



AMVETS
AMERICAN VETERANS
DEPARTMENT OF NORTH DAKOTA



SENATE BUDGET COMMITTEE HEARING

March 28, 2008

COMMITTEE HEARING ON

"VETERANS: A BUDGET PRIORITY"

HEARING HELD AT AMVETS POST 9

Bismarck, ND

PRESENTED BY:

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The Independent Budget

Health Care

For FY 2009, the Administration requests \$41.2 billion for veterans' health care. This included approximately \$2.5 billion from medical care collections. Although this represents another step forward in achieving adequate funding for the VA, it still falls short of the recommendations of AMVETS.

For FY 2009, AMVETS recommends approximately \$42.8 billion for total medical care budget authority, an increase of \$3.7 billion over the FY 2008 and approximately \$1.6 billion above the Administration's FY 2009 request.

For FY 2009, AMVETS recommends approximately \$38.2 billion for Medical Services. Our Medical Services recommendation includes the following recommendations:

Current Services Estimate	\$32,574,528,000
Increase in Patient Workload	\$1,045,470,000
Policy Initiatives	\$1,000,000,000
Medical Administration	\$3,625,762,000
Total FY 2009 Medical Services	\$38,245,760,000

In order to develop our current services estimate, we first added the estimated collections for FY 2008 to the Medical Services appropriation for FY 2008. This best reflects the total budget authority that the VA will use to provide health care services. This amount was then increased by relevant rates of inflation. We also use the Obligations by Object in the President's Budget submission in order to set the framework for our recommendation. We believe this method allows us to apply more accurate inflation rates to specific subaccounts within the overall account. Our inflation rates are based on five-year averages of different inflation categories from the Consumer Price Index-All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics every month.

Our increase in patient workload is based on a projected increase of 120,000 new unique patients—Category 1-8 veterans and covered non-veterans. We estimate the cost of these new unique patients to be approximately \$792 million. The increase in patient workload also includes a projected increase of 85,000 new Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF) veterans at a cost of approximately \$253 million.

The policy initiatives include \$325 million for improvement of mental health services and traumatic brain injury care. This amount represents the growing trend both within the Administration and the Congress to enhance the mental health services within the VA. Furthermore, it reinforces our belief that resources should be provided to the VA to allow