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### MEMORANDUM

**DATE: October 2, 2008**

**FROM: Anthony Hardie, WDVA Executive Assistant**

**SUBJECT: FY 2009 Federal VA Appropriations, PL 110-329**

This week the President signed into law H.R. 2638, the "Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009" (PL 110-329, 9/30/2008), which, among its many provisions, included appropriations for the U.S. Department of Veterans Affairs (VA) and related agencies. While most federal funding would be held at its current level until March 6, 2009, veterans' programs were included as a national defense issue to be funded above and beyond current levels.

The new law provides a \$4.5 billion increase for veterans' programs, and represents a \$2.8 billion increase above the President's VA budget request for Fiscal Year 2009. It is also the second budget in a row that exceeds the request of the *Independent Budget*, which is formulated by a coalition of veterans' organizations.

The bill provides a \$4.1 billion increase for VA medical care and research, nearly \$2 billion more than the President requested. It also makes important investments to provide expanded access to VA health care for low- and moderate-income "Priority 8" veterans, authorizes VA to pay for prescription drugs written by non-VA medical providers, expands mental health care, increases veterans' mileage reimbursement for travel to medical appointments, and adds significant resources to combat the claims backlog.

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**VETERANS HEALTH ADMINISTRATION:** \$1.8 billion over the President's request and \$4.1 billion above 2008 (\$41 billion total) for veterans' medical care. The Veterans Health Administration estimates they will treat more than 5.8 million patients in 2009 including more than 333,275 veterans of Iraq and Afghanistan (40,000 more than 2008).

Medical Services: \$30.97 billion, \$1.2 billion above the President's request and \$2.9 billion above 2008, to improve access to medical services for all veterans, including:

- **Priority 8 Veterans:** \$375 million in new funds to start enrolling Priority 8 (low- to middle-income) veterans by increasing their enrollment by 10 percent;
- **Priority Health Care:** VA shall establish a priority for the provision of medical treatment for veterans who have service-connected disabilities, lower income, or have special needs, and shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6.

- **Prescription Drugs:** Authority for VA to dispense prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the VA.
- **Fee-Based Care:** \$200 million, not requested by the President and not funded in 2008, for fee-based services to improve access to care where VHA facilities are not available.
- **Mental Health Care and Substance Abuse:** Dedicate a minimum of \$3.8 billion (\$900 million more than in 2008), to specialty mental health services for veterans with mental illness, PTSD, and for suicide prevention, including \$584 million for substance abuse programs.
- **Rural Health Care:** \$250 million for the establishment and implementation of a new rural health outreach and delivery initiative to improve access to medical services for veterans living in rural areas.
- **Prosthetics:** \$1.6 billion, \$250 million above 2008 and \$116 million above the President's request, to provide veterans with appropriate prosthetic support and sensory aids given recent advances in technology.
- **Patient Travel Reimbursement:** \$133 million above the President's request to increase funding to raise the gas mileage reimbursement rate from 28.5 cents to 41.5 cents per mile for veterans traveling distances for medical care, and a freeze on the associated deductible.
- **Homeless Veterans:** \$130 million to provide the additional case workers and medical services needed for our homeless veterans; including \$30 million to hire additional personnel for the HUD-Veterans Affairs Supportive Housing Program and reauthorization of the McKinney-Vento Homeless Assistance Act, and a rejection of the President's proposal to cut \$8 million in assistance to homeless veterans.

Medical Support and Compliance: \$4.45 billion for the administration of medical, hospital, nursing home, domiciliary, construction, supply, and research activities.

Health Care Facilities: \$368 million above the President's request and \$769 million above 2008 (\$5 billion total) to address identified shortfalls and allow facilities to provide high quality health care. VA currently estimates a \$5 billion maintenance backlog.

Medical and Prosthetic Research: \$30 million above 2008 (\$510 million total), including \$250 million for new generation prosthetics and rejecting the President's proposed cuts to trauma and mental health research – important to veterans of Iraq and Afghanistan.

**VETERANS BENEFITS ADMINISTRATION:** \$1.5 billion

Combating the Claims Backlog: \$197 million above 2008 (\$1.8 billion total) for general operating expenses, to hire roughly 2,000 additional claims processors to work down the backlog of veterans' benefits claims and to reduce the 6 month time to process new claims. The most recent VA quarterly status report estimates that nearly 396,000 claims are pending which is 20,000 more than their goal.

Information Technology: \$47 million above the President's request and \$229 million above 2008 (\$2.5 billion total), including \$35 million for a fund to address critical unplanned IT needs at medical facilities.

Oversight: \$7.3 million above 2008 (\$87.8 million total) for the Office of Inspector General, rejecting the President's proposed cuts to internal VA oversight.

Construction: \$923 billion for Major Projects Construction and \$741.5 billion for Minor Projects, including \$7 million for the installation of alternative fueling stations at 35 medical facility campuses.

Extended Care Facilities: \$175 million, rejecting the President's \$80 million cut and \$10 million above 2008, for grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing hospital, nursing home, and domiciliary facilities in State homes.

State Veterans Cemeteries: \$42 million, \$10 million above the President's request and \$2.5 million above 2008 for grants to assist States in establishing, expanding, or improving State veterans cemeteries.

General Operating Expenses: \$1.8 billion, \$102 million above the President's request and \$197 million above 2008.

Graduate Psychology Education Program: Authorization for VA to transfer \$5 million to the Department of Health and Human Services for the Graduate Psychology Education Program, which includes treatment of veterans, to support increased training of psychologists skilled in the treatment of post-traumatic stress disorder, traumatic brain injury, and related disorders.

Filipino Veterans: \$198 million for a "Filipino Veterans Equity Compensation Fund" for payments to eligible persons who served in the Philippines during World War II as authorized.

**NATIONAL CEMETERY ADMINISTRATION**: \$230 million, \$49 million above the President's request and \$35 million above 2008.

## **RELATED AGENCIES**

**American Battle Monuments Commission**: \$59.5 million, \$15 million above 2008 and \$12 million above the President's request. This funding provides for the care and operation of our military monuments and cemeteries around the world.

**United States Court of Appeals for Veterans Claims**: \$30.98 million, \$7 million above the President's request, for the planning and design of a new facility for the Court.

**Cemeterial Expenses**: \$36.7 million, \$5.5 million above 2008 and the President's request, for Arlington cemetery. The additional funding will enable acceleration of the cemetery's Millennium Project.

**Armed Forces Retirement Home**: \$63 million from the Trust Fund, the same as the President's request, for operation and maintenance of the Armed Forces Retirement Home, including \$8 million for capital expenditures.