



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 23, 2009

**H.R. 3155
Caregiver Assistance and Resource Enhancement Act**

As ordered reported by the House Committee on Veterans' Affairs on July 15, 2009

SUMMARY

H.R. 3155 would authorize several programs for caregivers of disabled veterans. CBO estimates that implementing the bill would cost \$193 million over the 2010-2014 period, assuming appropriation of the estimated amounts. Enacting the bill would not affect direct spending or revenues.

H.R. 3155 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act 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. 3155 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans' benefits and services).

BASIS OF ESTIMATE

For this estimate, CBO assumes the legislation will be enacted near the start of fiscal year 2010, that the estimated authorizations will be provided near the start of each fiscal year, and that outlays will follow historical patterns for similar and existing programs.

	By Fiscal Year, in Millions of Dollars					2010- 2014
	2010	2011	2012	2013	2014	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Respite Care						
Estimated Authorization Level	6	12	25	26	27	96
Estimated Outlays	5	11	23	25	26	90
Support Services						
Estimated Authorization Level	5	11	23	24	25	88
Estimated Outlays	5	10	21	23	24	83
Stipends for Family Caregivers						
Estimated Authorization Level	2	4	8	0	0	14
Estimated Outlays	2	4	8	*	0	14
Lodging and Subsistence Benefits for Family Caregivers						
Estimated Authorization Level	*	*	1	1	1	3
Estimated Outlays	*	*	1	1	1	3
Survey						
Estimated Authorization Level	1	0	0	1	0	2
Estimated Outlays	1	*	0	1	*	2
Medical Care for Family Caregivers						
Estimated Authorization Level	*	*	1	0	0	1
Estimated Outlays	*	*	1	*	0	1
Total Changes						
Estimated Authorization Level	14	27	58	52	53	204
Estimated Outlays	13	25	54	50	51	193

Note: * = less than \$500,000.

Respite Care

Section 4 of the bill would authorize the Department of Veterans Affairs (VA) to provide respite care to family members who are caregivers of disabled veterans enrolled in the VA health care system. CBO estimates that implementing that provision would cost \$90 million over the 2010-2014 period, assuming appropriation of the necessary amounts.

Under current law, caregivers of veterans who receive medical services, hospital care, nursing home care, or domiciliary care from VA are eligible for up to 30 days of respite care. The bill would extend eligibility for that benefit to family caregivers of enrolled veterans who do not receive such care. Based on information from VA, CBO estimates that the majority of disabled, enrolled veterans who require caregivers currently receive care from VA, and that about 1,200 additional caregivers would become newly eligible for respite care in 2010 under this provision. CBO further estimates that VA would provide an average of 21 days of respite care to each caregiver—at a daily cost of \$210 in 2010—for a cost of \$5 million that year. After adjusting for inflation and gradual implementation of the program, CBO estimates that by 2014 about 5,100 caregivers would receive respite care at a cost of \$26 million.

Support Services

Several provisions in section 2 would require VA to provide various support services to caregivers of disabled veterans enrolled in the VA health care system and to individuals who provide support to those caregivers, such as counselors and providers of respite or nursing care. CBO estimates that implementing those provisions would cost \$83 million over the 2010-2014 period, assuming appropriation of the necessary amounts.

Under the bill, VA would be required to:

- Provide education and training sessions on caring for disabled veterans,
- Establish an educational website to provide information on caring for disabled veterans and on other federal and private entities that support caregivers, and
- Inform disabled veterans and their families about its support services.

VA has indicated that it would provide the required education and training sessions primarily through telehealth programs; caregivers would be able to access pre-recorded presentations through community-based outpatient clinics. Additional training would be provided a few times each year at VA's 153 medical centers. Based on information from VA, CBO estimates that in 2010 the department would provide training to about 4,400 caregivers at a cost of \$1,000 per person. Total costs for that year would be \$4 million. After adjusting for inflation and gradual implementation of the program, CBO estimates that by 2014 about 17,400 caregivers would receive training at a cost of \$22 million that year. Costs to establish a Web site and conduct outreach would total between \$1 million and \$2 million a year, CBO estimates.

Stipends for Family Caregivers

Section 2 also would require VA to pay a stipend to caregivers of certain veterans. CBO estimates that implementing that provision would cost \$14 million over the 2010-2014 period, assuming appropriation of the necessary amounts.

Under the bill, VA would pay a monthly stipend to family members who care for certain veterans of Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF). The bill specifies that those veterans must have a severe illness or disability connected to their military service, be unable to perform activities of daily living (such as bathing, feeding, and dressing), and require caregiver services to such an extent that without those services, they would require care in an institutional setting (such as a hospital or nursing home). The program would end in 2012.

Based on data from VA on the number of covered veterans and from the Bureau of Labor Statistics on average hourly pay for home healthcare aides, CBO estimates that in 2010, VA would pay 50 family caregivers a stipend of \$3,500 a month (an hourly rate of \$10.50 for an average of 340 hours a month), for a cost of \$2 million in 2010. After adjusting for gradual implementation of the program over the 2010-2012 period and for inflation, CBO estimates that the number of family caregivers receiving stipends would grow to 180 in 2012, at a cost of \$8 million in that year.

Lodging and Subsistence Benefits for Family Caregivers

Section 6 would authorize VA to pay transportation, lodging, and subsistence expenses of family caregivers of certain OIF/OEF veterans, on the same basis as those expenses are paid for such veterans. Over the 2010-2014 period, CBO estimates that implementing this provision would cost \$3 million, assuming appropriation of the necessary amounts.

The population eligible for this benefit is identical to the population eligible for the monthly stipends under section 2; however, CBO estimates that in any given year about 75 percent of veterans would travel to VA facilities with their caregiver. CBO estimates that caregivers would either travel in the same vehicle with the veteran or would be deemed medically necessary attendants; VA is authorized under current law to pay transportation expenses in those instances.

Lodging and subsistence expenses of caregivers are not reimbursable under current law. Based on information from VA, CBO estimates that in 2010 VA would reimburse \$3,900 each to 35 family caregivers (an average per diem rate of \$130 for 30 days a year), for a

cost of less than \$500,000 in 2010. After adjusting for gradual implementation of the program over the 2010-2012 period and for inflation, CBO estimates that the number of family caregivers receiving reimbursements would grow to 135 by 2012, at an annual cost thereafter of \$1 million.

Survey

Section 7 would require VA to design and conduct a survey of veterans' caregivers, once within a year of enactment of the bill and a second time over the following three-year period. Based on information from VA, CBO estimates that implementing that provision would cost \$2 million over the 2010-2014 period, assuming the availability of appropriated funds.

Medical Care for Family Caregivers

Section 5 would authorize VA to provide medical care to family caregivers of certain OIF/OEF veterans, if such caregivers are not covered under other health plans. The program would end in 2012. CBO estimates that implementing the provision would cost \$1 million over the 2010-2014 period, assuming availability of the necessary amounts.

The population eligible for this benefit also is similar to the population eligible for the monthly stipend under section 2; however, CBO estimates that only half the caregivers would be eligible (i.e. would not be covered under other health plans) and would seek medical care from VA. Based on information from VA on the cost of health care it provides to non-veterans, CBO estimates that in 2010 they would provide medical care to 25 family caregivers at an average cost of \$6,000 each. After adjusting for inflation and gradual implementation of the program, CBO estimates that the number of family caregivers receiving medical care would grow to 90 by 2012, at a cost of \$1 million over the 2010-2014 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3155 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

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