

Congress of the United States
Washington, DC 20515

October 14, 2011

Joint Select Committee on Deficit Reduction
United States Congress
Washington, DC

Dear Members:

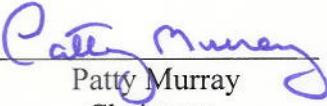
As the Chairs and Ranking Members of the Veterans' Affairs Committees we are all acutely aware of the difficult task before you. We are also aware, as you are, of the unique place programs for America's veterans have within the Federal budget. Never before in times of fiscal crisis have we balanced the budget on the backs of America's veterans, and we should not do so now.

With that said, veterans and their survivors who are the beneficiaries of Department of Veterans Affairs (VA) benefits and services have an active interest, as we all do, in ensuring the fiscal health of our nation. Indeed, the continued provision of those benefits is dependent on it. We believe no constituency better understands the challenge America faces, and no constituency is better suited to, again, lead by example by putting country first.

In past times of fiscal restraint, thoughtful and measured areas of budgetary savings found within veterans' programs have advanced on a bipartisan basis. We have attached to this letter a list of those areas that Congress has considered in the past and a shorter list of items for which the Congressional Budget Office has updated cost estimates. We recommend that the Select Committee refer to these lists when making the difficult decisions ahead.

It is our hope that these decisions, along with countless others you (and we) will make in the coming months, will help to avert a sequester order that would impose painful, indiscriminate cuts. Although we believe existing law exempts all VA programs from any sequestration, a plausible legal interpretation available to the Administration is to include reductions to VA medical care. We would rather make the difficult decisions now so that we may never reach that possibility down the road and that the delivery of health care benefits is safeguarded.

Thank you for your service.



Patty Murray
Chairman



Bob Filner
Ranking Member



Jeff Miller
Chairman



Richard Burr
Ranking Member

Veterans' Programs

Under current law, certain benefit programs administered by the Department of Veterans Affairs (VA), such as pensions for wartime veterans, are available only to beneficiaries whose annual income is below a certain level. VA currently has access to verifiable income information from the Internal Revenue Service in order to ensure that those receiving benefits under its income-based programs are not earning a greater annual income than the law permits. The savings that could be generated by a five-year extension of this current authority are estimated to be \$4 million for 2012, \$57 million over five years, and \$57 million over 10 years.

Much like the IRS Income Match described above, VA currently utilizes Health and Human Services data to make certain that beneficiaries are eligible for certain VA needs-based programs. The savings from a five-year extension of this current authority are estimated to be \$2 million for 2012, \$20 million over five years, and \$20 million over 10 years.

The average cost of tuition nationwide increases about six percent annually, a driver in higher annual VA education payments. Slowing the growth in the amount that VA will contribute towards meeting this increase could realize savings of between \$1 and \$7 billion over the next decade.

Congress annually authorizes an increase in, among other things, veterans' disability compensation and dependency and indemnity compensation. The percent increase aligns with increases in the Consumer Price Index and the increase for Social Security benefits. The range of one-year savings between rounding the annual cost of living adjustment (COLA) down to the nearest dollar and delaying for one month a COLA is \$20 million to \$52 million.

A repeal of the *Hartness v. Nicholson* court decision would clarify the scope of pension for veterans age 65 and over to reaffirm that certain VA pension benefits are only provided to veterans who are significantly disabled and not just on the basis of age. Clarifying this law would save approximately \$3 million in 2012, \$15 million over five years, and \$37 million over 10 years.

History of Reconciliation Acts: Provisions Related to Veterans

Name of Act	Provisions	Savings
	Limits presumption of inability to defray medical expenses.	Budget & Outlays Savings \$109.1 million [§ 401 of P.L. 96-330]
	Reduces the portion of the charge for a flight training course or correspondence course paid by VA from 90 percent to 60 percent or 70 percent, respectively.	Budget & Outlays Savings \$20.0 million [§§ 603 and 604 of P.L. 96-466]
	Authorizes the VA Administrator to bring suit in any court of competent jurisdiction to collect debts owed by persons participating in VA benefits programs. Directs the Administrator to disclose certain credit information concerning such persons when necessary.	Budget & Outlays Savings \$144.2 million [§§ 605 and 606 of P.L. 96-466]
	Repeals pre-discharge education program authority.	Budget & Outlays Savings \$1.0 million [§ 601 of P.L. 96-466]
	Limits the payment of educational assistance allowances to incarcerated veterans and incarcerated persons eligible for educational assistance to the cost of necessary supplies, books, and equipment, or a specified amount for a full-time course, whichever is the lesser.	Budget & Outlays Savings \$8.7 million [§ 602 of P.L. 96-466]
Omnibus Reconciliation Act of 1980 (P.L. 96-499)	Limits the amount of compensation for a service-connected disability and for dependency and indemnity compensation for any veteran imprisoned in a Federal, State, or local penal institution as a result of conviction of a felony. Authorized the VA Administrator to apportion and pay to such veteran's spouse, children, or dependent parents the compensation such veteran would have received but for such veteran's incarceration.	Budget & Outlays Savings [Less than \$500,000] [§ 504 of P.L. 96-385]
	Reduces the GI Bill cost-of-living increase from 15 to 10 percent and delayed its effective date.	Budget & Outlays Savings \$202.3m and \$207.9m [§§ 201, 202, 211, 212, and 802(b) of P.L. 96-466]
National Debt as Percentage of GDP (%) 32.79%	Modifies criteria for approving GI Bill vocational objective courses.	Budget & Outlays Savings \$1.6 million and \$1.6 million [§§ 303 and 325 of P.L. 96-466]
	Enables veterans who have used their VA home loan guaranty entitlement for the purchase of a conventional home, condominium, or mobile home to refinance such loan at a lower interest rate with a VA loan refinancing guaranty. Increases the maximum loan guaranty for such dwellings.	
	Limits the refinancing guaranty to the amount of guaranty on the loan to be refinanced.	
	Revises provisions concerning the limitation on periods of assistance under two or more veterans' educational assistance programs to include post-Vietnam era benefits within such limitation and to eliminate a 48-month aggregate eligibility period for vocational rehabilitation and other educational assistance.	
	Amends the Veterans Readjustment Benefits Act of 1966 to require an eligible veteran or dependent seeking to extend the delimiting period for educational assistance because of physical or mental disability to apply within one year of: (1) the termination of the disability period; (2) the last date of the delimiting period otherwise applicable; or (3) the effective date of this Act, whichever is the latest.	

Name of Act	Provisions	Savings
Omnibus Reconciliation Act of 1980 (P.L. 96-499)	<p>Resumes running of the extended delimiting period on the first date following a veteran's recovery from disability on which it is reasonably feasible for such veteran to initiate or resume pursuit of a program of education with educational assistance.</p> <p>Limits the assistance allowance paid a veteran without a high school diploma (or equivalency certificate), who is enrolled in an appropriate course, to the cost of tuition and fees, or the full-time institutional rate, whichever is lesser.</p> <p>Disqualifies specified family members from eligibility as tutors for purposes of reimbursement of veteran tutorial expenses.</p> <p>Revises provisions concerning the period for which educational or subsistence allowances will be paid for eligible veterans or persons to provide that: (1) the individual must be pursuing a course of study (presently only required to be enrolled); (2) the VA Administrator shall determine regulations regarding eligibility; and (3) payment shall be for the stated period of enrollment, or the actual period of enrollment, whichever is shorter. Revises overpayment provisions to: (1) make individual recipients liable (presently only the educational institution is liable); and, (2) provide that a waiver of individual liability shall not release such institution from liability.</p> <p>Directs the VA Administrator to deduct from future payments any overpayment made to persons by virtue of such person's participation in any program administered by the VA. Provides that such deductions are not subject to time limitations for bringing civil actions or administrative proceedings.</p> <p>Grants the VA Administrator the authority to charge interest on amounts owed for overpayment of benefits or services provided by the VA, unless such amounts are repaid within a reasonable period of time. Directs the VA Administrator to prescribe regulations that set forth the rate of interest to be charged.</p>	<p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$75.2 million FY 1983: \$79.8 million FY 1984: \$84.4 million (Report No. 97-208, Conference Report, Title X)</p> <p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$17.7 million FY 1983: \$18.9 million FY 1984: \$20.3 million (Report No. 97-208, Conference Report, Title X)</p> <p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$14.1 million FY 1983: \$20.0 million FY 1984: \$17.0 million (Report No. 97-208, Conference Report, Title X)</p> <p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$3.2 million FY 1983: \$3.0 million FY 1984: \$2.6 million (Report No. 97-208, Conference Report, Title X)</p> <p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$6.0 million FY 1983: \$5.0 million FY 1984: \$4.0 million (Report No. 97-208, Conference Report, Title X)</p>
OBRA 1981 (P.L. 97-35)	<p>Reduces the period of time after discharge within which to apply for outpatient dental benefits from one year to three months.</p>	<p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$17.7 million FY 1983: \$18.9 million FY 1984: \$20.3 million (Report No. 97-208, Conference Report, Title X)</p>
National Debt to GDP (%) 32.15%	<p>Terminates the VA's authority to provide educational assistance to veterans for flight training and the educational loan program, with specified exceptions.</p>	<p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$14.1 million FY 1983: \$20.0 million FY 1984: \$17.0 million (Report No. 97-208, Conference Report, Title X)</p>
OBRA 1981 (P.L. 97-35)	<p>Reduces the portion of the cost of correspondence training paid by the VA.</p>	<p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$3.2 million FY 1983: \$3.0 million FY 1984: \$2.6 million (Report No. 97-208, Conference Report, Title X)</p>
National Debt to GDP (%) 32.15%	<p>Terminates the veterans' education loan program as of October 1, 1982, with specified exceptions.</p>	<p>Budget Authority & Outlay Savings:</p> <p>FY 1982: \$6.0 million FY 1983: \$5.0 million FY 1984: \$4.0 million (Report No. 97-208, Conference Report, Title X)</p>

Name of Act	Provisions	Savings
OBRA 1982 (P.L. 97-253)	Postpones commencement of payments of an award of compensation, dependency and indemnity compensation, or pension until the first day of the month following the date of the award.	Budget Authority & Outlay Savings: FY 1983: \$53.5 million FY 1984: \$56.3 million FY 1985: \$59.2 million (Report No. 97-749, Conference Report, Title IV)
	Makes the effective date of a reduction of VA compensation or pension by reason of a reduction in the number of the recipient's dependents the last day of the month (currently the last day of the year) in which the number of dependents decreased.	Budget Authority & Outlay Savings: FY 1983: \$3.2 million & \$2.9 million FY 1984: \$3.5 million & \$3.2 million FY 1985: \$3.9 million & \$3.5 million (Report No. 97-749, Conference Report, Title IV)
	Budget and Outlays Savings: Sets forth a formula for rounding down the amount of payments under the Veterans' and Survivors' Pension Improvement Act of 1978	Budget Authority & Outlay Savings: FY 1983: \$3.6 million & \$2.7 million FY 1984: \$10.4 million FY 1985: \$10.1 million (Report No. 97-749, Conference Report, Title IV)
	National Debt to GDP (%) 35.38%	Budget Authority & Outlay Savings: FY 1983: \$18.8 million FY 1984: \$18.9 million FY 1985: \$19.1 million (Report No. 97-749, Conference Report, Title IV)
	Rounds down fiscal year 1983 compensation cost-of-living increase	Budget Authority & Outlay Savings: FY 1983: \$89.6 million FY 1984: \$99.8 million FY 1985: \$104.1 million (Report No. 97-749, Conference Report, Title IV)
	Requires veterans to pay a loan user fee on guaranteed home loans	Budget Authority & Outlay Savings: FY 1984: \$14.8 million FY 1985: less than \$500,000 FY 1986: \$1.0 million FY 1987: \$1.6 million FY 1988: \$1.2 million (House Reports Nos. 425-432, pg. 56, H.R. 1656)
OBRA 1983 (P.L. 98-270)	Terminates the authority of the VA Administrator to make advance payments of educational and subsistence allowances.	Revises Federal law concerning recovery of the cost of certain care and services provided to veterans to give the United States the right to recover the reasonable cost of such care and services from a third party to the extent that the veteran would be eligible to receive payment for such care and services if such care and services had not been furnished by a department or agency of the United States. Outlines situations in which such provision is applicable.
National Debt to GDP (%) 39.27%	Requires veterans not otherwise eligible for such care who still receive such care to repay a specified amount for such care. Limits the repayment by such veterans to the amount of the inpatient Medicare deductible in effect during the first day of any 90-day period of such care.	Recovery Budget & Outlays Savings: FY '86: \$203m FY '87: \$354m FY '88: \$403m FY '89: \$449m FY '90: \$500m (Rep. No. 99-146; to accompany S. 1730)
Consolidated OBRA 1985 (P.L. 99-272)	Budget and Outlays Savings: FY '86: \$300 million FY '87: \$400 million FY '88: \$450 million National Debt to GDP (%) 43.56%	Authorizes the VA Administrator to enter into contracts or agreements with individuals or organizations for services to recover amounts due under this Act. Outlines provisions to be included in such contracts. Requires clinical records of a veteran to be made available for purposes of aiding recovery or collection by the United States under this provision. Requires certain reports from the VA Administrator to the Senate and House Veterans' Affairs Committees on the implementation of these provisions.

Name of Act	Provisions	Savings
OBRA 1987 (P.L. 100-203)	<p>Extends the veterans' guaranteed home loan fee (the one-percent fee generally imposed on veterans who obtain a loan guaranteed, insured, or made by the VA) through September 30, 1989.</p> <p>Increases for fiscal years 1988, 1989, and 1990 the proportion of acquired foreclosure properties that the VA was required to sell on a cash basis, rather than a vendee-loan basis, from a minimum of 25 percent and a maximum of 40 percent to a minimum of 35 percent and a maximum of 50 percent.</p> <p>Amends Federal veterans' benefits provisions relating to default procedures on a VA guaranteed home loan to authorize the VA Administrator, before October 1, 1989, to sell with or without recourse (as determined by the Administrator to be in the best interest of the functioning of the VA home loan guaranty program) notes evidencing such guaranteed loans. Requires the Administrator, in comparing the cost-effectiveness of selling such notes either with or without recourse, to determine and consider: (1) the average amount by which the selling price for such notes with recourse would exceed the selling price for such notes sold without recourse; and (2) the total cost of selling such notes with recourse. Directs the Administrator, no later than 60 days after making any such note sale, to report to the Senate and House Veterans' Affairs Committees describing such sales and any action taken by the Administrator with respect to such sales.</p> <p>Budget and Outlays Savings: FY '88: \$50 million FY '89: \$30 million FY '90: \$0 and \$10 million (FY '88: \$50 million and \$90m over 3 years due to sales of VA real estate) [CO Almanac, Vol. XLIII, 1987, pg. 596]</p> <p>National Debt to GDP (%) 50.02%</p>	<p>Fee Collection Estimate: FY 1988: \$241 million FY 1989: \$221 million (Report No. 100-391, Committee on the Budget, House of Representatives, to Accompany H.R. 3545, Part 2 of 2, Title VII)</p> <p>No estimates provided by CBO.</p>
	<p>Revises the percentage of purchases of property acquired by the VA Administrator as the result of defaults on veterans' housing loans that may be financed by VA loans in FY 1988 through 1990. States that such change achieves certain savings as required under the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 by changing program requirements.</p>	<p>Budget and Outlays Savings: FY '88: \$42 million FY '89: \$24 million FY '90: \$0 and \$10 million FY '91: \$0 and \$33 million FY '92: \$0 and \$26 million (Rep. 100-391, H.R. 3545)</p> <p>Budget Authority & Outlays: FY 1990: +\$35 million; -\$197 million FY 1991: +\$80 million; -\$206 million FY 1992: +\$61 million; -\$213 million FY 1993: -\$88 million; -\$219 million FY 1994: -\$212 million; -\$220 million (Report No. 101-247, Committee on Budget submission with Supplemental and Additional Views)</p>
OBRA 1989 (P.L. 101-239)	<p>Replaces the current one-percent user fee paid by veterans who obtain guaranteed home loans with a 1.25-percent indemnity fee. Requires that all amounts received from the sale of loan assets be credited as offsetting collections of the funds.</p> <p>National Debt to GDP (%) 52.53%</p>	<p>Continues through Sept. 30, 1990, the VA's ability to sell housing loans with or without recourses, for \$496 million in 1990 savings.</p> <p>FY 1990: \$496 million in savings (CO Almanac Vol. XLV 1989, pg. 95)</p>

Name of Act	Provisions	Savings
OBRA 1990 (P.L. 101-508)	Provides that compensation payments to a veteran who has no spouse, child, or dependent parent, who is rated by the Secretary of Veterans Affairs as incompetent, and whose estate is valued in excess of \$25,000, shall cease until the value of such estate is reduced to less than \$10,000. Provides for lump-sum reimbursement of such withheld payments if an incompetent veteran is later rated as competent for more than 90 days. Terminates such provision as of the end of FY 1992.	Outlays Savings FY 1991: \$125 million FY 1991-95: \$291 million (Report No. 101-964, Conference Report, Title VIII)
Gulf War	Eliminates the presumption of total disability in the determination of eligibility of a veteran for pension benefits, instead stating that such requirement is fulfilled if the veteran is unemployable as the result of a disability reasonably certain to continue throughout such veteran's life.	Outlays Savings FY 1991: \$17 million FY 1991-95: \$313 million (Report No. 101-964, Conference Report, Title VIII)
Budget and Outlays Savings: FY '90: \$496m and \$666m FY '91: \$533m and \$723m	Reduces to \$90 monthly the pension paid to a person having neither spouse nor child and covered by a Medicaid plan for services furnished by a nursing facility.	Outlays Savings FY 1991: \$22 million FY 1991-95: \$124 million (Report No. 101-964, Conference Report, Title VIII)
National Debt to GDP (%) 56.18%	Makes remarried surviving spouses or married children of veterans ineligible for certain veterans' dependents' benefits upon becoming single.	Outlays Savings FY 1991: \$19 million FY 1991-95: \$374 million. (Report No. 101-964, Conference Report, Title VIII)
	Provides a 5.4 percent cost-of-living adjustment ceiling for FY 1991 on veterans' disability compensation and dependency and indemnity compensation rates.	Outlays Savings FY 1991: \$49 million FY 1991-95: \$44 million (Report No. 101-964, Conference Report, Title VIII)
	Sets an effective date for authorizing VA to collect from a third-party payer the reasonable cost of medical care VA furnishes for care and treatment of non-service-connected disabilities.	Outlays Savings FY 1991: \$113 million FY 1991-95: \$826 million (Report No. 101-964, Conference Report, Title VIII)
	Directs the VA Secretary to require a veteran with a service-connected disability rated at 50 percent or less to pay \$2 for each 30-day supply of medication furnished to such patient on an outpatient basis for the treatment of a nonservice-connected disability or condition. Revises copayment requirements and income thresholds for purposes of VA health care. Terminates such revisions as of the end of FY 1991.	Outlays Savings FY 1991: \$66 million FY 1991-95: \$85 million (Report No. 101-964, Conference Report, Title VIII)

Name of Act	Provisions	Savings
Provides that amendments made by section 11013 apply with respect to VA hospital care and medical services received after the later of October 31, 1990, or the date of enactment, and expire on September 30, 1991. Limits the basic entitlement of eligibility for VA rehabilitation programs to veterans having a service-connected disability rated at 20 percent or more.		Outlays Savings: FY 1991: \$35 million FY 1991-95: \$45 million (Report No. 101-964, Conference Report, Title VIII)
Requires a claim for a manufactured home loan guaranteed by VA to be made by a veteran by filing of an accounting with the Secretary: (1) within a reasonable time after receipt of an appraisal of the value of the security for the loan; or, (2) after liquidation of the security for the loan. Outlines other claim and accounting requirements and established maximum loan amounts. Raises home loan fees with respect to loans closed between November 1, 1990 and September 30, 1991.	Outlays Savings: FY 1991: \$20 million FY 1991-95: \$180 million (Report No. 101-964, Conference Report, Title VIII)	Outlays Savings: FY 1991: \$4 million FY 1991-95: \$14 million (Report No. 101-964, Conference Report, Title VIII)
Increases fees for loans closed during the period beginning November 1, 1990, and ending September 30, 1991, by 0.5 percent.	Outlays Savings: FY 1991: \$79 million FY 1991-95: \$79 million (Report No. 101-964, Conference Report, Title VIII)	Outlays Savings: FY 1991: \$79 million FY 1991-95: \$19 million (Report No. 101-964, Conference Report, Title VIII)
OBRA 1990 (P.L. 101-508)	Eliminates a provision which allows the VA Secretary to reimburse a family for the cost of a headstone or grave marker in lieu of furnishing such headstone or marker.	Outlays Savings: FY 1991: \$3 million FY 1991-95: \$147 million (Report No. 101-964, Conference Report, Title VIII)
Gulf War	Eliminates a provision basing eligibility for a burial allowance solely on being a veteran of any war.	Outlays Savings: FY 1991: \$27 million FY 1991-95: \$147 million (Report No. 101-964, Conference Report, Title VIII)
National Debt to GDP (%) 56.18% (Continued)	Budget and Outlays Savings: FY '90: \$496m and \$666m FY '91: \$533m and \$723m	Amends the Internal Revenue Code to authorize the use of Internal Revenue Service tax return data for income verification purposes in the determination of a veteran's eligibility for needs-based pension benefits or the payment of certain compensation benefits.
		Outlays Savings: FY 1991: \$27 million FY 1991-95: \$743 million (Report No. 101-964, Conference Report, Title VIII)
		Outlays Savings: FY 1991: \$10 million FY 1991-95: \$ 334 million (Report No. 101-964, Conference Report, Title VIII)
		Outlays Savings: FY 1991: \$4 million FY 1991-95: \$47 million (Report No. 101-964, Conference Report, Title VIII)
		Directs the VA Secretary to periodically compare Department information regarding persons for whom compensation or pension benefits are currently being paid with records from the Department of Health and Human Services in order to ensure that compensation and benefits are terminated for deceased individuals and that overpayments of any compensation or pension due to lack of notice of death are reimbursed to the Department in a timely manner. Directs the appropriate Secretaries to enter into a memorandum of understanding for the exchange of such information, including safeguards against improper disclosure.

Name of Act	Provisions	Savings
OBRA 1993 (P.L. 103-66)	<p>Eliminates under section 12002(a), for purpose of priority to VA care and associated copayments obligation, the distinction among veterans whose income exceeds the Category A threshold.</p> <p>Extends under section 12002(b) VA's authority to collect a \$2 copayment for each 30-day supply of medication furnished for outpatients.</p> <p>Budget and Outlays Savings: FY '94: \$260 million FY '94-'98: \$2.59 million</p> <p>Bosnia War</p> <p>National Debt to GDP (%) 66.70%</p>	<p>Outlays Savings: FY 1998: \$79 million (Report No. 103-111, to accompany H.R. 2264)</p> <p>Outlays Saving: FY 1994: \$76 million FY 1995: \$199 million FY 1996: \$216 million FY 1997: \$323 million FY 1998: \$251 million Five Year total: \$974 million (Report No. 103-111, to accompany H.R. 2264)</p> <p>Outlays Saving: FY 1998: \$136 million (Report No. 103-111, to accompany H.R. 2264)</p> <p>Outlays Saving: FY 1998: \$531 million (Report No. 103-111, to accompany H.R. 2264)</p> <p>Outlays Saving: FY 1994: \$7 million FY 1995: \$6 million FY 1996: \$6 million FY 1997: \$6 million FY 1998: \$7 million Five Year total: \$32 million (Report No. 103-111, to accompany H.R. 2264)</p> <p>Outlays Saving: FY 1994: \$10 million FY 1995: \$11 million FY 1996: \$12 million FY 1997: \$17 million FY 1998: \$18 million Five Year total: \$67 million (Report No. 103-111, to accompany H.R. 2264)</p>

Name of Act	Provisions	Savings
Extends VA authority to guarantee, on the secondary market, loans that VA had made to purchasers of its property to December 31, 2002.	Extends through October 1, 2002, fees on VA-guaranteed, insured or direct-home loans. For first-time loans, the fee ranged from 0.5 percent to 2 percent, depending on the amount of the down payment and whether the veteran was on active duty or in the reserves. Veterans paid 3 percent in fees for all subsequent loans except those in which they had made down payments of more than 5 percent.	
Extends through October 1, 2002, VA authority to use a "no-bid" procedure to determine whether it should purchase foreclosed properties it guaranteed and to resell them, or pay the guaranteed amount to the holder of the loan.	Extends through September 30, 2002, VA access to financial records at the Department of Health and Human Services, the Social Security Administration, and the Internal Revenue Service to determine eligibility for needs-based pensions and health care services.	
Balanced Budget Act of 1997 (P.L. 105-33)	Extends through September 30, 2002, limits on the amount of VA pensions that can be paid to veterans or spouses who were eligible for Medicaid, lived in nursing homes that received Medicaid payments, and had no dependents. As under existing law, which was set to expire September 30, 1998, such veterans and spouses were limited to \$90 in pensions per month.	
Budget & Outlays Savings FY 98-02: \$2.7 billion	Extends through September 30, 2002, existing laws that required veterans with higher incomes to pay for a portion of their medical and nursing home care. Also, requires veterans without service-connected disabilities or low incomes to pay \$2 for each 30-day prescription provided on an outpatient basis.	
National Debt to GDP (%) 65.38%	Extends through October 1, 2002, VA's ability to collect reimbursement from health insurance companies and other third-party payers for VA treatment of non-service connected conditions.	
	Established a Medical Care Collections Fund, which began receiving payments September 30, 1997 to replace the Medical-Care Cost Recovery Fund.	
	Stipulates that increases in disability and survivors benefits could not exceed the rate of growth in Social Security payments from 1998 through 2002. Any increase in benefits was to be rounded to the next lowest dollar figure.	
	Increases from 1 percent to 2.25 percent the loan fee that borrowers must pay if they purchase, through a VA loan, a property that VA had repossessed.	
	Eliminates requirement that VA obtain consent from veterans or surviving spouses who default on a VA loan before attempting to mitigate its losses by reducing other federal payments or benefits to them, such as federal salaries or tax refunds. Also eliminates provisions that require courts to determine whether a veteran or surviving spouse was liable for the loan. Instead, the VA had to notify the veteran or surviving spouse by certified mail and give him or her a chance to request that the VA secretary waive the debt.	