federal partners have reduced Veteran homelessness by more than 52% since 2010. During calendar year 2023, VA permanently housed 46,552 homeless Veterans, surpassing the goal to house 38,000 Veterans by more than 22%.

Research

The 2025 budget requests a total of \$927 million for research, which includes \$59 in mandatory through the TEF funding. These resources will improve Veterans' health and well-being through 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.

In 2025, the Office of Research and Development will coordinate with environmental exposure focused programs as part of the implementation of the PACT Act by building capacity (including the number of researchers funded to conduct military exposures research) and strengthening inter-governmental partnerships. This includes continuing to implement an interagency 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. The budget invests \$59 million in 2025 for military environmental exposures research, an increase of \$13 million from the current estimate for 2024.

Caregivers

The budget recognizes the important role of caregivers in supporting the health and wellness of Veterans and offers support and services through the Program of General Caregiver Support Services to family members and friends caring for a Veteran as well as through the Program of Comprehensive Assistance for Family Caregivers (PCAFC) to family caregivers caring for Veterans who meet specific eligibility requirements. The \$2.9 billion included in the budget supports staffing, stipend payments, training, education, and other services to empower caregivers of Veterans. VA is currently undertaking a broad programmatic review of PCAFC to ensure it meets the needs of Veterans and their family caregivers. While this review is underway, VA has suspended annual reassessments for PCAFC participants. While the current eligibility criteria are examined, VA will not discharge or decrease stipends or support to PCAFC participants and their family caregivers, based on an annual reassessment. VA is also expanding services to family caregivers, to include specific suicide prevention training, mental health services, and respite services.

Connected Care

The 2025 budget includes \$440 million for the Connected Care program and supports the ongoing expansion and enhancement of telehealth services directly to Veteran homes (e.g., video-to-home services); goals to standardize the availability of digital services for all Veterans; expansion of regional telehealth hubs, novel access and experience innovations; and the need to sustain previous expansion efforts funded with the support of the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan funding. VA delivered over 11.6 million telehealth episodes of care to Veterans in the last fiscal year. This includes over 9.4 million episodes of care to Veterans in their home or other locations and more than 2.9 million telehealth episodes of care to rural Veterans. Overall, VA provided telehealth services to over 2.4 million unique Veterans, representing about 40% of Veterans served in VA.

Aging Veterans

Because they make up a significant portion of the Veterans we serve, aging and older Veterans must be a significant priority now and in the future. Veterans over the age of 65 represent about 50% of all VHA enrollees. Currently, VA is expanding home- and community-based services. This expansion includes programs such as Veteran Directed Care, Medical Foster Home, and Home-Based Primary Care programs. All are aimed at enabling Veterans to age in place with the necessary support and services. VA is focused on implementing the VHA Institute for Healthcare Improvement's Age Friendly Health Systems initiative and VA's Geriatric Emergency Department Accreditation from the American College of Emergency Physicians initiative to prepare VA facilities and staff with the leading evidence-based care practices. VA is on a strong path to become the largest integrated age-friendly health system in the world. As of January 8, 2024, 132 VAMCs have earned formal Age-Friendly recognition in 305 care settings. The new 2024 VA Age-Friendly Health System initiative action community has projects registered for another 410 teams from 126 facilities. As of December 2023, 68

of the VA's 111 Emergency Departments earned Geriatric Emergency Room accreditation and others are actively in the process for 2024.

Infrastructure

The President's 2025 Budget includes \$2.8 billion for construction requirements, including \$2.5 billion in Major and Minor Construction appropriations and an estimated \$307 million from the Recurring Expenses Transformational Fund (RETF) for VHA Minor Construction requirements. This request is \$593 million greater than VA's discretionary 2024 request.

Funding for two major medical facility projects includes the West Los Angeles New Critical Care Center, Central Utility Plant, Demolition, and Renovations to Building 500 and Dallas Clinical Expansion for Mental Health, Expansion of Parking Facilities, and Land Acquisition, together supporting over 400,000 Veteran enrollees. The 2025 budget also includes \$45 million in Major Construction funds for a gravesite development project at Fort Logan National Cemetery in Denver, Colorado. The budget requests \$687 million for Minor Construction, inclusive of RETF. This amount includes \$174.1 million in Minor Construction funds to address gravesite expansion and columbaria requirements to keep existing national cemeteries open as well as address infrastructure deficiencies and other requirements necessary to support national cemetery operations. In addition, VHA's Medical Facilities account includes \$2 billion for non-recurring maintenance.

Also included in the 2025 budget are nine major medical facility leases totaling over 1.9 million square feet of space supporting a workload of over 2.3 million outpatient visits and bed days of care per year. 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.

Further, 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. In support of this, VA's 2025 budget request includes Minor Construction funding totaling \$7 million for the National Cemetery Administration (NCA) and VBA electric vehicle charging requirements.

Information Technology Serving Veterans

The 2025 budget provides \$7.6 billion for VA IT systems and telecommunications support, including \$6.2 billion in base discretionary funding and \$1.4 billion in TEF, reflects the Office of Information and Technology's efforts to deliver modern, innovative, secure, and efficient solutions for the Nation's Veterans. To increase Veterans' access to VA information and services, strategic IT investments through the limited, controlled expansion of modernization, cybersecurity, and IT workforce, will allow VA to make key investments in Federal initiatives, including Zero Trust Architecture, Artificial

Intelligence, and improved access for Veterans with certain disabilities through Section 508 Compliance.

To create a 21st Century VA focused on meeting the demands of Veterans in the digital age, IT modernization is critical in achieving digital transformation goals. The 2025 budget sustains the increased investments made in the 2024 budget and supports the continued operations and maintenance of VA's existing aging and legacy systems. VA continues to expand critical modernization initiatives bolstering the Department's ability to serve the Veteran including: the Infrastructure Readiness Program to reduce technical debt, Financial Management Business Transformation (FMBT) to enable compliance with financial management legislation and improve stewardship of resources, and Supply Chain Management to provide cost-effective logistics and ensure the delivery of world-class health care and benefits to Veterans.

When Veterans leverage technology to access VA services, they trust that the underlying digital ecosystem is safe, reliable, and secure. The 2025 budget invests \$670 million in cybersecurity and VA's Zero Trust Architecture acceleration effort will deliver a robust and resilient security posture for the nine million Veterans that use VA for care and benefits and the hundreds of thousands of VA employees and contractors spanning over 600,000 connections to the network.

Investing in the IT workforce makes VA an attractive employer for top talent that can better deliver services to Veterans. The 2025 budget supports the Special Salary Rate authorized in 2023 for IT technical positions under PACT Act authorities. VA will maximize these incentives for targeted expansion of IT services – including Artificial Intelligence – to VA employees and Veterans during a period by record growth in health and benefits delivery. This investment is critical for VA to continue delivering world-class IT products and services to millions of Veterans, their families, and caregivers.

Electronic Health Record Modernization

As part of an Electronic Health Record Modernization Program Reset (Reset) announced in April 2023, VA deferred work on future deployments of the Federal electronic health record (EHR), the sole exception being the successful joint VA and DoD deployment at the Captain James A. Lovell Federal Health Care Center (North Chicago, Illinois) in March 2024, while the Department prioritizes improvements at the 6 sites and 22 clinics that currently use the Federal EHR. The purposes of the Reset are to: optimize the current state of the Federal EHR, closely examine and address the issues that clinicians and other end users are experiencing, and position VA for future deployment success. VA is seeing incremental, but accelerating progress as it addresses the issues that clinicians and other end users are experiencing and as it optimizes the current state of the EHR system to ensure the enterprise-wide foundation is in place for success when deployments resume. The FY 2025 budget of \$894 million supports the Reset and sustainment/maintenance of the six sites. VA acknowledges that an updated deployment schedule is critical to demonstrating commitment to

providing the Federal EHR to end users across the enterprise and will provide that schedule to the Committee once it has been determined.

Financial Management Business Transformation (FMBT)

The 2025 budget includes \$313 million for FMBT, a program that is improving VA's fiscal accountability and enhancing analytic and resource management capabilities for our employees who serve Veterans. Deployment of the Integrated Financial and Acquisition Management System (iFAMS) is taking place in phased implementations across VA Administrations and Staff Offices. Looking ahead, iFAMS will be implemented for VBA's Loan Guaranty Service, and the program recently initiated the first VHA implementation.

Honoring Veterans' Legacies

The President's 2025 Budget includes \$495 million for NCA's operations and maintenance account, an increase of \$15 million (3%) over the 2024 budget. These funds will 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 these funds, NCA will provide for an estimated 137,440 interments, the perpetual care of over 4 million gravesites, and the operations and maintenance of 158 national cemeteries and 35 other cemeterial installations in a manner befitting national shrines.

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% 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 towards meeting that target. In 2025, an estimated 94% of the Veteran population will be served with such access. The 2025 budget also includes \$60 million for the Veterans Cemetery Grants Program to continue important partnerships with states and tribal organizations. The grants program plays a crucial role in NCA achieving its strategic target of providing 95% of Veterans with reasonable access to a burial option.

Additionally, the 2025 budget continues NCA's implementation of the Veterans Legacy Memorial (VLM), the Nation's first digital platform dedicated to the memory of nearly 10 million Veterans interred in VA's national cemeteries and VA grant-funded state, territorial, and tribal Veterans cemeteries. VLM allows family, friends, and others to preserve their Veteran's legacy by posting tributes. In November 2023, VLM's website had its largest expansion yet with the creation of nearly 5 million pages for Veterans in private and other cemeteries who have received a headstone, marker, or medallion from NCA since 1996.

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 FY 2025 Budget and FY 2026 Advance Appropriations Request will serve the Nation's Veterans.