



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 30, 2003

### **H.R. 2357** **Veterans Health Care Improvement Act of 2003**

*As ordered reported by the House Committee on Veterans' Affairs on June 26, 2003*

#### **SUMMARY**

H.R. 2357 would provide new health care benefits to certain Filipino veterans and make it easier for the Department of Veterans Affairs (VA) to hire certain health care workers. The bill would modify the eligibility criteria to allow a greater number of Filipino veterans living in the United States to receive health care from VA. H.R. 2357 also would make it easier for VA to hire chiropractors by specifically listing chiropractors as medical professionals that VA could hire. In addition, the bill would grant VA the authority to treat chiropractors like other medical professionals with regard to malpractice and negligence, reimbursement of certain education expenses, and collective bargaining.

CBO estimates that implementing the bill would cost \$7 million in 2004 and \$61 million over the 2004-2008 period, assuming appropriation of the estimated amounts.

H.R. 2357 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2357 is shown in the following table. This estimate assumes the legislation will be enacted by the end of fiscal year 2003, that the necessary funds for implementing the bill will be provided for each year, and that outlays will follow historical spending patterns for existing or similar programs. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
<b>Spending Under Current Law for Veterans' Medical Care</b>						
Estimated Authorization Level <sup>a</sup>	25,279	26,153	26,987	27,890	28,824	29,452
Estimated Outlays	25,677	26,179	26,783	27,655	28,583	29,271
<b>Proposed Changes</b>						
Estimated Authorization Level	0	8	16	14	13	12
Estimated Outlays	0	7	15	14	13	12
<b>Spending Under H.R. 2357 for Veterans' Medical Care</b>						
Estimated Authorization Level	25,279	26,161	27,003	27,904	28,837	29,464
Estimated Outlays	25,677	26,186	26,798	27,669	28,596	29,283

a. The 2003 level is the estimated net amount appropriated for that year. No full-year appropriation has yet been provided for fiscal year 2004. The current-law amounts for the 2004-2008 period assume that appropriations remain at the 2003 level with adjustments for anticipated inflation.

**Health Care for Filipino Veterans.** Under current law, only certain Filipino veterans who served during World War II are eligible for health care benefits from VA. Under section 2 of the bill, any individual who is a veteran of the Philippine Commonwealth Army or a former New Philippine Scout living legally in the United States would be eligible for VA health care benefits provided by VA. Using information from VA, CBO estimates that in 2004 about 9,500 Filipino veterans would qualify for this new benefit and that they would be classified as Category 5 veterans, based on income and other factors. Based on average enrollment and use rates for Category 5 veterans, CBO estimates that about 35 percent of these veterans would use VA health care benefits in 2004 at an estimated cost of \$5,100 per person. After adjusting for mortality, CBO expects that the number of eligible Filipino veterans using VA health care benefits would grow to 2,900 in 2005 as more of these veterans become aware of the benefit, and then gradually decline to about 1,900 by 2008. Accordingly, CBO estimates that implementing this section would cost \$7 million in 2004 and \$61 million over the 2004-2008 period, assuming appropriation of the estimated amounts.

**Chiropractors.** Under current law, VA is required to make chiropractic care available to veterans at least one site in each of VA's 21 geographic service areas. Section 1 would make it easier for VA to appoint and hire chiropractors by specifying that they be treated as other medical professionals like podiatrists and optometrists. Based on information from VA, CBO does not expect that implementing this provision would increase the level of spending

for chiropractic care that VA would provide beyond what VA is already required to provide under the current law. Thus, the primary effect would be to facilitate the establishment of chiropractic care that VA is already undertaking.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 2357 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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