

### Why GAO Did This Study

The VA operates one of the largest health care delivery systems in the nation. Within VA, VHA provides a range of health care services for eligible veterans, such as primary care, inpatient and outpatient surgery, and nursing home care. In the past, VHA received medical care funds primarily through a single appropriations account. However, to “provide better oversight and receive a more accurate accounting of funds,” in 2004, Congress established a new three appropriations account structure.

GAO was asked to (1) describe the relationship between VHA’s appropriations account structure and VA’s development of the budget request; and (2) examine how VA presents information about the three VHA appropriations accounts in its CBJ. To conduct this work GAO reviewed VA budget policy documents, VA’s fiscal year 2009-2013 CBJs, prior GAO work on budget formulation at VA, and interviewed VHA budget officials.

### What GAO Recommends

GAO recommends that VA label health care services consistently so it is clear what services are being referred to across appropriations accounts. GAO also recommends that VA further consult with congressional decision makers when determining what detailed information related to appropriations accounts should be presented—and how—in its CBJ. VA generally agrees with GAO’s conclusions and concurs with GAO’s recommendations. VA stated what actions it will take to implement the recommendations.

View [GAO-12-908](#). For more information, contact Melissa Emrey-Arras at (617) 788-0534 or [emreyarrasm@gao.gov](mailto:emreyarrasm@gao.gov).

## VETERANS’ HEALTH CARE BUDGET

### Better Labeling of Services and More Detailed Information Could Improve the Congressional Budget Justification

### What GAO Found

The Department of Veterans Affairs (VA) creates its budget request through its Enrollee Health Care Projection Model (EHCPM) using data from systems designed for the former single-account structure. These systems do not explicitly consider the three appropriations accounts: Medical Services, Medical Support and Compliance, and Medical Facilities. According to Veterans Health Administration (VHA) officials, VHA formulates its budget based on the single appropriations account, in part, because the systems to formulate the request were in place prior to 2004, which was when the three-account structure was established. VA then presents the information in the Congressional Budget Justification (CBJ) by taking the data developed by the EHCPM and then, based on historical percentages and future projections, assigning the requested amounts to the three appropriations accounts.

The information about VA’s health care accounts in its CBJ can be difficult to follow because information is not displayed consistently across the three medical care appropriations accounts. This is due to inconsistent labeling and varying levels of detail among the three appropriations accounts throughout the justification. VHA officials stated that inconsistent labeling in the CBJ’s tables was inadvertent. With respect to varying levels of detail among the three appropriations accounts, VHA officials said that the administrative and facilities costs for some programs are relatively small compared to the Medical Services costs. Thus they are not displayed for all three accounts. However, in at least one instance, the amount of administrative and facilities costs not shown was about 31 percent—a total of \$1.05 billion—of the program’s cost. Finally, VA presents several summary tables that highlight program costs; however, information on how most of these costs break down across the three accounts cannot be found in the CBJ. The lack of such account-level information can make it more difficult for congressional decision makers to make appropriations decisions and to conduct oversight.

#### VA Medical Care Appropriations Accounts

Medical Services	Medical Support and Compliance	Medical Facilities
		
Funds health care services provided to eligible veterans and beneficiaries	Funds management and administration of the VA health care system	Funds operation and maintenance of the VA health care system’s capital infrastructure

Source: GAO analysis of VHA appropriations accounts; VA and PhotoDisc (photos).