



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 29, 2000

H.R. 4488 **Women Vietnam Veterans' Children's Benefits Act of 2000**

As introduced on May 18, 2000

SUMMARY

H.R. 4488 would extend health care benefits, a monetary allowance, and vocational training to certain children with birth defects if their natural mothers are veterans and gave birth to them after entering the Republic of Vietnam during the Vietnam era. The bill would raise discretionary health care costs by about \$1 million a year, assuming appropriation of the necessary amounts. It would also raise mandatory costs by about \$1 million a year. Because H.R. 4488 would affect direct spending, pay-as-you-go procedures would apply.

H.R. 4488 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no significant costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

Under current law, certain children with spina bifida are eligible for benefits from the Department of Veterans Affairs (VA). H.R. 4488 would extend those benefits to certain children with other birth defects. Children with birth defects that are genetic in nature and that arise from well-known and recognized causes would not be eligible.

CBO estimates that less than 200 people would be eligible for benefits under the bill, based on information from VA and adjustments for mortality and the severity of the birth defect. Given the potential for severe birth defects, we estimate that the cost of providing health care to those individuals could total up to \$12,000 per person. As with spina bifida patients, new beneficiaries would not need to receive their health care at VA facilities, but could instead be reimbursed by VA for care received outside of the VA system. Because the health care need not be received at VA facilities, CBO expects that roughly 50 percent of those eligible would use this benefit. (If the care had to be received at VA facilities, we expect that this

percentage would be significantly lower.) CBO estimates that providing health care to these people would cost \$1 million a year, assuming appropriation of the necessary amounts.

H.R. 4488 also provides for a monthly allowance to be paid to each individual based on the severity of the disability. The bill would establish four levels of disability and associated payments that would range from \$100 a month to \$1,272 a month. For this estimate, CBO assumes that potential beneficiaries would be distributed uniformly across the four categories and that 75 percent of them would apply for and receive payments. This benefit would not be subject to appropriation, and CBO estimates that it would cost about \$1 million a year. The cost of providing vocational education under the bill would also be direct spending, but CBO estimates that those costs would be less than \$500,000 a year.

The costs of this legislation fall within budget function 700 (veterans benefits and services).

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in direct spending are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	0	1	1	1	1	1	1	1	1	1
Changes in receipts											Not applicable

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4488 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no significant costs on state, local, or tribal governments.

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