



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 15, 2013

S. 851
Caregivers Expansion and Improvement Act of 2013
*As ordered reported by the Senate Committee on Veterans' Affairs
on July 24, 2013*

SUMMARY

S. 851 would expand eligibility for the Family Caregivers program administered by the Department of Veterans Affairs (VA). CBO estimates that implementing the bill would cost \$9.5 billion over the 2014-2018 period, assuming appropriation of the estimated amounts. Enacting S. 851 would not affect direct spending or revenues; therefore, pay-as-you go procedures do not apply.

S. 851 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. 851 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars					2014- 2018
	2014	2015	2016	2017	2018	

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	571	1,436	2,502	2,610	2,720	9,839
Estimated Outlays	510	1,337	2,375	2,577	2,693	9,492

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2014, that the necessary amounts will be appropriated for each year, and that outlays will follow historical spending patterns for similar and existing programs.

Under the Family Caregiver program, VA provides several benefits (a stipend, health care, training, and respite care) to caregivers of eligible veterans. Veterans who have a service-connected disability incurred on or after September 11, 2001, and are in need of personal care services are eligible for that program. S. 851 would expand the Family Caregiver program to provide those same benefits to caregivers of all such veterans, regardless of when they served.

Based on information from VA on the current level of participation in the program, CBO estimates that under the bill about 70,000 additional caregivers would become eligible for the program. CBO further estimates that the expanded program would be implemented gradually, with 17,000 caregivers receiving stipends in 2014, growing to the full 70,000 by 2016.

Under the Family Caregiver program, a stipend is provided to the veteran's primary caregiver. That stipend amount varies based on the amount and the degree of care needed. For the current program, benefits per primary caregiver total \$25,000, on average. CBO expects that this bill would open up the caregiver program to an older population with greater need for home assistance. As a result, CBO estimates higher average costs of roughly \$33,000 in 2014 (those costs would be adjusted for inflation throughout the projection period). Thus, CBO estimates that implementing S. 851 would cost \$510 million in 2014 and \$9.5 billion over the 2014-2018 period, assuming appropriations of the necessary amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 851 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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