

VETERANS BENEFITS AND SERVICES

The Department of Veterans Affairs (VA) offers a wide range of benefits and services to eligible veterans, members of their families, and survivors of deceased veterans. VA programs include disability compensation and pensions, readjustment benefits, and health care programs. The VA also provides life insurance, burial benefits, housing and other loan guaranty programs, and special counseling and outreach programs. While eligibility for specific benefits may vary, veterans generally must meet requirements related to discharge type and length of active-duty military service. In fiscal year 2007, federal appropriations for veterans' benefits, services, and administration were \$73.7 billion (Table 15-38).

Disability compensation is paid to veterans who have disabilities from injuries and illnesses incurred during, or aggravated by, active-duty military service. The monthly disability compensation payments are determined by the veteran's disability rating, whether the veteran has a spouse or other dependents and whether the veteran has a disability entitling him or her to special monthly compensation. Disability ratings generally range from 10% to 100% in 10% intervals, and are based on the presumed average impact of the disability on employment (or earnings capacity); however, some disabilities are given a zero-percent rating. For a veteran with no dependents in 2008, monthly disability compensation ranges from \$117 for a disability rating of 10% to \$2,527 for a disability rating of 100%. A veteran with a disability rating of 30% or more who has a spouse or child receives higher monthly payments. For veterans entitled to special monthly compensation, the monthly payment amounts for 2008 range from \$2,829 to \$7,232. Dependency and indemnity compensation is paid to surviving dependents of veterans who died as a result of service-connected causes, certain totally (100%) disabled veterans who died as the result of nonservice-connected causes, and service members who died on active-duty. In fiscal year 2007, about 2.8 million disabled veterans and 333,000 survivors received \$33.6 billion in compensation payments.

Veterans pensions are means-tested cash benefits paid to veterans who served during a period of war, and have become permanently and totally disabled from nonservice-connected causes or are elderly (aged 65 or over), and to survivors of such veterans. Under the current or "improved law" program, benefits are based on family size, and the pensions provide a floor of income. Almost all sources of income, including Social Security benefits are subtracted from the basic pension benefit. Supplemental Security Income payments are not subtracted from the basic pension benefit, but all veterans benefits including the pension benefit are counted as income for the Supplemental Security Income program. For 2008, the basic annual benefit before subtracting other income sources is \$14,643 for a veteran with one dependent, and \$11,181 for a veteran living alone. Somewhat less generous benefits are available to survivors; in 2008, a surviving spouse with no children would receive two-thirds (\$7,498) of the basic benefit amount given a single veteran. About 523,000 persons received \$3.7 billion in veterans' pension payments in fiscal year 2007.

Several VA programs support readjustment, education, and job training for veterans and military personnel who meet certain eligibility criteria. The largest of these programs is the Montgomery GI bill (MGIB). The MGIB provides educational assistance to persons, who as members of the Armed Forces or the Selected Reserve, elect to participate in the program after June 30, 1985. The purposes of the MGIB are to assist service members leaving the Armed Forces in their readjustment into civilian life, to provide an incentive for the recruitment and retention of qualified personnel in the Armed Forces, and to develop a more educated and productive work force. To participate in the MGIB, active duty military personnel contribute \$100 per month for the first 12 months of enlistment. Eligibility depends on the veteran having made the required monthly contributions and having met a minimum length of active-duty service requirement (determined by the length of the service obligation). Benefit levels are contingent upon the type of training (institutional, apprenticeship, or on-the-job), and enrollment status (full or part-time). The benefit is one month of benefits for each month of active-duty service, up to a maximum of 36 months. For 2008, a veteran enrolled full-time in a university (institutional training) would receive \$1,101 a month. The VA also provides vocational rehabilitation and employment benefits to eligible disabled veterans. In fiscal year 2007, spending for VA readjustment programs was \$3.3 billion (Table 15-38). In addition to the benefits and services provided by the VA, the Department of Labor provides employment counseling and job training for veterans.

The VA operates programs related to housing benefits for veterans including loan programs. The VA housing loan programs provide both guaranteed and direct loans.

TABLE 15-38 - BUDGET AUTHORITY FOR VETERANS BENEFITS AND SERVICES, DEPARTMENT OF VETERANS AFFAIRS, FISCAL YEARS 1980-2007

(In Millions of Dollars)

Year	Compensation and Pension Benefits ¹	Readjustment Benefits ²	Health Care ³	Other Benefits, Services, and Administration ⁴	Total Budget Authority
1980	11,202	2,319	6,007	1,024	20,552
1981	12,592	2,290	6,533	1,044	22,459
1982	13,824	1,939	7,302	1,161	24,225
1983	13,431	1,666	7,980	1,531	24,607
1984	14,127	1,453	8,529	1,525	25,634
1985	14,168	1,138	9,202	1,879	26,387
1986	14,427	878	9,363	1,563	26,230
1987	14,445	741	9,983	1,436	26,605
1988	14,832	808	10,345	2,257	28,242
1989	15,461	620	11,146	2,118	29,345
1990	15,555	498	11,696	2,029	29,778
1991	16,397	1,004	12,604	2,519	32,525
1992	16,342	635	13,908	2,272	33,158
1993	16,969	814	14,962	2,409	35,155
1994	17,526	1,051	15,974	2,229	36,780
1995	17,627	1,287	16,480	2,073	37,466
1996	18,432	1,345	16,863	1,995	38,635
1997	19,599	1,377	17,337	1,741	40,054
1998	20,483	1,366	18,056	1,782	41,687
1999	21,857	1,175	18,236	1,870	43,138
2000	21,568	1,469	19,871	1,911	44,819
2001	23,356	1,981	21,415	1,913	48,665
2002	26,044	2,135	23,028	2,288	53,495
2003	28,949	2,265	25,836	2,624	59,673
2004	29,845	2,530	28,824	2,626	63,825
2005	32,608	2,556	31,642	2,630	69,436
2006	33,898	3,309	31,511	5,019	73,737
2007	38,172	3,262	36,222	4,357	82,014

¹ Budget authority for compensation and pensions includes compensation and pension for veterans and survivors, burial obligations, clothing allowance and other special compensation for children of certain categories of veterans.

² Budget authority for readjustment benefits includes educational benefits for veterans, reservists, and dependents, vocational rehabilitation, tuition assistance, grants to state approving agencies, and grants for adapted housing, automobiles, and equipment.

³ Budget authority for the Veterans Health Administration. Aside from direct appropriations for medical care, VA has been able to supplement its appropriations through Medical Care Collections Fund (MCCF) collections. These include inpatient, outpatient, medication, and nursing home copayments from veterans and authority to recover third-party payments from veterans' insurers. Since fiscal year 1998 (the first year VA started retaining these collections) VA has utilized these collections to provide medical services to veterans. MCCF totals are included in budget authority figures from fiscal year 1998 onwards.

⁴ Budget authority for insurance programs, housing and other loan guaranty programs, and administration. Beginning in fiscal year 2006, this includes information technology which was previously reported as part of each program.

Source: Table prepared by CRS based on data from the General Administration & Coordination Service, Office of the Budget, Department of Veterans Affairs.

Veterans generally must enroll in the VA health care system to receive inpatient and outpatient medical care. Eligibility for enrollment is based on, among other things, previous military service, disability, and income. VA provides free medical care, both inpatient and outpatient, to veterans for

service-connected conditions and to low-income veterans for nonservice-connected conditions. For 2008, a veteran with an income of \$28,429 or less with no dependents, or \$34,117 or less with one dependent (add \$1,909 for each additional dependent) is eligible to receive cost-free medical care. The National Defense Authorization Act (NDAA) of Fiscal Year 2008 (Public Law 110-181) extended from two to five years the eligibility period for enrollment for those veterans who served in a combat theater of operations after November 11, 1998. Therefore, returning active duty, National Guard and Reserve servicemembers of Operations Enduring Freedom and Iraqi Freedom (OEF/OIF) may, following their most recent discharge from active duty, enroll in the VA health care system for cost-free VA medical care for a period of five years for conditions that are or may be related to their combat service. Following this initial five-year period, they may continue their enrollment in the VA health care system, but may be subject to any applicable copayments for nonservice-connected conditions.

VA provides a comprehensive medical benefits package to all enrolled veterans. Broadly, this includes preventive care services (e.g., immunizations, physical examinations, health care assessments, screening tests); inpatient and outpatient medical care, surgery, and mental health care, including care for substance abuse; prescription drugs, including over-the-counter drugs and medical and surgical supplies; and durable medical equipment and prosthetic and orthotic devices, including eyeglasses and hearing aids. VA provides this care through 155 medical centers, 135 nursing homes, 717 ambulatory care and community-based outpatient clinics (CBOCs), 45 residential rehabilitation treatment programs, and 209 Vet Centers (generally these are community-based, non-medical facilities that offer counseling services). VA also pays for care provided to veterans by independent providers and practitioners on a fee basis under certain circumstances. Inpatient and outpatient care is provided in the private sector to eligible dependents of veterans under the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA). In addition, VA provides grants for construction of state-owned nursing homes and domiciliary facilities, and collaborates with the Department of Defense (DOD) in sharing health care resources and services.

In general, VA provides nursing home care to veterans with a service-connected condition that is clinically determined to require nursing home care, and to veterans with a service-connected condition that is rated 70% or more. VA may also provide VA nursing home care to other veterans if space and resources are available.

In fiscal year 2007, VA health care programs cost \$36.2 billion (Table 15-38). VA medical services were provided to about 5.1 million unique veteran patients, resulting in about 811,000 inpatient episodes and 63 million outpatient visits (Table 15-39).

TABLE 15-39--NUMBER OF RECIPIENTS OF VETERANS BENEFITS AND SERVICES,
FISCAL YEARS 1980-2007

[In Thousands]

Fiscal Year	Compensation and Pensions	Readjustment, Education, Job Training	Medical Care		Housing Loan Programs
			Inpatient ¹	Outpatient ²	
1980	4,646	1,233	1,359	17,930	297
1981	4,535	1,081	1,360	17,809	188
1982	4,407	906	1,358	18,510	103
1983	4,286	755	1,401	18,616	245
1984	4,123	629	1,412	19,601	252
1985	4,005	492	1,435	20,188	179
1986	3,900	419	1,462	21,635	314
1987	3,850	365	1,466	21,635	479
1988	3,762	352	1,224	23,233	235
1989	3,686	349	1,153	22,629	190
1990	3,614	360	1,113	22,600	196
1991	3,546	322	1,072	23,007	181
1992	3,462	388	988	23,902	266
1993	3,397	438	974	24,236	383
1994	3,351	472	963	25,443	602

1995	3,332	476	930	27,565	263
1996	3,315	475	850	30,055	292
1997	3,290	480	700	32,648	239
1998	3,270	479	632	35,777	369
1999	3,254	458	752	37,799	396
2000	3,241	459	718	39,266	176
2001	3,220	485	729	43,808	253
2002	3,246	559	746	47,032	295
2003	3,328	554	742	50,756	522
2004	3,396	582	761	54,776	271
2005	3,476	591	811	58,236	162
2006	3,548	587	774	60,194	139
2007	3,646	610	811	62,936	130

¹ Patients treated: the sum of discharges and deaths during the period plus patients remaining as bed occupants or absent bed occupants at the end of the report period.

² Visits for outpatient care.

Source: Table prepared by CRS based on data from the General Administration & Coordination Service, Office of the Budget, Department of Veterans Affairs.