



DEPARTMENT OF VETERANS AFFAIRS

Since 2001, the Administration:

- Increased the medical care budget by 83.4 percent, an average of 9.1 percent a year;
- Provided medical care to over 155,000 returning Operation Iraqi Freedom and Operation Enduring Freedom servicemembers in 2006;
- Expanded the national cemetery system to ensure that more aging veterans will have a burial option within 75 miles of their homes;
- Delivered on its promise to award disability claims faster; and
- Expanded and improved seamless transition from active duty to civilian status, including access to Department benefits.

The President's 2008 Budget:

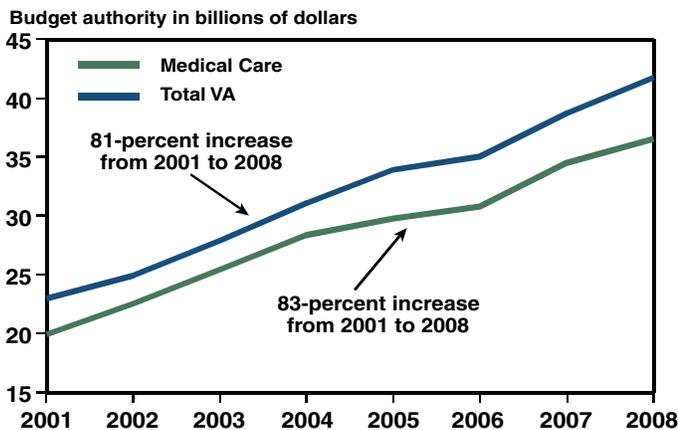
- Meets the growing health care needs of our Nation's veterans;
- Expands the Department's ability to provide mental health care and prosthetics, especially to servicemembers returning from Iraq and Afghanistan;
- Supports continued restructuring of the medical care system to ensure health care services are available where veterans live;
- Funds the construction of six new veterans' cemeteries in five States to accommodate increased burials primarily of veterans of World War II, and the Korean and Vietnam Wars; and
- Continues the collaboration between the Department of Veterans Affairs and the Department of Defense to better serve veterans and returning Operation Iraqi Freedom and Operation Enduring Freedom servicemembers.

FOCUSING ON THE NATION'S PRIORITIES

Expanding Access to Health Care for Veterans

The President's 2008 Budget for the Department of Veterans Affairs (VA) proposes \$36.6 billion (including collections) for medical care—83 percent more than when President Bush took office. VA operates the largest direct health care delivery system in the country, providing care at over 800 locations to over five million veterans. The Department is recognized as a leader in using high standards and technology to improve the quality of health care.

Providing Increases in Health Care and Other Services for Veterans



Today, VA treats a million more veteran patients a year than it did in 2001. Caring for returning combat veterans and veterans with military disabilities, low incomes, and special needs has always been VA's core medical care mission and its highest priority. To continue to prioritize resources for these targeted veterans, the 2008 Budget proposes income-based enrollment fees and higher pharmaceutical copayments for all other veterans, better aligning the VA system with the fees paid by career military retirees under the healthcare system at the Department of Defense (DOD).

VA continues to expand access to non-institutional long-term care, enabling veterans to live and be cared for near or in the comfort of their homes surrounded by family. In addition, veterans from all combat eras are requiring more prosthetics and sensory aids. The Budget proposes \$1.3 billion to meet this need. The President's Budget also recognizes the increased need for mental health care services and provides a total investment of \$3 billion to afford a full continuum of care for veterans with mental health issues.

The 2008 Budget provides \$750 million in medical care construction funds to better align facilities with patient needs, bringing the total investment to \$3.7 billion since 2004. This funding will provide care in places where veterans needs are greatest, improving access to both primary and specialty care services.

Improving Benefits for Veterans and their Families

Veterans' disability compensation is a monthly cash benefit paid to veterans for income loss due to service-related disabilities. In 2008, more than three million veterans and beneficiaries will receive approximately \$37 billion in tax-free benefits from VA, an 84-percent increase in total payments from 2001. When President Bush took office, the number of disability benefit claims waiting to be processed had soared to over 600,000, resulting in many veterans waiting an average of over 230 days for VA to process their claims. Several statutory requirements have expanded eligibility and increased claim volume over the last six years, further impeding timeliness. The Administration and VA are committed to reducing processing time by continually improving methods and technology. In 2006, the average length of time to process a veteran's disability claim dropped to 177 days. To

continue improvement in processing veterans' disability claims, the Budget provides resources to further reduce the processing time to 145 days.

VA honors veterans with a hallowed final resting place at 125 national veterans' cemeteries in 39 States and Puerto Rico. These cemeteries are maintained as national shrines and serve as a lasting tribute to commemorate veterans' sacrifice for this Nation. VA is currently experiencing the largest expansion of the national cemetery system since the Civil War. On Veterans Day 2003, the President signed into law P.L. 108-109, the National Cemetery Expansion Act of 2003, directing the establishment of six new national cemeteries—two in Florida and one each in Alabama, California, Pennsylvania, and South Carolina. The 2008 Budget fully funds the final design and construction of these cemeteries and advances the President's goal of ensuring that most veterans have a final resting place within 75 miles of their homes.

Ensuring a Seamless Transition for Veterans Leaving the Military

President Bush identified increased coordination of VA and DOD programs and systems as one of the 14 key management priorities for his Administration, and these efforts have resulted in more efficient delivery of services and benefits to active and separated servicemembers and their families. In 2008, nearly 263,000 returning servicemembers from Iraq and Afghanistan will receive medical care from VA. VA outreach programs ensure that returning combat veterans know how to access care quickly and with minimal paperwork. VA caseworkers are stationed at major DOD hospitals to make direct contact with those leaving the service. VA and DOD are also working together to identify departing servicemembers who may be at risk for Post Traumatic Stress Disorder and to determine the appropriate care best suited to each veteran.

The Departments have made great progress in sharing electronic data necessary to make eligibility determinations for VA benefits and services for separated servicemembers. Over the past year, the Departments have reduced the time it takes for making DOD deactivation and separation data available to VA hospital and benefits processing centers from 90 days to within 3 days. Increased data sharing between VA and DOD lessens the burden on the veteran for providing requested information, thus reducing the time necessary for VA to complete decisions and for the veteran to receive benefits and services. VA continues to reach out to educate all servicemembers on VA benefits, offering assistance in applying for these benefits prior to separation from active duty. Under this Administration, VA and DOD have proactively partnered to better share valuable resources benefiting veterans and military beneficiaries.

Department of Veterans Affairs
(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Spending			
Discretionary Budget Authority:			
Medical Care	28,772	29,312	34,202
<i>Medical Collections (non-add)</i>	1,994	2,198	2,352
<i>Total, Medical Care with collections (non-add)</i>	30,766	31,510	36,554
Medical and Prosthetic Research.....	412	409	411
Information Technology	1,214	1,077	1,859
Construction	923	555	1,078
Veterans Benefits Administration.....	1,054	1,103	1,198
General Administration.....	296	335	274
Housing and Other Credit.....	155	155	156
National Cemetery Administration.....	150	156	167
Office of Inspector General.....	69	69	73
Other funds and transactions	-175	—	—
Total, Discretionary budget authority	32,869	33,171	39,418
Total, Discretionary budget authority (with medical collections)	34,863	35,369	41,769
<i>Memorandum: Budget authority from enacted supplementals</i>	1,206	—	—
Total, Discretionary outlays	32,313	33,359	38,476
Mandatory Outlays:			
New Proposed Medical Care Receipts.....	—	—	-355
Benefit Programs:			
Disability Compensation and Pensions.....	34,680	35,849	41,046
Education Benefits.....	2,376	2,660	2,620
Vocational Rehabilitation and Employment	573	618	668
Housing.....	46	67	19
Insurance	1,237	1,278	1,297
Other receipts and transactions.....	-1,416	-1,504	-481
Total, Mandatory outlays	37,496	38,968	44,814
Total, Outlays	69,809	72,327	83,290
Credit activity			
Direct Loan Disbursements:			
Vendee and Acquired Loans	166	337	530
All other programs	8	7	7
Total, Direct loan disbursements	174	344	537
Guaranteed Loan Disbursements:			
Veterans Home Loans	23,500	28,260	29,104
Total, Guaranteed loan disbursements	23,500	28,260	29,104