
Health, Education and Human Services Division

B-270488

November 14, 1995

The Honorable Alan K. Simpson
Chairman
The Honorable John D. Rockefeller IV
Ranking Minority Member
Committee on Veterans' Affairs
United States Senate

The Honorable Bob Stump
Chairman
The Honorable G.V. (Sonny) Montgomery
Ranking Minority Member
Committee on Veterans' Affairs
House of Representatives

On September 30, 1995, the President signed Public Law 104-31, a Continuing Resolution for fiscal year 1996 that included funding for the Department of Veterans Affairs (VA). As you know, 38 U.S.C. 8110(a)(4) requires that we report on several actions the Director of the Office of Management and Budget (OMB) is required to take in response to each law making appropriations to VA. Specifically, the Director of OMB must

- authorize VA to employ at least the number of employees for which funds were appropriated in its medical care, medical and prosthetic research, and medical administration and miscellaneous operating expense accounts;
- provide VA with funds appropriated for these employees; and
- certify these actions to the Comptroller General and the Senate and House Committees on Veterans' Affairs not later than 30 days after the President signs the appropriation law.

In a letter dated November 6, 1995, the OMB Director provided written certification that OMB had indeed provided to VA all funds authorized by the Continuing Resolution and that it had authorized not fewer than 206,154 full-time-equivalent employees (FTE) for the three medical accounts. This FTE level is identical to that requested by VA in its

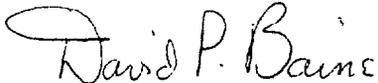
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budget submission to the Congress, and is at least the number of FTEs for which funds were provided under the Continuing Resolution.

On the basis of discussions with VA and OMB officials and a review of the documentation, we concluded that the Director substantially complied with the requirements of section 8110(a)(4), with the exception that the Director's report was sent shortly after the October 30, 1995, deadline.

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If you have any questions, please call Paul Reynolds or me on (202) 512-7101.



David P. Baine
Director, Health
Care Delivery and Quality Issues

(406114)

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federal funds. For 1994, total federal funds, including DSH payments were to be inflated 3.4 percent. Finally, for 1993, HCFA was required to use 95 percent of total federal funds after excluding DSH payments.

At the direction of the Senate Finance Committee, we prepared tables showing each state's base year funding amounts. Because federal payments for fiscal year 1995 were not yet available, the Committee supplied us with estimated federal funding for that year. For Hawaii, its base year figure equalled its estimated fiscal year 1995 spending as reported by HCFA, less its federal DSH allotment. Because Hawaii does not intend to use its DSH allotment, the base year funding shown in the tables we produced for the Senate would understate Hawaii's actual fiscal year 1995 spending.

This understatement would not, however, affect fiscal year 1996 Medigant funds that Hawaii would receive under the Senate legislation, because such payments would be allocated based on actual fiscal year 1995 federal payments excluding federal payments for DSH, rather than the estimated spending used in the Senate tables.

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If you have any questions regarding this letter or if we can be of further assistance, please give me a call at (202) 512-4561. Copies of this letter will be made available to other interested parties upon request.



William J. Scanlon
Director, Health Systems
Issues

(118129)

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