

**General Description of Geographic Distribution of the Department of Veterans
Affairs Expenditures
(Updated March 23, 2005)**

Introduction

The **General Description of Geographic Distribution of the Department of Veterans Affairs Expenditures** (GDX) is prepared each fiscal year by the Department of Veterans Affairs (VA) Office of Policy, Planning and Preparedness. The GDX Report presents the estimated dollar expenditures for major VA Programs by county and Congressional Districts within each state. Expenditure data is grouped by the following categories: Compensation and Pension (C&P); Education and Vocational Rehabilitation; Insurance and Indemnities; Construction (CNSTR); General Operating Expenses (GOE); and Medical Care. The GDX Report also includes veteran population estimates by county and Congressional District within each state and the number of unique patients who used VA health care services.

Summary

The following information provides a brief description of the data included in the GDX Report. The methods used for data collection and the sources of the data are also described.

Veteran Population

The estimated veteran population data by state and county is based on the VA VetPop2004 v1.0 model. This model is VA's source for official estimates and projections of the veteran population.

Compensation and Pension

The C&P category includes expenditures for the following programs: veterans' compensation for service-connected disability; compensation for service-connected deaths for veterans' dependents; dependency and indemnity compensation for service-connected deaths; veterans' pension for nonservice-connected disabilities; pension to veterans' surviving spouse and children; and burial allowances for veterans.

Expenditures presented at the county level reflect the dollar value of actual payments made to individuals. The value of payments at the Congressional District level is estimated based on Census data. Because a Congressional District (CD) can be made up of portions of different counties, we estimate the expenditures at the CD level based on the proportion of a county that falls within a particular CD. In addition, \$52 million in C&P expenditures for graveliners and headstones were distributed according to the veteran population.

Almost all expenditures reported in this category reflect monthly payments made to individuals. Each month, extracts of individual payment files are transmitted from the Veterans Benefits Administration's (VBA) Information Technology Center (ITC) in Hines, Illinois to the VA Austin Automation Center (AAC). Each month, the AAC aggregates payment data by individual program and by zip code of the recipient. Based on a ZIP to Federal Information Processing Standards (FIPS) table, AAC further aggregates the payments by county and Congressional District.

Data on C&P expenditures for graveliners is obtained from the VA Financial Management System (FMS).

Education and Vocational Rehabilitation and Employment

Education and Vocational Rehabilitation are separate programs, but are combined into one category for display purposes in GDX. Expenditures in this category include those for: automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces; specially adapted housing for disabled veterans; dependent's educational assistance (Chapter 35); vocational rehabilitation for disabled veterans (Chapter 31); post-Vietnam era veterans' educational assistance (Chapter 32); Montgomery G.I. Bill for Selected Reserves (Chapter 1606); and Montgomery GI Bill (Chapter 30)

Expenditure data for Education and Vocational Rehabilitation is collected in the same manner as C&P expenditures. Dollars presented at the county level represent the actual payments and the CD data is estimated based on Census data. Because CDs can be made up of portions of different counties, estimates of the expenditures at the CD level are based on the proportion of a county that falls within a particular CD. In addition, approximately \$318 million associated with providing vocational rehabilitation and education benefits are distributed according to veteran population.

As with C&P expenditures, a portion of expenditures in this category come from FMS. FMS captures expenditures that do not involve direct payments to beneficiaries. These expenditures include costs for contract counseling, State Approving Agencies, certain Coast Guard benefits and other miscellaneous expenditures. These expenditures represent approximately 11 percent of the total dollars for this category.

Insurance and Indemnities

The data reported for this category are provided by the VA Regional Office and Insurance Center (VARO&IC) in Philadelphia, PA. They are estimates of VA expenditures for death claims, matured endowments, dividends, cash surrender payments, total disability income provision payments, and total and permanent disability benefits payments.

The VARO&IC provides total fiscal year insurance payments at the state level. The totals are placed into the AAC system and for the purposes of the GDX Report, the state

totals are distributed by county and congressional district. (As with other categories, the distribution by CD was performed by Office of Policy, Planning, and Preparedness in 2003.)

Construction and Related Costs

Expenditures for major and minor construction projects is reported on an actual basis using accrued expenditure data from the VA FMS Accrued Expenditure by VA Facility within State Report.

General Operating Expenses

GOE represents the costs necessary to provide administration and oversight for the benefits provided by VA. These costs include those for overhead and human resources nation-wide. This category does not include payments made directly to beneficiaries. The source of the GOE data is VA's FMS.

Medical Care

Total Unique Patients

The count of unique patients is based on the home residence of the patient. Unique patients may include a small number of non-veteran patients treated at a VA facility.

VA's Health Eligibility Center in Atlanta is the source of data for identifying all patients who used the VA medical system during that fiscal year. (This file does not contain veterans who only visited vet centers because veterans are not required to provide address information when visiting vet centers.) The file provided contains the patient's home address and zip code. Planning Systems Support Group (PSSG) uses geo-coding software to distribute the patients by county and CD. There are a small number of patients whose addresses appear unknown after geo-coding. Office of Policy, Planning, and Preparedness distributes these patients using a ZIP to FIPS file.

Medical Expenditures

Information in this category is reported on an actual basis using data from VA's Allocation Resource Center, Health Eligibility Center, and FMS. The specific programs reported for this category are: medical care; national program administration; general post fund; medical and prosthetic research; and miscellaneous accounts.

The medical care portion accounts for approximately 88 percent of this category. The VA Health Eligibility Center (HEC) provides a file to the Allocation Resource Center (ARC) of approximately 46 million records listing individual episodes of care during the just ended fiscal year. The ARC file includes those patients not enrolled in VA for health care. The ARC, using Cost Distribution Report (CDR) and Decision Support System (DSS) data assigns a cost amount to each record. The ARC file is then placed online at

Austin. The ARC file is downloaded and aggregated by patient by OPP&P. The revised file and a geo-coded file provided by PSSG are merged. The resulting file assigns cost to county and CD levels.

The ARC cost figures do not include overhead expenses, research or General Post Fund. Overhead expenses are distributed per patient across the board.

Research and General Post Fund expenditures are shown in the county and CD of the VA facility performing the research. These expenditures are captured in FMS.

The Enrollment file used to obtain patient cost data does not include certain expenditures which are extracted from FMS (e.g., research). Research expenditures are allocated to the location of the VA facility. The costs of non-direct medical care facilities, such as the cost of operating the HEC, were distributed across the country in accordance with medical care dollars spent.

If you have questions or require additional information, you may contact Henry Caplan at (202) 273-5124.