



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 11, 2008

**S. 2969
Veterans Health Care Authorization Act of 2008**

*As ordered reported by the Senate Committee on Veterans' Affairs
on June 26, 2008*

SUMMARY

S. 2969 would make several changes to existing veterans' health care programs and create a number of new health care programs for veterans. The bill also would authorize the Department of Veterans Affairs (VA) to construct or lease several medical facilities. In total, CBO estimates that implementing the bill would cost \$7.2 billion over the 2009-2013 period, assuming appropriation of the specified and estimated amounts. Enacting the bill could affect direct spending and revenues, but CBO estimates that impact would not be significant.

S. 2969 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2969 is shown in the Table 1. The costs of this legislation fall within budget function 700 (veterans benefits and services).

TABLE 1. ESTIMATED BUDGETARY IMPACT OF S. 2969, VETERANS HEALTH CARE AUTHORIZATION ACT OF 2008

	By Fiscal Year, in Millions of Dollars					
	2009	2010	2011	2012	2013	2009-2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION ^a						
Estimated Authorization Level	1,519	745	1,230	1,730	2,269	7,495
Estimated Outlays	423	1,010	1,538	1,943	2,315	7,231

a. In addition to the effects on spending subject to appropriation shown in this table, CBO estimates that enacting section 801 of S. 2969 would increase direct spending and revenues by less than \$500,000 a year.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2009, that the authorized and estimated amounts will be appropriated each year, and that outlays will follow historical spending patterns for similar programs. (S. 2969 also would authorize the appropriation of \$5 million in 2008 for a pilot program providing assistance to veterans eligible for rehabilitation programs; however, those amounts are not included in this cost estimate because CBO assumes that no further appropriations will be provided in 2008 for such programs.)

Spending Subject to Appropriation

CBO estimates that implementing S. 2969 would cost \$7.2 billion over the 2009-2013 period, assuming appropriation of the specified and estimated amounts (see Table 2). Most of the bill's estimated costs stem from provisions that would extend authorities related to providing nursing home care and authorizations of appropriations for medical construction projects.

Extension of Current Authorities. Sections 201, 202, and 203 would extend several authorities for VA to provide health care to certain veterans and to perform certain audits. In total, CBO estimates that implementing those provisions would cost \$3.8 billion over the 2009-2013 period, assuming appropriation of the estimated amounts.

TABLE 2. COMPONENTS OF DISCRETIONARY SPENDING UNDER S. 2969

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
Extension of Current Authorities						
Estimated Authorization Level	136	355	739	1,157	1,609	3,996
Estimated Outlays	122	333	701	1,115	1,564	3,835
Construction of Medical Facilities						
Estimated Authorization Level	1,159	20	20	20	20	1,239
Estimated Outlays	100	321	378	285	120	1,204
Testing for HIV						
Estimated Authorization Level	43	114	188	265	343	953
Estimated Outlays	38	107	181	257	335	918
Homeless Veterans						
Authorization Level	70	70	70	70	70	350
Estimated Outlays	63	70	70	70	70	343
Pilot Program for Dental Insurance						
Estimated Authorization Level	10	65	85	85	85	330
Estimated Outlays	9	60	83	85	85	322
Education Assistance						
Estimated Authorization Level	28	47	62	68	74	279
Estimated Outlays	25	45	60	67	74	271
Medical Personnel						
Estimated Authorization Level	27	27	28	28	28	139
Estimated Outlays	24	27	27	28	28	134
Pilot Programs						
Estimated Authorization Level	26	21	9	7	7	70
Estimated Outlays	24	22	10	7	7	70
Health Care for Female Veterans						
Estimated Authorization Level	6	12	14	15	15	62
Estimated Outlays	6	11	13	14	15	59
Expanded Eligibility for Vet Centers						
Estimated Authorization Level	6	6	5	4	4	25
Estimated Outlays	5	6	5	4	4	24

(Continued)

TABLE 2. CONTINUED

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
Specialized Residential and Rehabilitation Care						
Estimated Authorization Level	2	3	5	6	8	24
Estimated Outlays	2	3	5	6	8	24
Quality Assurance Officers						
Estimated Authorization Level	3	3	3	3	3	15
Estimated Outlays	2	3	3	3	3	14
Uniforms for Police Officers						
Estimated Authorization Level	1	1	1	1	1	5
Estimated Outlays	1	1	1	1	1	5
Hospice Care						
Estimated Authorization Level	*	*	*	*	*	2
Estimated Outlays	*	*	*	*	*	2
Study on Suicides						
Estimated Authorization Level	1	*	0	0	0	1
Estimated Outlays	1	*	0	0	0	1
Other Provisions						
Authorization Level	1	1	1	1	1	5
Estimated Outlays	1	1	1	1	1	5
Total Changes						
Estimated Authorization Level	1,519	745	1,230	1,730	2,269	7,495
Estimated Outlays	423	1,010	1,538	1,943	2,315	7,231

Notes: Components may not sum to totals because of rounding; * = less than \$500,000.

Nursing Home Care. Section 202(a) would extend, through December 31, 2013, a requirement that VA provide nursing home care to veterans who have a disability rating of 70 percent or greater or those who require such care for a service-connected disability. Under current law, that requirement expires on December 31, 2008.

According to VA, the department spent about \$1.2 billion on such care in 2007. VA provided nursing home care to disabled veterans under other permanent authorities before the requirement in current law was enacted, but that care was provided at the discretion of

the Secretary of Veterans Affairs. CBO expects that if the requirements of 38 U.S.C. 1710A are not extended, VA would continue to provide care in the near term to most disabled veterans eligible under that authority, but that VA would gradually revert to providing more limited nursing home care under previously used authorities. Therefore, after adjusting for inflation, CBO estimates that extending this requirement would have initial costs of about \$115 million in 2009 growing to \$1.5 billion by 2013, assuming appropriation of the estimated amounts.

Noninstitutional Extended Care. Section 201 would make permanent a provision in current law that allows VA to provide noninstitutional extended care to veterans through December 31, 2008. According to VA, the department spent about \$45 million on such care in 2007. VA has indicated that it has existing authority under other provisions of current law to provide noninstitutional extended care, but those authorities are limited and would affect VA's ability to provide the current level of services. After adjusting for inflation, CBO estimates that extending this requirement would have initial costs of \$5 million in 2009, growing to almost \$60 million by 2013, assuming appropriation of the estimated amounts.

Participants in Chemical and Biological Testing. From 1962 to 1973, the Department of Defense (DoD) conducted certain tests to determine the vulnerability of personnel, buildings, and ships to various biological and chemical threats. Veterans who were exposed to agents used in those tests are eligible to receive free health care from VA, though copayments are required for treatment of diseases or injuries that are obviously not related to military service. The authority to provide this benefit expired on December 31, 2007. Section 203 would make this authority permanent.

Based on data from VA that about 300 such veterans received health care in 2007 at an average cost of \$5,800, CBO estimates that implementing this section would cost \$1 million in 2009 and \$9 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

Audits of Medical Services Contracts. Section 202(b) would extend through 2013 a provision in current law that allows VA to perform audits of its contracts to provide medical care and services outside the department. Under current law, the authority will expire on September 30, 2008. Those audits are designed to allow VA to reduce errors and fraud related to payments under the contracts. Any additional collections generated by audits are retained and spent by the department. Based on information from VA regarding recent audits, CBO estimates that extending this authority to conduct audits would have no net budgetary impact, as it would allow VA to collect and spend \$9 million a year.

Construction of Medical Facilities. Title VII would authorize funding for constructing, renovating, improving, or leasing several medical facilities by VA. CBO estimates that implementing title VII would cost \$1.2 billion over the 2009-2013 period, assuming appropriation of the authorized and estimated amounts.

Section 704 would specifically authorize the appropriation in 2009 of \$1.1 billion for five large construction projects and \$56 million for leasing 11 clinics or other facilities. Based on information from VA's 2009 budget request for leasing medical facilities, CBO expects that VA would enter into 20-year lease agreements for those facilities. As a result, CBO estimates that in addition to the specified amounts authorized to be appropriated in 2009, VA would have additional costs of about \$20 million a year starting in 2010. (Costs are higher in 2009 than in other years because VA would pay the lessors additional amounts in the first year of the lease for necessary improvements and upgrades.) In addition, section 705 would increase the threshold for major construction projects that require Congressional approval from \$600 million to \$1 billion.

Testing for Human Immunodeficiency Virus (HIV). Section 217 would eliminate a rule prohibiting VA from conducting widespread testing for HIV infection in the population of veterans who use VA health care facilities. It also would eliminate current requirements for separate written consent for HIV tests and pre- and post-test counseling.

Based on data from VA, CBO estimates that under section 217 the number of HIV tests administered by VA would increase significantly, from the current annual level of about 125,000 tests to 200,000 in 2009 and to 250,000 a year over the 2010-2013 period. Based on studies of veterans enrolled in VA health care, CBO expects that increased testing would lead to an increase in the number of newly diagnosed veterans and that those veterans would be identified earlier in the course of the disease.¹ We expect that people who are tested for HIV at, and receive general care in, VA health care facilities would prefer to maintain continuity of care with VA health care providers, and thus would be treated by VA for HIV disease. Based on data from VA and the Kaiser Family Foundation, CBO estimates that the average cost of treatment in 2009 would be \$18,000 per patient in the early stages of HIV infection, and \$35,000 per patient in the advanced stages of the disease.

CBO estimates that under the bill, VA would start providing comprehensive HIV treatment to an additional 1,600 newly diagnosed veterans in 2009 at an average cost of \$27,000 per

1. Ronald O. Valdiserri, Fred Rodriguez, and Mark Holodniy, "Frequency of HIV Screening in the Veterans Health Administration: Implications for Early Diagnosis of HIV Infection," *AIDS Education and Prevention*, vol. 20, no. 3 (2008), pp. 258-264; and Douglas K. Owens and others, "Prevalence of HIV Infection Among Inpatients and Outpatients in Department of Veterans Affairs Health Care Systems: Implications for Screening Programs for HIV," *American Journal of Public Health*, vol. 97, no. 12 (2007), pp. 2173-2178.

person. By 2013, CBO estimates that the number of additional veterans being treated for HIV would grow to about 12,000. Because an increasing proportion of those veterans would be diagnosed in the early stages of the disease when treatment is least expensive, the average cost of treatment, before considering the effects of inflation, would decrease over time. Adjusting for inflation, CBO estimates that implementing section 217 would cost about \$920 million over the 2009-2013 period, assuming appropriation of the necessary funds.

Homeless Veterans. Section 506 would authorize additional appropriations of \$70 million a year for existing programs to care for homeless veterans. Under current law, VA makes grants and per diem payments to entities that provide outreach, rehabilitation, transitional housing, counseling, training, and other assistance to homeless veterans. CBO estimates that implementing this provision would cost about \$345 million over the 2009-2013 period, assuming appropriation of the specified amounts.

Pilot Program for Dental Insurance. Section 223 would require VA to implement a pilot program to provide dental insurance to all enrolled veterans and their survivors and dependents. VA would be directed to carry out the program in at least two but no more than four Veterans Integrated Services Networks (VISNs; regional networks of medical facilities). CBO estimates that implementing this provision would cost about \$320 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

The bill would require VA to contract with a dental insurer who would administer the program. However, the bill would grant VA wide discretion in designing several critical parameters of the pilot program, such as the covered benefits, requirements for enrollment and disenrollment, and premiums. Veterans would be required to pay premiums and copayments. For purposes of this estimate, CBO assumes that the pilot program would be carried out at three VISNs and that the pilot program would be similar to the TRICARE Dental Program, which is available to reservists, their family members, and active-duty servicemembers. CBO expects that VA would experience an initial surge in enrollment as people who may have delayed addressing their dental needs would avail themselves of that opportunity, but that those individuals would disenroll soon after their needs were met.

CBO estimates that the program would begin accepting enrollees around the middle of fiscal year 2009, and based on the participation rates for the TRICARE program, that about 12,000 veterans, survivors, and dependents would join that year. We estimate that enrollment would rise to 78,000 in 2010 and 97,000 in 2011 before stabilizing at a level of about 90,000 a year.

The TRICARE program pays an annual maximum of \$1,200 for nonorthodontic services, and many diagnostic and preventive services do not count toward the cap. Based on costs for the TRICARE program and for dental care provided by VA to a limited number of veterans,

CBO estimates that in 2009 VA would pay about \$800 per enrollee under the pilot program. After adjusting for inflation, CBO estimates that the pilot program would have initial costs of about \$10 million in 2009 and that costs would rise to around \$60 million by 2010, before stabilizing at \$85 million a year thereafter.

Education Assistance. Three separate provisions in section 103 would authorize VA to provide scholarships and assistance with education loans to certain employees. In total, CBO estimates that enacting those provisions would cost about \$270 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

Health Professionals Scholarship Program. Section 103(a) would reinstate a scholarship program for health professionals that expired in 1998. The provision would give VA the authority to provide funds to cover tuition, fees, and other costs related to their education. In exchange for financial assistance, recipients would be obligated to work at VA for a specified period of time.

Based on information from VA, CBO estimates that after a six-month period to establish the program, VA would grant about 125 awards in 2009 with an average award of \$46,000. In the following years, CBO estimates VA would grant 250 new awards a year. Based on information from VA, CBO expects that scholarships would last an average of two years. After adjusting for an estimated 6 percent annual increase in tuition and other costs, CBO estimates that implementing this provision would cost \$6 million in 2009 and \$105 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

Debt Reduction. Two other provisions of section 103 would allow VA to assist its employees in repaying their education loans. Subsection (b) would expand the use of VA's Education Debt Reduction Program by increasing the maximum amounts payable over a five-year period from \$44,000 to \$60,000 and expanding eligibility from those recently appointed to all employees involved in direct patient care. About 6,500 employees currently receive an average annual benefit of \$5,800 under this program. Based on information from VA, CBO estimates that 450 additional employees each year would receive an average amount of \$8,725 a year for five years and that employees currently eligible (about 6,500) also would receive the higher annual benefit. After adjusting for inflation, CBO estimates that implementing this provision would cost \$17 million in 2009 and \$132 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

The second provision, subsection 103©, would allow certain clinical researchers at VA who have disadvantaged backgrounds to use a National Institutes of Health (NIH) program for repayment of education loans. The NIH program provides up to \$35,000 in assistance per employee. Based on information from VA, CBO estimates that 100 employees each year

would receive an average amount of \$30,000 a year over three years. Assuming appropriation of the estimated amounts, CBO estimates that implementing this provision would cost \$3 million in 2009 and \$35 million over the 2009-2013 period.

Medical Personnel. Section 101 contains several provisions that would affect pay for medical personnel. In total, CBO estimates that implementing those provisions would cost about \$135 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

Pay Comparable to Private Sector. Section 101(f) would allow VA to pay additional compensation of up to \$100,000 a year to certain employees to match salary levels paid in the private sector. Based on information from VA, CBO estimates that the department would pay an average additional amount of \$62,500 a year to about 170 people, at a cost of about \$11 million a year.

Overtime Pay. Section 101(m) would loosen certain pay restrictions, thereby allowing nurses, physician assistants, and certain other employees to earn additional pay for evening or weekend work. Under current law, employees can earn additional pay for working evenings or weekends only on their regular tour of duty. The bill would allow such pay for any evening or weekend hours worked, even if those were occasional or ad-hoc. In 2007, such employees worked roughly 1.8 million hours of overtime at an average overtime rate of about \$50 an hour. CBO estimates that under current law VA does not pay night or weekend differentials for 75 percent of those hours (1.4 million hours). After adjusting for inflation, CBO estimates that under the bill VA would pay additional night differentials of \$5 per hour for about 485,000 hours and weekend differentials of \$13 per hour for 385,000 hours, for a total annual costs of about \$8 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

Higher Pay for Nurses. Subsections 101(I) and 101(j) would increase the pay caps for registered nurses and certified registered nurse anesthetists. Based on information from VA, CBO estimates that the department would pay an average additional amount of \$12,000 a year to about 400 nurses at a cost of about \$5 million a year. Subsection (I) would increase the maximum special pay for nurse executives from \$25,000 to \$100,000. Based on information from VA, CBO estimates that the department would pay an average additional amount of \$10,000 to about 135 nurse executives at a cost of about \$1 million a year. In total, CBO estimates that implementing those three provisions would increase pay for nurses by \$6 million a year.

Incentive Pay for Pharmacist Executives. Section 101(g) would allow VA to pay additional compensation of up to \$40,000 a year to pharmacist executives as a recruitment and retention

tool. Based on information from VA, CBO estimates that the department would pay an additional \$40,000 a year to 40 people at a cost of about \$2 million a year.

Increased Pay Scale for Appointees. Section 101(e) would allow VA to pay certain appointees using a higher pay scale. Based on information from VA, CBO estimates that the department would pay an average additional amount of \$3,500 to about 70 people, at an annual cost of about \$250,000 a year.

Pilot Programs. Several sections of S. 2969 would require VA to carry out pilot programs to provide or pay for health care and related benefits. In total, CBO estimates that enacting those provisions (not including the dental pilot program, which is discussed above) would cost about \$70 million over the 2009-2013 period, assuming appropriation of the specified and estimated amounts.

Personal Care Attendants. Section 212 would require VA to implement a pilot program to train and certify family caregivers of veterans and servicemembers with traumatic brain injuries (TBI) to serve as personal care attendants, and to compensate such family members for the care they would provide. The program would operate at three VA facilities for a period of three years. Based on information from VA, CBO expects that the department would use existing contracts with home health agencies to provide training and certification, that roughly 50 family members a year would become family care attendants, and the department would pay them about \$45,000 a year. CBO estimates that implementing the pilot would cost \$6 million over the 2009-2013 period.

Respite Care. Section 213 would require VA to implement a pilot program to use graduate students from schools affiliated with VA to provide respite care to veterans and servicemembers with TBI. VA has indicated that it would be unable to implement this provision, as it would violate existing agreements for academic affiliations. Therefore, CBO estimates this provision would have no cost.

Transition Assistance. Section 214 would require VA to implement a pilot program to provide grants to community-based organizations and state and local entities that provide assistance to veterans transitioning to civilian life. The program would operate in five locations for a period of two years. VA currently provides such assistance through Vet Centers. Based on information from VA regarding spending on Vet Centers, CBO estimates that implementing that pilot would cost \$6 million over the 2009-2013 period.

Caregiver Assistance. Section 222 would extend through 2009, and authorize the appropriation of \$5 million for, an existing pilot program to assist caregivers of veterans. The program provides a variety of services such as education and training, transportation,

respite care, home care services, adult-day health care (a therapeutically-oriented outpatient program that provides health maintenance and rehabilitative services), and hospice care. CBO estimates that extending that pilot program by one year would cost \$5 million over the 2009-2013 period.

Counseling for Female Veterans. Section 305 would require VA to implement a pilot program providing counseling in group retreat settings to female veterans who have recently separated after lengthy deployments, and would authorize the appropriation of \$2 million per year for 2009 and 2010 for that purpose. CBO estimates that this pilot program would cost \$4 million over the 2009-2013 period.

Child Care. Section 308 would require VA to implement a pilot program providing child care for certain female veterans who use VA medical facilities, and would authorize the appropriation of \$1.5 million per year for 2009 and 2010 for that purpose. CBO estimates that this pilot program would cost \$3 million over the 2009-2013 period.

Homeless Veterans. Title V would require VA to carry out four separate pilot programs to provide outreach and various services to homeless veterans and would authorize the appropriation of \$45 million over the 2009-2013 period for those purposes. CBO estimates that implementing those pilot programs would cost \$45 million over the 2009-2013 period.

Health Care for Female Veterans. Title III of the bill would authorize several programs targeted to women veterans. CBO estimates that implementing those provisions would cost about \$60 million over the 2009-2013 period, assuming appropriation of the authorized and estimated amounts.

Training for Mental Health Providers. Section 304 would require VA to educate, train, and certify mental health professionals who specialize in treating sexual trauma. VA has indicated that it has ongoing training for such providers through 2009; under the bill, such training would be extended permanently. Based on information from VA's Office of Mental Health Services, CBO estimates that VA would need 40 employees a year to provide training an annual cost of about \$8 million a year.

Care for Newborns. Section 309 would allow VA to provide care for up to seven days to the newborn children of female veterans who receive maternity care through the department. Based on data from VA, CBO estimates that about 2,000 babies would become eligible for such care in 2009 at an average cost of \$2,650 per baby. After adjusting for inflation and population growth—the number of female veterans of child-bearing age is expected to rise in future years—CBO estimates that implementing this provision would cost \$30 million over the 2009-2013 period.

Study on Health Consequences of Service in Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF). Section 303 would require VA to contract with an outside entity to conduct a study on the health consequences facing female OIF/OEF veterans as a result of their service. Based on information from VA, CBO estimates that implementing this provision would cost \$1 million over the 2009-2013 period.

Expanded Eligibility for Vet Centers. Section 401 would allow members of the Armed Forces, including reservists, who served in OIF/OEF to receive readjustment counseling and related services through VA's Vet Centers. Vet Centers are community-based counseling centers that provide free mental health services to combat veterans and their families. According to VA data, there are about 232 centers nation-wide, and they served roughly 165,000 veterans in 2007. In 2008, Vet Centers received \$131 million in appropriated funds.

DoD data on OIF/OEF deployments indicate that roughly 1 million servicemembers are currently or have previously been deployed and are nonveterans. After adjusting for expected separations (OIF/OEF veterans are eligible under current law) and smaller expected deployments starting in 2009, CBO estimates that of those remaining, about a third would seek mental health services. However, DoD indicates that servicemembers are already offered free on- and off-base counseling similar to that provided through Vet Centers. Therefore, CBO estimates that about 14,000 servicemembers (5 percent of those seeking mental health services) would use Vet Centers in 2009 and that the number of users would decline to about 6,000 in 2013. Using a per person cost of \$415 in 2009 (about half the expected cost for veterans) and adjusting for annual inflation, CBO estimates that implementing this provision would cost about \$24 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

Specialized Residential and Rehabilitation Care. Section 215 would require VA to contract with appropriate entities to provide specialized care to OIF/OEF veterans whose TBI are so severe that they cannot live independently and would otherwise require nursing home care. According to VA, some veterans with TBI but without sufficient family support or financial means to afford private residential care often end up in nursing homes that do not provide appropriate care. Under the bill, VA would place such veterans in specialized programs that would provide appropriate residential and rehabilitation care.

Based on information from VA regarding the number of such veterans and the cost of their care, CBO estimates that in 2009, VA would pay roughly \$84,000 for care provided to 20 veterans with TBI. After adjusting for inflation, CBO estimates that over the 2009-2013 period, VA would pay for care provided to about 50 veterans a year at an average annual cost of \$5 million, and that implementing this provision would cost \$24 million over that period, assuming appropriation of the estimated amounts.

Quality Assurance Officers. Section 210 would require VA to designate board-certified physicians as quality assurance officers in its 135 medical facilities. Under current law, VA has nurses serving in those positions. Based on information from VA, CBO expects that in most facilities the department would be able to re-allocate clinical and administrative duties to designate currently-employed physicians for those roles. However, CBO estimates that about 25 facilities would need to hire physicians at a net additional cost to the department of \$100,000 per person (the cost to replace a nurse with a physician), and that implementing this provision would cost \$14 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

Uniforms for Police Officers. Section 802 would double the uniform allowances payable to about 2,600 department police officers from \$400 for initial purchases and \$200 for recurring purchases to \$800 and \$400 respectively. CBO estimates that implementing this provision would cost about \$1 million a year over the 2009-2013 period, assuming availability of appropriated funds.

Hospice Care. Section 216 would prohibit VA from collecting copayments from veterans receiving hospice care. This prohibition would apply to care received at both inpatient and outpatient facilities. Depending upon where veterans receive hospice care, copayments range from \$15 per day to a maximum of \$97 per day. Most veterans receiving this type of care from VA are not charged copayments—only veterans whose disabilities are unrelated to their military service and whose incomes are above a certain level are required to make copayments.

Based on information from VA that fewer than 450 veterans made copayments averaging about \$800 last year for hospice care, CBO estimates that implementing this provision would decrease collections by less than \$500,000 each year and by about \$2 million over the 2009-2013 period. Those collections are recorded as offsets to discretionary appropriations. As part of the annual appropriations process, the Congress gives VA authority to spend those collections. Therefore, maintaining the same level of health care services for veterans would necessitate additional funding each year to make up for the loss of copayments under this bill. Thus, implementing this provision would cost less than \$500,000 in 2009 and about \$2 million over the 2009-2013 period.

Study on Suicides. Section 403 would require VA to conduct a study and report to the Congress on the number of veterans who died by suicide between 1997 and the date of enactment of the bill. VA would be required to coordinate with DoD, veterans service organizations, the Centers for Disease Control and Prevention, and state public health offices and veterans agencies. Based on information from VA, CBO estimates that implementing

this provision would cost \$1 million in 2009 and less than \$500,000 in 2010, assuming availability of appropriated funds.

Other Provisions. Several sections of the bill, when taken individually, would have no significant impact on spending subject to appropriation (most would have costs, but a few would have savings). Taken together, CBO estimates that implementing the following provisions would cost \$1 million a year, assuming availability of appropriated funds:

- Sections 204 would repeal a reporting requirement pertaining to nurses' pay.
- Section 205 would modify a reporting requirement pertaining to Gulf War veterans.
- Section 209 would require veterans receiving care through the department to provide their Social Security number as well as pertinent information about their coverage through other health plans. Based on information from VA, CBO estimates that under the bill the department would be able to better match patient records with those of Internal Revenue Service and the Social Security Administration, and would collect an additional \$100 each from roughly 36,500 veterans. Those additional collections of \$4 million a year would be retained by the department and spent on medical care and services.
- Section 211 would require annual reports on the quality of the department's physicians and health care.
- Section 218 would allow VA to disclose the names and addresses of veterans and servicemembers who use VA care to third-party insurers, so that VA can recover the costs of such care. Based on a VA field survey, CBO estimates that under the bill the department would collect an additional \$9 million a year. Those amounts would be retained by the department and spent on medical care and services.
- Section 219 would require an expanded study on the health impact of chemical and biological testing conducted by DoD in the 1960s and 70s.
- Section 220 would modify authority granted to VA under Public Law 110-181 to pay for care provided to veterans with TBI to conform with how VA is implementing the program under current law.
- Section 306 would require a report on full-time managers of programs for female veterans.

- Section 404 would require VA to transfer \$5 million to the Secretary of Health and Human Services for a psychology education program.
- Title VI would modify several authorities pertaining to research and education corporations and permanently extend VA's authority to establish such corporations. According to VA, those corporations are private, nonprofit entities that are prohibited from using appropriated funds and rely solely on cash or in-kind donations.

Direct Spending and Revenues

Section 801 would enhance the law enforcement authorities of VA police officers. Because those prosecuted and convicted under section 801 of the bill could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, then deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues and direct spending would not be significant because of the relatively small number of cases likely to be affected. Therefore, enacting the bill would have no significant effects on direct spending or revenues.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2969 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments that provide assistance to veterans would benefit from grant and program activities authorized in the bill.

PREVIOUS CBO ESTIMATE

On July 28, 2008, CBO transmitted a cost estimate for H.R. 6445 as ordered reported by the House Committee on Veterans' Affairs on July 16, 2008. Section 217 of S. 2969 is similar to section 6 of H.R. 5856, and their estimated costs are identical.

On May 12, 2008, CBO transmitted a cost estimate for H.R. 5856 as ordered reported by the House Committee on Veterans' Affairs on April 30, 2008. Title VII of S. 2969 is similar to H.R. 5856, but the House act would authorize funding for additional facilities and CBO estimated it would cost \$2.2 billion over the 2009-2013 period (\$1 billion more than title VII of S. 2969), assuming appropriation of the specified and estimated amounts.

On August 23, 2007, CBO transmitted a cost estimate for S. 1233, as ordered reported by the Senate Committee on Veterans' Affairs on June 27, 2007. Sections 103(a) and 216 of S. 2969 are similar to sections 601 and 309 of S. 1233 respectively. CBO estimates that the scholarship program authorized by S. 2969 would require a six-month start-up period and would grant fewer scholarships in the first year. The cost estimates for the provisions affecting hospice care are identical; however S. 2969 assumes a later enactment date.

On July 27, 2007, CBO transmitted a cost estimate for H.R. 2874 as ordered reported by the House Committee on Veterans' Affairs on July 17, 2007. Section 203 of S. 2969 is similar to section 4 of H.R. 2874. The cost estimates are identical; however S. 2969 assumes a later enactment date.

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