

VA says it may shut down hospitals to close \$2.5B budget gap

July 13 2015, byMatthew Daly

The Department of Veterans Affairs may have to shut down some hospitals next month if Congress does not address a \$2.5 billion shortfall for the current budget year, VA officials warned Monday.

The VA told Congress that it needs to cover shortfalls caused by an increased demand by [veterans](#) for health care, including costly treatments for hepatitis C. The agency also is considering furloughs, hiring freezes and other steps to close a funding gap for the [budget](#) year that ends Sept. 30.

The VA said it wants authority to use up to \$3 billion from the new Veterans Choice program to close the budget gap, with as much as \$500 million going to treat hepatitis C. A single pill for the liver-wasting viral infection can cost up to \$1,000.

The Choice program, the centerpiece of a VA overhaul approved last year, makes it easier for veterans to receive federally paid medical care from local doctors. Congress approved \$10 billion over three years for the Choice program as it responded to a scandal over long waits for veterans seeking [medical care](#) and falsified records to cover up the delays.

Deputy VA Secretary Sloan Gibson told Congress that VA health care sites experienced a 10.5 percent increase in workload for the one-year period since the scandal erupted in April 2014.

The VA needs flexibility from Congress to close the budget gap, Gibson said, adding that action is needed in the next three weeks to avoid drastic consequences.

Lawmakers from both parties faulted the VA for failing to announce the impending shortfall before last month. Lawmakers also criticized the agency for failing to anticipate or fix budget problems, including a failed VA hospital project in Denver that is more than \$1 billion over budget.

"It proves to me once again that VA's current problems reflect a management issue far more than they represent a money issue," Rep. Jeff Miller, R-Fla, chairman of the House Veterans Affairs Committee, said after a June 25 hearing on the budget issue.

Still, Miller said he would work with colleagues on the House Appropriations panel "to give VA the flexibility it is seeking to use a limited amount of Choice funds for non-VA care."

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