

**H.R. 1527, Long-Term Care Veterans Choice Act**

As ordered reported by the House Committee on Veterans' Affairs on March 12, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	222	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 1527 would authorize the Department of Veterans Affairs (VA) to pay for up to 900 veterans with severe service-connected disabilities to live in medical foster homes. A medical foster home—an alternative to a nursing home—is a private home in which a trained caregiver provides services to a few people. That authority would take effect at the start of fiscal year 2021 and would expire after three years.

VA currently inspects and approves medical foster homes to care for veterans. The department provides case management and home-based health care to veterans in those homes. Those veterans pay for their room and board. H.R. 1527 would authorize VA to pay for those living expenses as well. CBO expects that once veterans are placed in medical foster care under the program, VA would continue to pay for their expenses in those facilities as long as they continue to reside there; thus, costs for the program would continue after 2023 (see Table 1).

**Table 1.  
Estimated Increases in Spending Subject to Appropriation Under H.R. 1527**

	By Fiscal Year, Millions of Dollars						2020-2025
	2020	2021	2022	2023	2024	2025	
Estimated Authorization	0	36	43	52	51	50	232
Estimated Outlays	0	32	41	50	50	49	222

According to VA, providing case management and health care at medical foster homes costs an average of \$17,200 more per person than providing those same services in VA medical facilities. (VA would provide health care to severely disabled veterans regardless of where they live.) Annual costs for living expenses at the homes average \$46,000 per person. Thus, costs for residency in those homes would total \$63,200 per resident each year.

CBO estimates that 300 of the 900 veterans who would receive care through the program are current residents of medical foster homes. Those residents currently receive case management and home-based health care from VA. Additional costs for living expenses for those current residents would average \$14 million each year, CBO estimates.

An additional 600 veterans would become residents of VA-funded medical foster homes as a result of the bill's enactment. Case management, home-based health care, and living expenses for those new residents would average \$38 million each year, CBO estimates.

After accounting for inflation, mortality rates, and the time needed for VA to identify veterans for the program and to place them in medical foster homes, CBO estimates that implementing this bill would cost \$222 million over the 2020-2025 period; that spending would be subject to the appropriation of the necessary amounts.

The CBO staff contact for this estimate is Ann E. Futrell. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.