

DEPARTMENT OF VETERANS AFFAIRS





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## Veterans Health Administration

### Resource Summary

	Budget Authority (in Millions)		
	FY 2008	FY 2009	FY 2010
	Final	Enacted	Request
<b>Drug Resources by Function</b>			
Research and Development	14.932	17.770	17.665
Treatment	408.326	419.760	432.352
<b>Total Drug Resources by Function</b>	<b>\$423.258</b>	<b>\$437.530</b>	<b>\$450.017</b>
<b>Drug Resources by Decision Unit</b>			
<b>Medical Care</b>			
Treatment: Residential Rehabilitation & Treatment	130.710	134.370	138.401
Treatment: Inpatient	68.204	70.114	72.217
Treatment: Outpatient	209.412	215.276	221.734
<b>Research &amp; Development</b>	<b>14.932</b>	<b>17.770</b>	<b>17.665</b>
<b>Total Drug Resources by Decision Unit</b>	<b>\$423.258</b>	<b>\$437.530</b>	<b>\$450.017</b>

<b>Drug Resources Personnel Summary</b>			
Total FTEs	3,130	3,130	3,130
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget (in billions)	\$90.985	\$99.819	\$112.801
Drug Resources Percentage	0.47%	0.44%	0.40%

### Program Summary

#### Mission

The Veterans Health Administration's (VHA) mission statement is "Honor America's veterans by providing exceptional care that improves their health and well-being." Mental health is an important part of overall health, and care for veterans with mental illnesses and substance use disorders (SUDs) are an important part of overall health care. The goal of VHA's Office of Mental Health Services is to provide effective, safe, efficient, recovery-oriented and compassionate care for those with substance use disorders and

mental illness, with co-occurring substance use disorder (SUD) and mental health concerns, and for those who are vulnerable, and who are recovering. SUD treatment services offered throughout VA in integrated care settings, such as primary care services, as well as SUD specialty treatment services. Regardless of where offered, SUD services are consistent with the aspects of the Uniform Mental Health Services Package relevant to SUD, the Consensus Standards on Evidence Based Practices for Treatment of SUD from the National Quality Forum (2007) and the FY 2010 Drug Control Budget Guidance.

Consistent with ONDCP guidance, programs and costs described herein will be limited to those services provided in SUD Specialty Treatment.

## Methodology

VA's methodology only incorporates Specialized Treatment costs. Costs in this category are captured in VA's accounting system based on services provided our veterans. For FY 2010, the manner in which workload is mapped in residential programs has changed. Costs that appeared under inpatient care in previous budget summaries now appear more appropriately under residential care. This reflects programmatic efforts to use a single bed section for tracking residential treatment costs throughout all VA residential care programs.

### *Specialized Treatment Costs*

VA's drug budget includes all costs generated by the treatment of patients with drug use disorders treated in specialized substance use disorder treatment programs. This budget accounts for drug-related costs for VHA Medical Care and Research. The costs do not include those for treatment of substance abuse disorders in general mental health care settings or in dual diagnosis programs. It does not encompass all of drug-related costs for the agency. VA incurs costs related to accounting and security of narcotics and other controlled substances and costs of law enforcement related to illegal drug activity that are not included in this budget summary; however, these costs are assumed to be relatively small and would not have a material affect on the aggregate VA costs reported.

### **Decision Support System**

The 2008 actual funding levels are based on the Decision Support System (DSS), which replaced the Cost Distribution Report (CDR). The primary difference between DSS and CDR is a mapping of cost centers by percentage to bed sections or out patient visit groups. DSS maps

cost to departments, which are then assigned to one of 56,000 intermediate products using Relative Value Units (RVU). RVU are defined as the determining factor of how much resources it takes to produce an intermediate product. Each Cost Category, for example Fixed Direct Labor or Variable Labor, has a RVU for each intermediate product. All intermediate products are assigned to an actual patient encounter, either inpatient, outpatient, or residential, using the patient care databases. In DSS, the costs are not averaged; rather they are reported by the total of the encounters and can be drilled down to a specific patient. In addition, DSS includes all overhead costs associated with SUD specialty care that are assigned to a facility to include Headquarters, National programs and Network Costs. DSS does not include the costs of capital expenditures; however, it does account for depreciation costs.

## Budget

In FY 2010, the Department of Veterans Affairs, Veterans Health Administration, requests \$450.017 million for drug control activities, which is a net increase of \$12.487 million over the FY 2009 enacted level.

### Medical Care

**Total FY 2010 Request: \$450.017 million  
(Reflects \$12.5 million increase from FY 2009)**

The Veterans Health Administration, in keeping with modern medical practice, continues to improve service delivery and provide clinically appropriate care by expanding primary care and shifting treatment services to lower cost settings when clinically suitable. Within services for addicted veterans, this has involved a substantial shift over the past 10 years from inpatient to outpatient models of care.

The Medical Care program is comprised of three functions: (1) Residential Rehabilitation and Treatment; (2) Inpatient; and (3) Outpatient. These components provide the structure necessary to operate a comprehensive and integrated health

care system that supports enrolled veterans; a national academic education and training program to enhance veterans' quality of care; and, administrative support for facilities.

## **Residential Rehabilitation and Treatment**

**FY 2010 Request: \$138.4 million**

**(Reflects \$4.0 million increase from FY 2009)**

The Residential Rehabilitation and Treatment (formerly Domiciliary) provides coordinated, integrated, rehabilitative, and restorative clinical care in a bed-based program with the goal of helping eligible veterans achieve and maintain the highest level of functioning and independence possible. Residential Rehabilitation and Treatment, as an integral component of VHA's continuum of health care services, is committed to providing the highest quality of clinical care in a coordinated, integrated fashion within that continuum. Inpatient treatment for drug addiction has become rare in VA just as it has in other parts of the healthcare system. The rest of VA's 24-hour care settings are classified as residential rehabilitation. They are based in on-site VA domiciliaries and in on- and off-site residential rehabilitation centers. They are distinguished from inpatient programs as having less medical staff and services and longer lengths of stay (about 50 days).

**FY 2010 Total Changes (+\$4.0 million):**

The change from the prior year is largely a result of anticipated pay raises and inflation. Funding will maintain service levels.

## **Inpatient**

**FY 2010 Request: \$72.2 million**

**(Reflects \$2.1 million increase from FY 2009)**

All inpatient programs provide acute, in-hospital care and a subset of programs also provide detoxification and stabilization services. These programs typically treat patients for 14-28 days and then provide outpatient aftercare. Inpatient programs are usually reserved for severely impaired patients (e.g., those with co-occurring substance

abuse and serious mental illness).

Inpatient includes costs associated with the following: care, treatment and support of inpatients in a locally designated sub-acute substance abuse psychiatry bed; diagnosis and treatment of patients admitted to a drug, alcohol, or combined alcohol and drug treatment unit; a Psychiatric Residential Rehabilitation Treatment Program focusing on the treatment and rehabilitation of substance abuse patients; and, staff and contract costs associated with the Alcohol and Drug Contract Residential Treatment Program.

**FY 2010 Total Changes (+\$2.1 million):**

The change from the prior year is largely a result of anticipated pay raises and inflation. Funding will maintain service levels.

## **Outpatient**

**FY 2010 Request: \$221.734 million**

**(Reflects \$6.5 million increase from FY 2009)**

Most drug-dependent veterans are treated in outpatient programs. Intensive outpatient programs provide more than three hours of service per day to each patient, and patients attend them three or more days per week. Standard outpatient programs typically treat patients for an hour or two per treatment day, and patients attend sessions one or two days a week. Outpatient treatment includes costs associated with outpatient substance abuse programs and diagnostic and/or therapeutic care related to substance abuse disorder provided by a Post Traumatic-Stress Disorder Team.

**FY 2010 Total Changes (+\$6.5 million):**

The change from the prior year is largely a result of anticipated pay raises and inflation. Funding will maintain service levels.

## **Research and Development**

FY 2010 Request: \$17.665 million

(Reflects \$0.1 million decrease from FY 2009)

VHA research helps to acquire new knowledge to improve the prevention, diagnosis and treatment of disease, and generate new knowledge to improve the effectiveness, efficiency, accessibility, and quality of veterans' health care. Funding will maintain service levels.

### **FY 2010 Total Changes (-\$0.1 million):**

The change reflects no change in service levels.

## **Performance**

### **Medical Treatment**

This section on the FY 2008 performance is based on agency Government Performance & Results Act (GPRA) documents and an OMB assessment. The table includes a performance measure, target and achievement for the latest year for which data are available.

The Department of Veterans Affairs' Medical Care program was rated "adequate" in the 2003 OMB review. VHA has in place a national system of performance monitoring that uses social, professional, and financial incentives to encourage facilities to provide the highest quality health care. This system has begun to incorporate performance measures related to substance use disorder treatment.

Efforts to assist programs experiencing difficulty in achieving their performance goals continue through the Centers of Excellence in Substance Abuse Treatment and Education, the Program Evaluation and Research Center and the Office of the Associate Chief Consultant for Addictive Disorders.

Veterans Health Administration - Medical Care		
Selected Measures of Performance	FY 2008	FY 2008
	Target	Achieved
» Percent of clients receiving appropriate continuity of care	47%	47%

## Discussion

In FY 2008, VHA provided services to 103,564 patients with a drug diagnosis, of whom 41 percent used cocaine, 20 percent used opioids, 22 percent used cannabis, and 74 percent had coexisting psychiatric diagnoses. (These categories are not mutually exclusive.)

VHA is steadily expanding the availability of opioid agonist treatment for opioid-dependent veterans. A total of 148 points of care offer buprenorphine treatment, which reflects an increase of 34 new sites in the past year.

In the past year VA completed a pilot project to test the feasibility of using an instrument developed to assess early treatment response for patients in Substance Use Disorder (SUD) specialty care. Several psychometric analyses have been conducted and the results support the reliability of the instrument. A demonstration project is being developed to evaluate the feasibility of implementation at several clinical sites. Current efforts are also being focused on resolving barriers to incorporation of the instrument into the electronic medical record which would then facilitate measurement.

## Research and Development

The dollars expended in VHA research help to acquire new knowledge to improve the prevention, diagnosis and treatment of disease, and generate new knowledge to improve the effectiveness, efficiency, accessibility and quality of veterans' health care.

Veterans Health Administration - Research & Development		
Selected Measures of Performance	FY 2008 Target	FY 2008 Achieved
» Number of research studies related to substance abuse disorder	5	17
» Number of research studies related to alcohol abuse	5	38
» Number of research studies related to both substance abuse disorder and alcohol abuse	N/A	14

## Discussion

This is a new performance measure for FY 2008. Prior year data is not available.

VA Research and Development focuses on research on the special healthcare needs of veterans and strives to balance the discovery of new knowledge and the application of these discoveries to veterans' healthcare. VA Research and Development's mission is to "discover knowledge and create innovations that advance the health and care of veterans and the Nation." Research and Development supports preclinical, clinical, health services, and rehabilitation research.

Most Office of Research & Development (ORD) funded studies are investigator-initiated. Many clinicians who treat patients also perform research, so their research is targeted at diseases and disorders that they treat. This research ranges from studies relevant to our aging veterans (e.g., cancer, heart disease, Alzheimer's disease) to those relevant to younger veterans returning from the current conflicts (e.g., PTSD, spinal cord injury). The targets were set at that level to allow flexibility in the projects funded. Each fiscal year the ORD will have at least ten ongoing studies directly related to substance abuse disorder: five related to

alcohol abuse and five related to other substance abuse.