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News Release

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White House Seeks $125 Billion for Veterans in 2011

Homelessness, Claims Increases and Access - Priorities for VA Budget

WASHINGTON – To expand health care to a record-number of Veterans, reduce the number of homeless Veterans and process a dramatically increased number of new disability compensation claims, the White House has announced a proposed $125 billion budget next year for the Department of Veterans Affairs.

"Our budget proposal provides the resources necessary to continue our aggressive pursuit of President Obama's two over-arching goals for Veterans," said Secretary of Veterans Affairs Eric K. Shinseki. "First, the requested budget will help transform VA into a 21st century organization. And second, it will ensure that we approach Veterans' care as a lifetime initiative, from the day they take their oaths until the day they are laid to rest."

The $125 billion budget request, which has to be approved by Congress, includes $60.3 billion for discretionary spending (mostly health care) and $64.7 billion in mandatory funding (mostly for disability compensation and pensions).

"VA's 2011 budget request covers many areas but focuses on three central issues that are of critical importance to our Veterans – easier access to benefits and services, faster disability claims decisions, and ending the downward spiral that results in Veterans' homelessness," Shinseki said.

Reducing Claims Backlog

The president's budget proposal includes an increase of $460 million and more than 4,000 additional claims processors for Veterans benefits. This is a 27 percent funding increase over the 2010 level.

The 1,014,000 claims received in 2009 were a 75 percent increase over the 579,000 received in 2000. Shinseki said the Department expects a 30 percent increase in claims – to 1,319,000 – in 2011 from 2009 levels.

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One reason for the increase is VA's expansion of the number of Agent Orange-related illnesses that automatically qualify for disability benefits. Veterans exposed to the Agent Orange herbicides during the Vietnam War are likely to file additional claims that will have a substantial impact upon the processing system for benefits, the secretary said.

"We project significantly increased claims inventories in the near term while we make fundamental improvements to the way we process disability compensation claims," Shinseki said.

Long-term reduction of the inventory will come from additional manpower, improved business practices, plus an infusion of $145 million in the proposed budget for development of a paperless claims processing system, which plays a significant role in the transformation of VA.

Automating the GI Bill

The budget proposal includes $44 million to complete by December 2010 an automated system for processing applications for the new Post-9/11 GI Bill. VA also plans to start development next year of electronic systems to process claims from other VA-administered educational programs.

The Post-9/11 GI Bill authorizes the most extensive educational assistance opportunity since the passage of the original GI Bill in 1944. Over $1.7 billion in regular Post-9/11 GI Bill benefit payments have been issued since the implementation of the program on Aug. 1, 2009. In 2011, VA expects the number of all education claims to grow by 32 percent over 2009, going from 1.7 million to 2.25 million.

"To meet this increasing workload and process education claims in a timely manner, VA has established a comprehensive strategy to develop industry-standard technologies to modernize the delivery of these important educational benefits," Shinseki said.

Eliminating Homelessness

The budget proposal includes $4.2 billion in 2011 to reduce and help prevent homelessness among Veterans. That breaks down into $3.4 billion for core medical services and $799 million for specific homeless programs and expanded medical care, which includes $294 million for expanded homeless initiatives. This increased investment for expanded homeless services is consistent with the VA secretary's established goal of ultimately eliminating homelessness among Veterans.

On a typical night, about 131,000 Veterans are homeless. They represent every war and generation, from the "Greatest Generation" to the latest generation of Veterans who served in Iraq and Afghanistan. To date, VA operates the largest system of homeless treatment and assistance programs in the nation.

Targeting Mental Health, Preventing Suicides

"The 2011 budget proposal continues the department's keen focus on improving the quality, access and value of mental health care provided to Veterans," Shinseki said.

The spending request seeks $5.2 billion for mental health, an increase of $410 million (or 8.5 percent) over current spending, enabling expansion of inpatient, residential and outpatient mental health services, with emphasis on making mental health services part of primary care and specialty care.

The secretary noted that one-fifth of the patients seen last year in VA's health care facilities had a mental health diagnosis, and that the department has added more than 6,000 new mental health professionals since 2005, bringing to 19,000 the number of employees dedicated to mental health care.

The budget request will enable the department to continue expanding its programs for post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI), along with the diagnosis and treatment of depression, substance abuse and other mental health problems. Shinseki called PSTD treatment "central to VA's mission."

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The proposed spending will continue VA's suicide prevention program. Since July 2007, the department's suicide prevention hotline has received nearly 225,000 calls from Veterans, active-duty personnel and family members. The hotline is credited with saving the lives of nearly 7,000 people.

Reaching Rural Veterans

For 2011, VA is seeking $250 million to strengthen access to health care for 3.2 million Veterans enrolled in VA's medical system who live in rural areas. Rural outreach includes expanded use of home-based primary care and mental health.

A key portion of rural outreach – which shows promise for use with Veterans across the country – is VA's innovative "telehealth" program. It links patients and health care providers by telephones and includes telephone-based data transmission, enabling daily monitoring of patients with chronic problems.

The budget provides an increase of $42 million for VA's home telehealth program. The effort already cares for 35,000 patients and is the largest program of its kind in the world.

Serving Women Veterans

The 2011 budget provides $217.6 million to meet the gender-specific health care needs of women Veterans, an increase of $18.6 million (or 9.4 percent) over the 2010 level. Enhanced primary care for women Veterans remains one of the Department's top priorities. The number of women Veterans is growing rapidly and women are increasingly using VA for their health care.

Shinseki said the expansion of health care programs for women Veterans will lead to higher quality care, increased coordination of care, enhanced privacy and dignity, and a greater sense of security among women patients.

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Among the initiatives for women in the 2011 budget proposal are expanded health care services in Vet Centers, increased training for health care providers to advance their knowledge and understanding of women's health issues, and implementing a peer call center and social networking site for women combat Veterans. This call center will be open 24 hours a day, 7 days a week.

Delivering World-Class Health Care

During 2011, VA expects to treat 6.1 million patients, who will account for more than 800,000 hospitalizations and 83 million outpatient visits.

The total includes 439,000 Veterans who served in Iraq and Afghanistan, for whom $2.6 billion is included in the budget proposal. That's an increase of $597 million – or 30 percent – from the current budget.

The proposed budget for health care includes:

- $6.8 billion for long-term care, an increase of $859 million (or 14 percent) over 2010. This amount includes $1.5 billion for non-institutional long-term care;
- Expanding access to VA health care system for more than 99,000 Veterans who were previously denied care because of their incomes;
- $590 million for medical and prosthetic research; and
- Continuing development of a "virtual lifetime electronic record," a digital health record that will accompany Veterans throughout their lives.

VA is requesting $54.3 billion in advance appropriations for 2012 for health care, an increase of $2.8 billion over the 2011 enacted amount. Planned initiatives in 2012 include better leveraging acquisitions and contracting, enhancing the use of referral agreements, strengthening VA's relationship with the Defense Department, and expanding the use of medical technology.

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Preserving National Shrines

"VA remains steadfastly committed to providing access to a dignified and respectful burial for Veterans choosing to be buried in a VA national cemetery," Shinseki said. "This promise requires that we maintain national cemeteries as shrines dedicated to the memory of those who served this nation in uniform."

The requested $251 million for cemetery operations and maintenance will support more than 114,000 interments in 2011, a 3.8 percent increase over 2010. In 2011, the department will maintain 8,441 acres with 3.1 million gravesites. The budget request includes $37 million to clean and realign an estimated 668,000 headstones and repair 100,000 sunken graves.

Building for the Future

$1.15 billion requested for major construction for 2011 includes funding for medical facilities in New Orleans; Denver; Palo Alto, Calif.; Alameda, Calif.; and Omaha, Neb. Also budgeted for 2011 are major expansions and improvements to the national cemeteries in Indiantown Gap, Pa.; Los Angeles; and Tahoma, Wash., and new burial access policies that will provide a burial option to an additional 500,000 Veterans and enhance service in urban areas.

A requested budget of $468 million for minor construction in 2011 would fund a wide variety of improvements at VA facilities.

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