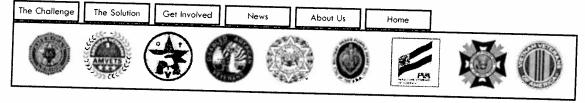


"There was no way to adequately meet the continuing waves of new patients and properly maintain operations at the facility"

Joseph M. Manley, former VA Medical Center Director in July 2007 Senate testimony



## The Challenge

Over the past six years, VA has not received its annual funding on average more than three months after the start of the new fiscal year. While great strides have been made to increase the level of the Department of Veterans Affairs (VA) health care funding during the past several years, there have been significant delays in receiving those funds.

Unlike Medicare or Medicaid, VA health care must rely on Congress and the President to pass a new appropriations law each year that provides VA hospitals and clinics with the funding it needs to treat veterans. But this funding mechanism is unreliable and subject to great political wrangling.

Not knowing when or at what level of funding VA will receive from year to year - or whether Congress will approve or oppose the Administration's proposals - hinders the ability of VA officials to plan their spending for the coming year. Any corporation, for instance, would not perform well without knowing how much money it can spend and when that money would be available for distribution.

Compounding the problem are the new demands placed on the VA system. Since 2001, the number of VA patients has risen by two million - a 50 percent increase. And our newest generation of veterans has increasingly complex mental and physical healthcare needs.

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