



Federal Health Matters

Petzel Sworn In as VA Under Secretary for Health

Robert A. Petzel, MD was sworn in as the new VA under secretary for health after a unanimous Senate confirmation on February 11. He replaced W. Scott Gould, who had been serving as acting under secretary for health since May 2009.

Petzel's most recent role, which he assumed in May 2009, was as VA acting principal deputy under secretary for health. During his December 9, 2009 confirmation hearing before the Senate VA Committee, Petzel said he has spent his "entire professional life" within the VHA. His positions with the agency have included resident physician at the Minneapolis VA Medical Center (MVAMC) in Minneapolis, MN; chief of staff at the MVAMC; network director for the now-defunct VISN 13, which was based in Minneapolis; and network director for VISN 23, also based in Minneapolis.

During his confirmation hearing, Petzel praised the "stunning" changes within the VHA over the past 35 years but added, "we need to do better, and we can do better." As under secretary, he said he would strive to articulate a vision of a VHA that is more patient centered, provides team care, and improves continuously; align the agency to achieve that vision; and reduce variation within the agency. With regard to the latter goal, he said that all 21 VISNs probably have different approaches to the fee basis program, through which veterans can receive non-VA care, and that a best practice system for administering this program is needed. Petzel also expressed confidence that the VHA is prepared for the increased

number of patients expected to result from the deployment of an additional 30,000 troops in support of Operation Enduring Freedom.

Obama Releases 2011 Budget Requests for Federal Health

On February 1, President Obama released his budget request for fiscal year (FY) 2011, which includes proposals for funding the VHA, the Military Health System (MHS), and the IHS.

In accordance with 2009 legislation that allows Congress to provide the VHA with medical care funding one year in advance, the budget request includes proposals for such funding in both FYs 2011 and 2012. Its FY 2011 proposal calls for the VHA to receive \$51.5 billion (\$48.2 billion in appropriations and \$3.4 billion in collections) for medical care—an increase of 7% from the enacted FY 2010 budget. And its FY 2012 proposal calls for the agency to receive \$54.3 billion (\$50.6 billion in appropriations and \$3.7 billion in collections) for medical care—an additional increase of 5%. The request also calls for the VHA to receive \$590 million for medical research in FY 2011.

VHA services that would receive the most funding under the request include long-term care, mental health, the treatment of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) veterans, and prosthetics. Long-term care would be funded with \$6.8 billion in FY 2011 and \$7.6 billion in FY 2012; mental health with \$5.2 billion in 2011 and \$5.6 billion in FY 2012; treatment of OEF/OIF veterans with \$2.6 billion

in 2011 and \$3.3 billion in 2012; and prosthetics with \$2 billion in 2011 and \$2.2 billion in 2012. Of these allocations, the funding of treatment for OEF/OIF veterans would represent the greatest increases from the enacted FY 2010 budget, at 30% in 2011 and an additional 26% in 2012.

The President's budget request calls for the DoD's Unified Military Budget, which supports the MHS, to receive \$50.7 billion in FY 2011—an increase of 4.5% from the enacted FY 2010 budget. The DoD would spend \$669 million on traumatic brain injury (TBI) and psychological health care programs, along with \$250 million on mental health and TBI research, under the request. Unlike several other budget requests from recent years, this one does not call for increases in TRICARE premiums; Defense Secretary Robert Gates said at a February 1 news conference that the DoD has stopped asking for such increases because Congress has repeatedly refused to approve them. He noted, however, that MHS costs are expected to rise by 5% to 7% each year through FY 2016.

Under the budget request, the IHS would receive \$5.4 billion (\$4.4 billion in appropriations and \$1 billion in health insurance collections and special grants) in FY 2011—an increase of 9% from the enacted FY 2010 budget. The request calls for allocating \$862 million for contract health services, \$205.8 million for alcohol and substance abuse services, \$161.2 million for dental services, and \$77 million for mental health services within the IHS. Of these allocations, the funding of contract health services would represent the greatest increase from the enacted FY 2010 budget, at 11%. ●