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FOR IMMEDIATE RELEASE

Shinseki: VA Demand Grows

WASHINGTON (March. 23, 2011) — Patients, budget, backlog all still climbing, but headway is being made on veteran homelessness, secretary tells Legionnaires.

The number of veterans receiving VA health care and benefits has grown by nearly 800,000 since Eric Shinseki took office as secretary in 2009. The number now stands at a record 8.4 million and is projected to hit 8.6 million by 2012.

"I project that the numbers will continue to grow," Shinseki told hundreds of American Legion members gathered Tuesday in the nation's capital for the organization's 51st Annual Washington Conference. The department's budget can likewise be expected to keep climbing, especially as veterans of Iraq and Afghanistan pour into the system. "These numbers will continue to rise for many years, many decades after the last combatant comes home from Iraq and Afghanistan. This is reality."

President Obama has proposed a 10.6-percent increase in the VA budget for 2012 – a record $132 billion divided almost evenly between mandated and discretionary costs. The highest expected discretionary cost, medical care, is proposed to consume $53.9 billion.

Fast-rising demand for VA care, benefits and services continues to hinder VA's efforts to reduce its backlog of undecided claims, the secretary explained. The number of completed claims decisions from VA hit 1 million last year, a new milestone, but the number of new cases flowing into the system topped 1.2 million. "This year, we are programmed to receive somewhere between 1.4 million and 1.5 million claims. This growth is tied in part to the economic downturn. The numbers are large, and merely hiring more claims processors won't give us an added capability to dominate this kind of growth pattern."

The key to reversing the trend, Shinseki told the crowd, is technology. "We must automate, and we must do it quickly." He said pilot programs around the country show promise to use automation to reduce the backlog without compromising quality. "That is something that should have happened in VA decades ago. And that is where we are heading."

Shinseki noted that one of his top measurable priorities is moving in the right direction: veteran homelessness. "Two years ago, there were approximately 130,000 veterans

on any given night who were counted as homeless. Today, we estimate there are about 76,000 homeless veterans. We intend to take this number to under 60,000 by June of next year, en route to ending veteran homelessness by 2015."

He said VA is now conducting a comprehensive review of its vacant or under-utilized buildings to house homeless or at-risk veterans and their families. "VA has identified 94 sites which will potentially add about 6,300 units of housing through public-private ventures," Shinseki said. VA's Enhanced Use Lease authority is vital to such a program, but that authority is due to expire at the end of 2011. The secretary urged Legionnaires to support VA's efforts to seek congressional approval to extend the authority.

"VA is a large organization with a correspondingly large budget and diverse and complex mission," Shinseki explained. "We provide health care, disability benefits, pensions, home loans, life insurance, educational assistance, and we run the nation's largest cemetery system. Some ask, 'Why is VA so large and complex? Why is the federal government doing so many things for veterans?' My research demonstrates it's a pretty simple answer: because in times past, those who wore our nation's uniforms were either unable to acquire or afford those services on their own. No one would provide them. So VA was missioned to deliver the promises of presidents and meet the obligations of the American people. Very simply, that is our mission."

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