

## THE REPUBLICAN BUDGET: VETERANS

*After running up the largest deficit in our nation's history, Congressional Republicans are attempting to appear fiscally responsible by cutting \$6.3 billion in domestic discretionary spending as part of their \$2.6 trillion budget resolution. These cuts are not large enough to have any meaningful effect on the projected \$390 billion budget deficit, but they will cause great harm to millions of Americans. This fact sheet summarizes what the Republican budget means for America's veterans.*

**NEW VA INVESTMENTS NECESSARY.** The VA cannot currently meet the health care needs of American's veterans, let alone address the large need for new investments within its network. For example:

- ❑ Demands on the VA system continue to increase. In 1995, the VA treated 2.7 million veterans. In 2004, the Department treated more than 4.7 million veterans.
- ❑ Medical costs are soaring. Overall, the medical care inflation rate for 2003 was four percent, close to double the domestic inflation rate according to the Bureau of Labor Statistics. One component of medical care inflation, hospital care and related services, grew even faster – at a rate of 7.3 percent.
- ❑ The age and disrepair of VA facilities make upgrades costly. Improvements recommended by the VA's CARES Commission are expected to cost \$1 billion a year for at least the next five to 10 years.

**BUSH BUDGET INADEQUATE, INCLUDES NEW FEES.** While the Bush budget purports to provide an additional \$737 million for VA health care, the President's budget only reaches this number by imposing a new \$250 access fee on many veterans as well as a \$7 to \$15 prescription drug co-pay. Without these new fees, the Bush budget would increase veterans health care by only \$102 million or roughly 0.3 percent, less than the rate of inflation.

**PENDING VA CLAIMS REMAIN HIGH.** For veterans to receive accurate and timely benefits, the VA needs to first process their claim. As of February 2005, almost 337,000 VA claims were pending – up from 253,000 at the end of FY03. Yet, the Republican budget offers no additional funding for staff to help reduce the number of pending claims or the time it takes to process them.

**VETERANS SAY \$3.5 BILLION NEEDED THIS YEAR.** The House budget falls far short of what veterans say is needed. The Independent Budget (IB) – a budget drafted by AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars – recommend a \$3.5 billion increase for 2006 above the President's request in order to meet realistic inflation and health-care demand increases.

**MENTAL HEALTH.** Mental health workloads increased by 34 percent from FY1995 to FY2002 and in recent years. A recent New England Journal of Medicine study noted, "Indeed, there is reason for concern that the reported prevalence of PTSD [post-traumatic stress disorder] of 15.6 to 17.1 percent among those returning from Operation Iraqi Freedom or Operation Enduring Freedom will increase in coming years..." Yet, the Republican budget increases mental health care funding for veterans by only five percent.

**PROSTHETIC RESEARCH.** Military service-related limb loss has increased and it is estimated that by the year 2020, the demand for prosthetic services in the United States will increase by 47%. Yet, the Republican budget would cut the VA's prosthetic research budget by \$9 million.