Calendar No. 101

111TH CONGRESS
1st Session

SENATE

REPORT
111–41

VETERANS' HEALTH CARE BUDGET REFORM AND TRANSPARENCY ACT OF 2009

JULY 8, 2009.—Ordered to be printed

Mr. AKAKA, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany S. 423]

The Committee on Veterans' Affairs (hereinafter, "Committee"), to which was referred the bill (S. 423), to amend title 38, United States Code, to authorize advance appropriations for certain medical care accounts of the Department of Veterans Affairs by providing two-fiscal year budget authority, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

INTRODUCTION

On February 12, 2009, Committee Chairman Daniel K. Akaka introduced S. 423, a bill to authorize, beginning in fiscal year 2011, advance appropriations for certain medical care accounts of the Department of Veterans Affairs by providing two-fiscal year budget authority, and for other purposes. Committee Ranking Minority Member Richard Burr is an original cosponsor of S. 423, as are Senators Olympia J. Snowe, Tim Johnson, John D. Rockefeller IV, Bernard Sanders, Jon Tester, Mark Begich, Jeff Bingaman, Barbara Boxer, Russell D. Feingold, Mary L. Landrieu, Frank R. Lautenberg, Robert Menendez, Lisa Murkowski, Debbie Stabenow, John Thune, David Vitter, and Charles E. Schumer. Senators James M. Inhofe, Blanche L. Lincoln, Ron Wyden, Arlen Specter, Johnny Isakson, John Ensign, Tom Coburn, John F. Kerry, Jeff Sessions, Max Baucus, Roland W. Burris, Saxby Chambliss, Kay R. Hagan, Barbara A. Mikulski, Bob Corker, Mark Udall, Patrick J. Leahy, Susan M. Collins, Patty Murray, Claire McCaskill, Robert F. Bennett, Joseph I. Lieberman, Sherrod Brown, Benjamin E. Nel-

son, Amy Klobuchar, Chuck Grassley, Sam Brownback, Richard Durbin, Michael F. Bennet, Mike Johanns, Jack Reed, Sheldon Whitehouse, Robert P. Casey, Jr., Mel Martinez, and Kirsten E. Gillibrand are also cosponsors of S. 423.

COMMITTEE HEARING

On April 22, 2009, the Committee held a hearing on legislation pending before the Committee. Among the measures on which the Committee received testimony was S. 423. Testimony on S. 423, among other bills, was offered by: Gerald M. Cross, M.D., Principal Deputy Under Secretary for Health, Department of Veterans Affairs; Adrian Atizado, Assistant National Legislative Director, Disabled American Veterans; Ammie Hilsabeck, RN, Oscar G. Johnson VA Medical Center, representing American Federation of Government Employees; and Blake Ortner, Senior Associate Legislative Director, Paralyzed Veterans of America.

COMMITTEE MEETING

On May 21, 2009, the Committee met in open session to consider legislation pending before the Committee. Among the measures so considered was S. 423. The Committee voted without dissent to report favorably S. 423 to the Senate.

SUMMARY OF THE COMMITTEE BILL AS REPORTED

S. 423, as reported, (hereinafter, "the Committee bill") would authorize, beginning in fiscal year 2011, advance appropriations for certain medical care accounts of the Department of Veterans Affairs by providing two-fiscal year budget authority, and for other purposes.

Sec. 1. Short Title

Section 1 would designate the short title of the Committee Bill as "Veterans Health Care Budget Reform and Transparency Act of 2009".

Sec. 2. Findings

Section 2 would outline the findings of the Congress. These include that, for 19 of the past 22 fiscal years, funds have not been appropriated to VA on time, causing serious difficulties for VA in planning and providing health care to veterans. Further, that these difficulties endanger VA's ability to provide timely and quality care, and that they disrupt VA's ability to plan which programs and services can be funded from year to year. The Congress also finds that providing sufficient, timely and predictable funding would help VA plan and manage their health care system more effectively, thus improving their ability to meet the health care needs of veterans.

Sec. 3. Two-Fiscal Year Budget Authority for Certain Medical Care Accounts of the Department of Veterans Affairs

Section 3 would authorize, beginning in fiscal year 2011, advance appropriations for certain medical care accounts of the Department of Veterans Affairs by providing two-fiscal year budget authority.

Sec. 4. Comptroller General of the United States Study on Adequacy and Accuracy of Baseline Model Projections of the Department of Veterans Affairs for Health Care Expenditures

Section 4 would provide enhanced oversight of the VA health care budget process by requiring the Comptroller General to conduct a study of the adequacy and accuracy of baseline model projections for VA health care expenditures with respect to the fiscal year involved and the subsequent four fiscal years.

BACKGROUND AND DISCUSSION

Section 2. Findings

For more than two decades, the VA health care system has been plagued by consistently late and, at times, inadequate budgets. Final VA appropriations have not been enacted prior to the start of the fiscal year in 19 of the past 22 years, and requests for supplemental appropriations for VA health care have increased in frequency during recent years. Over the past 7 years, final VA appropriations were late approximately 3 months on average.

Furthermore, over the past decade, as the number of veteran enrollees and users rose dramatically, funding requests for VA health care often lagged behind the resource requirements that VA itself identified. In 2004, the Secretary of Veterans Affairs stated that his appropriation budget request for health care was reduced by $1.2 billion during the OMB review process; Congress restored that funding during the appropriation process. In 2005, the new Secretary informed Congress that VA's funding request presented to the Committee earlier in the year was no longer adequate, and that $2 billion in additional funding was required for fiscal year 2006, and $975 million in supplemental funding was required for fiscal year 2005; Congress provided those additional appropriations.

Faced with late and, at times, inadequate budgets so often in the past, VA has had to find ways to reduce demand or ration care to veterans, such as curtailing enrollment of Priority 8 veterans or limiting access to services through increased waiting times. Furthermore, late arriving budgets have often delayed the hiring of new medical personnel or procurement of new equipment or supplies. While there has been some impact on the timeliness and overall quality of VA care from these financial and management difficulties in the past, there is a serious concern that continued funding problems could significantly weaken the quality of veterans' health care. Providing sufficient, timely and predictable funding to the VA health care system would mitigate these dangers and allow VA administrators and directors to more efficiently and effectively provide medical care to veterans.

The findings section concludes with the finding that the most viable means by which to provide sufficient, timely, and predictable health care funding for veterans health care is through advanced appropriations and the assignment of a new oversight role to the Government Accountability Office (GAO) that will ensure the integrity of VA's budget preparation and presentation process.

Section 3. Two-Fiscal Year Budget Authority for Certain Medical Care Accounts of the Department of Veterans Affairs

Section 3(a). Two-Fiscal Year Budget Authority

Section 3(a) would amend chapter 1 of title 38, United States Code by creating a 2-year fiscal budget authority for certain medical care accounts.

Background. The Committee notes that there have been and continue to be a number of other Federal programs that receive advance appropriations. As stated in the President's Fiscal Year 2010 Budget Appendix, in fiscal year 2009, programs receiving advance appropriations include the Employment and Training Administration, Job Corps, Education for the Disadvantaged, School Improvement, Children and Family Services (Head Start), Special Education, Adult Education, Postal Service, Tenant-based Rental Assistance, Project-based Rental Assistance, and the Corporation for Public Broadcasting.

At the Committee's April 22, 2009 hearing, Mr. Blake Ortner of Paralyzed Veterans of America testified that:

> Historically, advance appropriations have been used to make a program function more effectively, better align with funding cycles of program recipients, or provide insulation from annual partisan political maneuvering. By moving to advance appropriations, veterans' health care programs will accrue all three of these benefits.

Mr. Adrian Atizado of the Disabled American Veterans stated that:

> * * * not knowing when or at what level VA will receive funding from year to year—or whether Congress would approve or oppose the Administration's proposals—hinders the ability of VA officials to efficiently plan and responsibly manage VA health care. Broken financing causes unnecessary delays and backlogs in the system: hiring key staff is put off, or just not done, while injuries like PTSD or Traumatic Brain Injury are too often not diagnosed or treated in a timely manner.

Dr. Gerald Cross, Principal Deputy Under Secretary for Health, testified on behalf of the Department in support of S. 423 at the April 22, 2009 hearing, and stated that:

> * * * the President emphasized that care for Veterans should never be hindered by budget delays and expressed support for advanced funding for Veterans' medical care. We believe that advanced funding will ensure that sufficient resources are available from the first day of the fiscal year so that the health care needs of Veterans can be provided on a timely basis.

The Committee Bill has been endorsed by The Partnership for Veterans Health Care Budget Reform, an organization made up of nine major veterans service organizations; The Independent Budget; The Military Coalition, an organization of 35 veterans and military service organizations; and the American Federation for Government Employees, which represents 600,000 government employees, including tens of thousands who work for VA. Advance appro-

priations for veterans' health care programs have also been endorsed by a coalition of more than two dozen former VA senior leaders, including one former Secretary, two former Deputy Secretaries, four former Under Secretaries for Health, three former Deputy Under Secretaries for Health, eight former VISN Directors, and seven former Medical Center Directors.

Advance appropriations for veterans' medical care will provide a number of advantages over the regular appropriations process. Having an approved appropriations bill in place a year or more before the fiscal year begins will eliminate the negative consequences that arise from continuing resolutions, particularly when funding would have been frozen at the prior year's level. When continuing resolutions have been enacted, VA's medical centers and outpatient clinics have been prevented from increasing the number of health care personnel required to provide care even when there were increases in workload. With advance appropriations, VA will have sufficient lead time to plan on the appropriate composition of its medical personnel, procure needed equipment, and negotiate new leases and contracts so that they are in place on the first day of the fiscal year.

The Committee expects that advance appropriations will allow VA officials to better plan and manage the Department's resources, resulting in more efficient use of appropriated dollars and more timely and accurate reporting to Congress of how such funds have been and will be utilized. The Committee also expects that VA will be able to ensure that the medical system has qualified doctors, nurses, and other health care personnel when and where they are needed.

The Committee notes that veterans' health care programs, like other Federal programs that receive advance appropriations, must still submit and justify budget requests every year; that Congress will retain all its prerogatives for determining budget and appropriation levels for VA medical care; that Congress will retain all of its powers to determine veterans' health care benefits and services; that Congress will retain all of its ability to restrict or rescind funding, when appropriate; and that VA health care will remain subject to the full range of oversight activities performed by Congress.

Committee Bill. Section 3 would amend chapter 1 of title 38 to add a new section—Section 113A. Two-fiscal year budget authority for certain medical care accounts—which would authorize, beginning in fiscal year 2011, advance appropriations for the three medical care accounts of the Department of Veterans Affairs by providing two-fiscal year budget authority. The advance appropriations would be made for fiscal year 2011 and for each year that follows in which VA is provided funding in an appropriations bill. The three medical accounts that will receive appropriations are Medical Services, Medical Support and Compliance, and Medical Facilities.

Section 4. Comptroller General of the United States Study on Adequacy and Accuracy of Baseline Model Projections of the Department of Veterans Affairs for Health Care Expenditures

Background. Over the past decade, disagreements in Congress and with the Administration over funding levels for VA health care programs have frequently led to inadequate and late-arriving budg-

ets. As noted above, in both 2004 and 2005 VA itself admitted that the budget requests presented to Congress were inadequate to meet the needs of veterans who were expected to seek care at VA medical facilities. Over the past decade, the Committee has routinely recommended significant increases above VA's budget requests, and the final enacted appropriation levels for veterans' health care programs have, in many cases, reflected those recommendations.

VA recognized the limitations in its budget forecasting capabilities almost 10 years ago, particularly as enrollment rose rapidly between 2000 and 2004. During that time, VA developed and deployed a new budget forecasting methodology, which today is known as the Enrollee Health Care Projection Model (hereinafter referred to as the "Model"). The Model is an actuarial model developed in cooperation with Milliman, Inc., a leading private sector actuarial firm. The Model is comprised of three sub-models: one for projected enrollment of veterans, one for anticipated utilization rates, and one for unit costs for health care services. The Model combines these three sub-models and then makes a series of adjustments to account for additional demographic factors and trends to arrive at a projected total resource requirement for the three VA medical care accounts combined.

Although the model itself is a data-driven assessment of the resource needs of the VA health care system, that resource need has not always been communicated to Congress in a transparent manner. In a September 2006 Report to Congress, GAO found that VA's budget request was constricted by "* * * guidance published by OMB that outlined the President's budget priorities * * *." This "guidance" set targets for the level of resources that VA could anticipate OMB approving based upon prior year budgets, not based upon the Model's estimates of projected costs. GAO further reported that:

> VA officials stated that differences between projected costs and anticipated resources in budget requests for those years were addressed in two ways: (1) cost-saving policy proposals and (2) management efficiency savings.

Congress rejected the cost-saving policy proposals in each of the years they were proposed, even though the Administration's budget requests assumed Congress would enact them. With Congress's rejection of these proposals, sufficient appropriations were required to make up the difference in what the Model suggested was the VA health care system's resource need and the target set by OMB. Furthermore, in a February 2006 report, GAO found that VA lacked a methodology for making "management efficiency" assumptions and, therefore, was unable to provide support for those estimates. The combined effect of assuming Congressional enactment of cost-saving proposals and relying on cost savings from unspecified management efficiencies rendered the true resource needs of the system, as estimated by the Model, more difficult to determine.

In addition, cost savings from policy proposals thought achievable by the Administration itself also turned out to be problematic. In a September 2006 Report to Congress reviewing the budget shortfalls of 2005, GAO found that although:

> * * * VA used an actuarial model to project demand and costs for about 86 percent of its medical programs budget

> estimate for fiscal years 2005 and 2006 * * *. Unrealistic assumptions, errors in estimation, and insufficient data were key factors in VA's budget formulation process that contributed to the requests for additional funding for fiscal years 2005 and 2006.

GAO found that VA unrealistically estimated how quickly VA could execute a proposal to reduce its long-term care bed capacity, and that it erred in estimating savings derived from this proposal. Finally, GAO faulted VA for having insufficient data to accurately forecast the number of unique users of the health care system, such as recently returning Iraq and Afghanistan veterans. These errors, coupled with those noted above, hastened the call by Congress and veterans' advocates for greater transparency in VA's budget submissions.

The Committee believes that if the Model's output and forecasts, along with other data VA uses to forecast its resource needs, had been available for Congress to review during those years, it would have been apparent that prior budget requests were built upon unrealistic assumptions about policy proposals and savings. Furthermore, had there been an independent, expert review of the Model and its forecasts, the "errors in estimation" and "insufficient data" identified by GAO could have been discovered before the budget and appropriations process had been completed.

The Committee has reviewed the Model and despite some of its inherent weaknesses, finds it to be the most accurate methodology available today for estimating VA's medical care budget requirements. A 2008 Rand Corporation report commissioned by VA to study the Enrollee Health Care Projection Model (referred to as "EHCPM" by Rand) concluded that, "* * * the EHCPM is likely to be valid for short-term budget planning * * * [and] * * * represents a substantial improvement over the budgeting methodologies used by the VA in the past * * *."

Rand provided a number of suggestions on how to improve the Model's validity and accuracy, particularly in how VA forecasts unmet demand caused by constraints resulting from VA's current infrastructure. The Committee expects that VA will review the Rand recommendations, implement those which it adjudges to be improvements, and report to Congress on how these changes will increase accuracy in its budget forecasting.

The Committee notes that the Model is constructed of current and past data about veterans enrollment, utilization rates and health care costs, combined with expert assumptions about how those factors will change in the future under a current policy environment. In essence, the Model establishes a baseline for VA's future resource requirements; proposed changes in VA health care rules, regulations or laws, whether by the Administration or Congress, will require adjustments to those estimates.

The Committee believes that the best way to ensure that Congress can accurately measure the effect of proposed policy changes by VA, and thereby provide more accurate appropriations levels to meet VA's resource requirements, is by allowing Congress to view the Model's data and estimates. The Committee recognizes that the Model relies in part upon proprietary information owned by Milliman and does not seek to impinge upon Milliman's intellectual property. The intent of the Committee is to provide transparency

to the data, assumptions, and estimates that are the inputs and outputs of the Model, not to unnecessarily expose proprietary elements of the Model. Given the complexity of the Model, the Committee believes that a certain level of actuarial expertise is required to assess the integrity of the Model process, and that GAO is the most appropriate Federal agency to undertake this role by virtue of its existing accounting, budget, and health care policy expertise, as well as its overall mission.

Committee Bill. Section 4(a) of the Committee bill, in a free-standing provision, would require the Comptroller General of the United States, the head of GAO, to conduct a study of the adequacy and accuracy of the budget projections made by the Enrollee Health Care Projection Model and any other model or methodology used to measure health care expenditures of VA. The study would cover the five fiscal years included in each budget submission; however, the focus is intended to be upon the fiscal year for which the advance appropriation would be made. The study is intended to provide the basis for the reports required by section 4(b) of the Committee bill.

In requiring GAO to study VA's Model, the Committee's intent is to provide an independent and expert review of the Model that would be useful in identifying ways to improve the accuracy of VA's budget estimates. Because the Model estimates approximately 90% of the resource requirements that make up VA's three medical care accounts, GAO would also review the other models or methodologies used to estimate the remaining 10%, which include the Civilian Health and Medical Program of VA, long-term care, Vet Centers, and the State Veterans Home per diem program.

Committee Bill. Section 4(b) of the Committee bill, in a free-standing provision, would set out a requirement for GAO to submit reports no later than the date of each year in 2011, 2012, and 2013 on which the President submits the budget request for the following fiscal year. GAO would be required to submit such reports to both the appropriate committees of Congress—Budget, Appropriations, and Veterans Affairs—and the Secretary of Veterans Affairs.

Each report would be required to include a statement of whether the amount requested in the President's budget for VA's health care expenditures in each fiscal year is consistent with what GAO estimates would be required based upon what the Model projects. The Committee expects that each report will include a detailed explanation for how GAO arrived at its estimates, along with any additional recommendations to improve the process.

The study and reports required in Section 4 are intended to provide Congress with new tools and information to more accurately estimate appropriation levels that are sufficient to meet the health care needs of veterans, during the timeframe in which budget and appropriations decisions are made by Congress. The reports would provide Congress with an assessment of whether the Model's resource requirement estimates have been transmitted accurately in VA's budget request, and help Congress understand how those estimates have been impacted by policy proposals contained in, or assumed within, the budget submission. These GAO reports are intended to provide an assessment of the integrity of the process, as

well as to provide an independent analysis of how the process could be improved.

The Committee expects that GAO have timely access to VA's Model process, including how data is gathered and transmitted, how assumptions are made, how the Model is run, and how the Model's outputs are presented to Congress in the budget submission. The Committee anticipates that GAO would require access to the Model and VA's budget preparation process throughout each of the study years so their reports could be provide concurrently with the budget submission to Congress.

The Committee bill also requires that the GAO's reports be made available to the public at the same time they are transmitted to Congress. Transparency in the development of VA's health care budget will allow veterans, veterans' organizations, and the general public to have greater confidence that sufficient funding is being provided to meet the health care needs of veterans. With this additional transparency, the Committee anticipates that veterans' organizations and other interested parties will be able to undertake independent reviews of the VA health care budget formulation process to aid Congress' deliberations.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee based on information supplied by the CBO, estimates that enactment of the Committee bill would, relative to current law, cost $175 billion over the 2010–2014 period, assuming appropriation of the necessary amounts. Enacting the bill would not affect direct spending or revenues. Enactment of the Committee bill would not affect receipts and would not affect the budget of state, local or tribal governments.

The cost estimate provided by CBO, setting forth a detailed breakdown of costs, follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 17, 2009.

Hon. DANIEL K. AKAKA,
Chairman,
Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 423, the Veterans Health Care Budget Reform and Transparency Act of 2009.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte.

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure

S. 423, Veterans Health Care Budget Reform and Transparency Act of 2009

Summary: S. 423 would authorize appropriations for certain programs within the Department of Veterans Affairs (VA). CBO esti-

mates that implementing the bill would cost $175 billion over the 2010–2014 period, assuming appropriation of the necessary amounts. Enacting the bill would not affect direct spending or revenues.

S. 423 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 423 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

Basis of estimate: For this estimate, CBO assumes that the specified and estimated authorizations will be appropriated near the start of each fiscal year beginning with 2011, and that outlays will follow historical patterns for similar and existing programs.

	By fiscal year, in millions of dollars—					
	2010	2011	2012	2013	2014	2010–2014
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Medical Services						
Estimated Authorization Level	0	34,715	35,333	35,925	36,727	142,700
Estimated Outlays	0	30,548	34,529	35,595	36,429	137,101
Medical Facilities						
Estimated Authorization Level	0	5,198	5,258	5,316	5,398	21,170
Estimated Outlays	0	4,025	4,773	5,095	5,322	19,215
Medical Support and Compliance						
Estimated Authorization Level	0	4,760	4,864	4,972	5,107	19,703
Estimated Outlays	0	4,231	4,781	4,925	5,066	19,003
Total Changes						
Estimated Authorization Level	0	44,673	45,455	46,213	47,232	183,573
Estimated Outlays	0	38,804	44,083	45,615	46,817	175,319

S. 423 would authorize appropriations for three specific budget accounts:

- Medical Services,
- Medical Facilities, and
- Medical Support and Compliance.

Under current law, appropriations for those budget accounts are provided each year. Starting in 2011 for each account listed above, the bill would authorize appropriations for that fiscal year as well as advance appropriations for the following fiscal year. CBO estimates that implementing the bill would cost $175 billion over the 2010–2014 period, assuming appropriation of the necessary amounts.

CBO's estimates of the authorization of appropriations required under the bill are the same as projections for the 2011–2014 period in the most recent CBO baseline, completed in March 2009. Those amounts are derived from the 2009 appropriated level for each account and adjusted for anticipated inflation. CBO expects that those amounts would be sufficient to provide services at the current level. However, if VA were to significantly expand its health care programs—for example, to include certain veterans with higher incomes who are currently ineligible—additional funding would be required.

Intergovernmental and private-sector impact: S. 423 contains no intergovernmental or private-sector mandates as defined in

UMRA and would not affect the budgets of state, local, or tribal governments.

Previous CBO estimate: On June 16, 2009, CBO transmitted a cost estimate for H.R. 1016, the Veterans Health Care Budget Reform and Transparency Act of 2009, as ordered reported by the House Committee on Veterans' Affairs on June 10, 2009. The bills are similar, but H.R. 1016 would authorize appropriations for two additional budget accounts and CBO estimated it would cost almost $187 billion over the 2010–2014 period, assuming appropriation of the necessary amounts.

Estimate prepared by: Federal Costs: Sunita D'Monte; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Elizabeth Bass.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact that would be incurred in carrying out the Committee bill. The Committee finds that S. 423 would not entail any regulation of individuals or businesses or result in any impact on the personal privacy of any individuals and that the paperwork resulting from enactment would be minimal.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or by proxy by Members of the Committee on Veterans' Affairs at its May 21, 2009, meeting. On that date, the Committee considered and ordered reported S. 423, a bill to amend title 38, United States Code, to authorize advance appropriations for certain medical care accounts of the Department of Veterans Affairs by providing two-fiscal year budget authority, and for other purposes. The Committee bill was agreed to by a vote of 14 to 0.

Yeas	Senator	Nays
X (by proxy)	Mr. Rockefeller	
X	Mrs. Murray	
X (by proxy)	Mr. Sanders	
X	Mr. Brown	
X	Mr. Webb	
X	Mr. Tester	
X	Mr. Begich	
X	Mr. Burris	
X (by proxy)	Mr. Specter	
X	Mr. Burr	
X	Mr. Isakson	
X (by proxy)	Mr. Wicker	
X	Mr. Johanns	
	Mr. Graham	
X	Mr. Akaka, Chairman	
14	TALLY	0

AGENCY REPORT

On April 22, 2009, Gerald M, Cross, MD, Principal Deputy Under Secretary for Health, Department of Veterans Affairs, appeared before the Committee and submitted testimony on various bills, including S. 423. Excerpts of the testimony are reprinted below:

STATEMENT OF GERALD M. CROSS, MD, FAAFP, PRINCIPAL DEPUTY UNDER SECRETARY FOR HEALTH, DEPARTMENT OF VETERANS AFFAIRS

S. 423 would authorize advance appropriations for certain medical accounts of the Department by providing two-fiscal year budget authority. Mr. Chairman, we know that Congress and the Administration share the same objective—to ensure VA delivers timely, accessible, and high-quality care that Veterans expect and deserve. On April 9, 2009, the President emphasized that care for Veterans should never be hindered by budget delays and expressed support for advanced funding for Veterans' medical care. We believe that advanced funding will ensure that sufficient resources are available from the first day of the fiscal year so that the health care needs of Veterans can be provided on a timely basis. We look forward to working with Congress to make advanced funding for VA health care a reality.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman).

TITLE 38. VETERANS' BENEFITS

PART I. GENERAL PROVISIONS

CHAPTER 1. GENERAL

CHAPTER 1. GENERAL

SEC. 101. DEFINITIONS

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SEC. 113A. TWO-FISCAL YEAR BUDGET AUTHORITY FOR CERTAIN MEDICAL CARE ACCOUNTS

(a) IN GENERAL.—Beginning with fiscal year 2011, new discretionary budget authority provided in an appropriations Act for the appropriations accounts of the Department specified in subsection (b) shall be made available for the fiscal year involved, and shall include new discretionary budget authority for such appropriations accounts that first become available for the first fiscal year after such fiscal year.

(b) MEDICAL CARE ACCOUNTS.—The medical care accounts of the Department specified in this subsection are the medical care accounts of the Veterans Health Administration as follows:

(1) Medical Services.

(2) Medical Support and Compliance.

(3) Medical Facilities.

SEC. 114. MULTIYEAR PROCUREMENT

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