

PROTECTING ADVANCE APPROPRIATIONS FOR VA HEALTH CARE

One of DAV's primary legislative goals is to ensure sufficient, timely and predictable funding for veterans' health care, and the enactment in 2009 of advance appropriations was a major step towards accomplishing that goal. With our veterans service organization partners, DAV led the charge to pass the Veterans Health Care Budget Reform and Transparency Act (Public Law 111-81) in October 2009, and now we must continue to work with Congress to ensure it is fully and faithfully implemented.

As a result of the new law, Congress is now required to approve funding for the Department of Veterans Affairs (VA) medical care programs one year in advance of the next fiscal year. VA's annual budget requests must provide two-year budget estimates for veterans health care programs, to include specific explanations and rationales for these estimates. To further ensure that VA is provided sufficient health care funding, the law also requires the Government Accountability Office (GAO) to examine and report on these budget requests and compare them to VA's internal actuarial model estimates in order to identify if any funding was cut below the model's projections or if budget gimmicks were used to reduce the request.

Although approval of the advance appropriations law was a major step towards accomplishing our goal, we must remain vigilant to ensure that Congress and VA fully and faithfully implement and comply with the law. In June 2011, GAO presented their first annual report (GAO-2011-11-622) on VA's budget estimates and found that the FY 2012 medical care budget request had been reduced as a result of projected savings from "operational improvements" by \$1.2 billion for FY 2012 and by \$1.3 billion for the FY 2013 advance appropriation. GAO also found that the FY 2012 request for non-recurring maintenance was cut \$900 million below the model's estimate for FY 2012 and \$1.3 billion below the model's estimate for the FY 2013 advance appropriation. On top of that, GAO found that VA's budget request for medical equipment purchases was cut \$400 million below the model's estimate for FY 2013. Overall, these changes reduced VA's budget request by over \$5 billion compared to their own internal actuarial model's estimate of the funding required to provide timely, quality health care to veterans in FY 2012 and FY 2013.

One of the principal purposes of enacting advance appropriations was to ensure that the VA health care system has an uninterrupted funding mechanism to plan and operate its delivery of medical services. The advance appropriations mechanism is specifically designed to let VA operate its medical system at full capacity regardless of whether the rest of the federal government is under continuing resolution restrictions or threat of government shutdown. However, despite the clear intention of the law, Congress last year approved several short-term continuing resolutions that forced VA's advance appropriation to be reduced below what had already been approved.

- ***Congress must carefully scrutinize VA's health care budget requests and aggressively oversee the full and faithful implementation of the advance appropriations process in order to ensure that funding for veterans medical care is and remains sufficient, timely and predictable.***