

At a Glance

H.R. 3967, Honoring our PACT Act of 2021

As ordered reported by the House Committee on Veterans' Affairs on June 24, 2021

By Fiscal Year, Billions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	10.1	84.9	281.5
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	10.1	84.9	281.5
Spending Subject to Appropriation (Outlays)	1.6	38.4	146.8

Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	> \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Increase disability compensation and expand health care services for a larger group of veterans who were exposed to toxic substances or served in certain locations during their military service
- Increase the number of veterans without service-connected disabilities who can receive health care from the Department of Veterans Affairs
- Require several studies and reports on veterans' toxic exposures during military service

Estimated budgetary effects would mainly stem from

- Increased disability compensation and increased health care costs for certain veterans
- Operating costs and administrative costs for processing disability compensation claims and implementing the bill's other provisions

Areas of significant uncertainty include

- Estimating the number of veterans affected by the bill and the changes in their disability ratings
- Anticipating the number and prevalence of disabilities presumed to be connected to military service
- Estimating the number of veterans who would receive additional health care

Detailed estimate begins on the next page.

Bill Summary

H.R. 3967 would increase disability compensation and health care benefits administered by the Department of Veterans Affairs (VA) for veterans who have been exposed to toxic substances, materials, or environments during military service. In the future, veterans who developed conditions linked to toxic exposure also would receive those benefits. Survivors of veterans whose disabilities were caused by toxic exposure would receive additional compensation and access to health care under the bill. Veterans and survivors who had previously been denied compensation for certain conditions would receive retroactive payments. H.R. 3967 also would increase access to other VA benefits, including education assistance and home loan guarantees for some of those veterans and their dependents. Finally, the bill would require VA to conduct studies, prepare reports, and conduct outreach. In total, CBO estimates, enacting H.R. 3967 would increase direct spending by \$282 billion and increase spending subject to appropriation by \$147 billion over the 2022-2031 period.

Estimated Federal Cost

The estimated budgetary effects of H.R. 3967 are shown in [Table 1](#) (all tables are at the end of this estimate). The costs of the legislation fall within budget function 700 (veterans' benefits and services).

Basis of Estimate

For this estimate, CBO assumes that the estimated amounts will be appropriated each year, that outlays will follow historical spending patterns for affected programs, and that H.R. 3967 will be enacted in fiscal year 2022. Most provisions would take effect upon enactment.

Direct Spending

The bill would make several changes to VA's benefit programs that affect direct spending.

Disability Compensation. VA ordinarily compensates veterans who have disabilities or diseases that have been determined on the basis of military medical records and physical examinations to be connected to military service. Disabilities are rated by severity; higher ratings make veterans eligible to receive more compensation.

Under H.R. 3967, VA would be required to presume that veterans with certain medical conditions developed them as a result of exposure to toxic substances during military service. Some veterans who have disabilities and who served in locations specified in the bill also would receive disability compensation and access to the VA health care system. The bill also would require VA to reevaluate any previously denied claims for disability compensation whenever a new presumption is established. That requirement would apply to any



presumption that a disability or condition is service-connected that would be established by the bill, and future presumptions established by VA.

CBO analyzed the bill's provisions to determine the types of conditions or disabilities that would be presumed to have been caused by military service. CBO used prevalence rates for those conditions obtained from sources such as the Centers for Disease Control and Prevention to estimate the number of veterans who would be likely to have those conditions. CBO used data on age ranges and periods of service to estimate both the percentage of veterans currently receiving compensation (who thus would be likely to receive increased compensation) and the percentage who would receive compensation for the first time under H.R. 3967. Using information from VA, CBO estimated how many potentially eligible veterans would apply for compensation and projected when veterans would begin to receive new or increased disability compensation. To estimate caseloads and benefit amounts that would arise from the requirement to reevaluate previously denied claims, CBO used information from VA on such denials, information on how long ago, on average, those claims were denied, and on the severity of the condition being established. Finally, CBO accounted for mortality among the affected group when estimating how many veterans would continue to receive compensation under the bill over the 2022-2031 period. CBO used the estimated number of veteran deaths to determine how many new survivors of deceased veterans would receive compensation under the bill.

According to CBO's baseline budget projections, 5.4 million veterans—or 30 percent of the nation's nearly 19 million veterans—will receive disability compensation in fiscal year 2022. CBO projects that number will rise, reaching 6.1 million in 2031. Using information from VA, the Department of Defense, and medical and scientific organizations, CBO estimates that about 100,000 additional veterans would begin receiving compensation in 2022 under the bill. By 2031, almost 2 million more veterans would receive disability compensation, relative to current law. That figure represents an increase of 32 percent over CBO's baseline projection for 2031.

Under the bill, veterans who currently have or will have service-connected disabilities would be determined to have additional disabilities and thus would receive additional compensation. CBO estimates that 200,000 veterans who already get disability compensation would receive increased amounts in 2022, and that 1.6 million would receive increased compensation by 2031. Some veterans who receive a new disability rating under one provision of H.R. 3967 may receive additional compensation under other provisions. Thus, the total number of veterans affected by the bill is less than the sum of veterans who would newly receive compensation and those who would receive additional compensation.

CBO estimates that under the bill about 17,000 additional survivors of totally disabled veterans or veterans who die from service-connected disabilities caused by toxic exposure



would receive survivor compensation in 2022; the number of such survivors would increase to 110,000 by 2031.

CBO estimates that VA would pay retroactive benefits to 1.2 million veterans whose claims were denied, and to about 70,000 survivors of deceased veterans. CBO expects those payments to be made within five years of a new presumption's establishment.

Disability and survivor compensation is paid from mandatory appropriations; as a result, enacting H.R. 3967 would increase direct spending. In total, higher disability compensation would increase direct spending by \$279.6 billion over the 2022-2031 period, CBO estimates (see [Table 1](#)).

Other Mandatory Benefits. Under current law, veterans who receive disability compensation also may be eligible for readjustment benefits from VA, including educational assistance, job training, and independent-living services for veterans who have service-connected disabilities that limit or prevent them from working. Education assistance benefits also are available to dependents of veterans who are permanently and totally disabled and to survivors of those who have died as a result of a service-connected disability. Additionally, eligible borrowers who obtain a VA-guaranteed home loan are exempted from paying fees for the guarantee if they have a service-connected disability or if they are the spouse of a veteran who dies as a result of such a disability. Using information from VA about trends for those programs and average costs for benefits, CBO estimates that those mandatory benefits under the bill would cost \$1.8 billion over the 2022-2031 period.

Spending Subject to Appropriation

Implementing H.R. 3967 would increase spending for VA health care and for the operating costs of processing disability claims, training staff, conducting studies, and preparing reports. Spending for those activities is discretionary and would be subject to appropriation of the estimated amounts.

Health Care. Under current law, eligible veterans who enroll in VA's health care system are assigned to priority groups primarily on the basis of whether they have one or more service-connected disabilities and on the severity of those disabilities. Veterans without service-connected disabilities also can receive health care from VA, depending on their income and other benefits they receive. Assignment to a priority group affects access to health care and is used to determine out-of-pocket costs. Veterans with service-connected disabilities receive the highest priority for medical treatment. In general, VA's costs to provide care are higher for veterans in higher priority groups. Veterans in those priority groups pay less out of pocket—or pay nothing at all. Some also can receive additional benefits, such as transportation subsidies for medical appointments. Veterans in the highest priority groups are more likely than those in lower groups to enroll in and use VA health benefits and services.



The bill would provide health care benefits to veterans who were exposed to toxic substances during their service even if they do not have a service-connected disability as a result of that exposure. Some veterans would become newly eligible for care in the VA system, and others who will be eligible for care under current law would be moved to a higher priority group. Some veterans would be determined to have a service-connected disability that would place them in a higher priority group. CBO expects that veterans who became newly eligible or were moved into a higher priority group would receive more care from VA.

Using information from VA, CBO estimated the number of the affected veterans in two categories. The first consists of veterans who would newly enroll in the VA health care system; the other group consists of veterans who enroll and receive health care from VA under current law. CBO made additional population adjustments over the 10-year period to those cohorts on the basis of such factors as Medicare eligibility, expected mortality, and changes in the projected demand for VA health care. On the basis of information from VA on average costs of care by priority group, CBO estimated the average costs of additional care and applied that to the affected populations. CBO expects that reliance on VA health care among veterans affected by H.R. 3967 would increase gradually and that the full cost of care would phase in over a period of several years.

Survivors of veterans with service-connected disabilities caused by toxic exposure are eligible to enroll in the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), a health insurance plan. To determine the incremental cost for new CHAMPVA beneficiaries, CBO used mortality rates to estimate the number of deaths among veterans who would be determined to have service-connected disabilities under the bill.

CBO anticipates that under current law, almost 9 million of the nation's roughly 19 million veterans will be enrolled in VA's health care system in fiscal year 2022. H.R. 3967 would increase that number by about 1.4 million over the next 10 years because of new eligibility or placement in a higher priority group. By 2031, CBO estimates, the bill would increase the total number of veterans receiving VA health care by 15 percent.

CBO also estimates that some veterans who are enrolled or will enroll in the VA health care system under current law would be moved to a higher priority group under the bill. On the basis of data on participation rates in the VA health care system, CBO estimates that each year, on average, 740,000 of those veterans would be placed in a higher priority group and continue to receive additional care over 2022-2031 period. About 12,000 additional survivors of veterans with service-connected disabilities would use CHAMPVA benefits in 2022; that number would increase to about 79,000 new beneficiaries by 2031.

CBO estimates that total spending for VA health care would increase by \$136.1 billion over the 2022-2031 period, assuming appropriation of the estimated amounts.

Operating Costs. CBO estimates that the department would require significant resources to implement the bill. VA would require additional staff and resources, including information technology resources, to process millions of claims for disability compensation. Other provisions of the bill would require VA to study veterans' toxic exposures, train staff, and produce reports. In total, satisfying those requirements would cost \$10.8 billion over the 2022-2031 period, CBO estimates.

Components of the Bill

CBO estimated the costs of H.R. 3967 in nine components. Some affect each of the four cost categories described above. Other components affect one or two of those categories. This estimate accounts for interactions among the bill's components.

Title I. Expansion of Health Care for Toxic Exposure Veterans

Title I would expand eligibility for VA health care to veterans who had service-connected environmental exposures to toxic substances, chemicals, or airborne hazards, or who participated in activities during their military service that carried a risk of exposure, regardless of whether they have a service-connected disability.

Veterans who participated in an activity or were in locations that result in an entry in the Individual Longitudinal Exposure Record would qualify under the bill as having been exposed. (That record is used by VA and the Department of Defense to track service members' potential environmental exposures to toxic substances.) The Secretary of Veterans Affairs also would have the authority to identify other qualifying exposures.

CBO expects that under title I, 50 percent of the veteran population not previously eligible for VA health care would become eligible; many of those veterans eventually would enroll in the VA health care system. CBO also expects that the bill would change eligibility for 50 percent of veterans who will be eligible under current law to enroll in a lower priority group (for veterans with high household income). Those veterans would become eligible for a higher priority group (and for free care or reduced copayments) for certain types of care.

Some veterans who would become newly eligible under title I would subsequently be placed in a higher priority group after receiving a new disability rating under title II, III, or IV. The health care costs for those veterans are accounted for under title I until the time they would be expected to receive the new rating. At that point, the higher costs for their care are accounted for in the estimate for the other title.

CBO estimates that under H.R. 3967, about 69,000 veterans would newly enroll in the VA health care system in 2022; by 2026, that number would increase to 896,000. By 2031, the size of the group would fall to 260,000 as some veterans qualify for health care under other provisions of the bill. Some of the decline arises from a projected 15 percent reduction projected in the number of living veterans over the next decade. On the basis of health care



costs for current enrollees, CBO estimates that, on average, newly enrolled veterans would receive \$7,400 in VA health care each year.

CBO estimates that in 2022, about 837,000 veterans who are enrolled or will enroll in VA health care under current law would be eligible for a higher priority group under title I of the bill. By 2031, that number would decline to 140,000 veterans as some veterans become eligible for a higher priority group because they receive a disability rating as a result of other provisions of the bill. Some of the decline is caused by the projected reduction in the number of living veterans. On average, those veterans would receive about \$900 more in health care per year because their use of health care would increase and their copayments would be lower.

After accounting for the gradual enrollment of new beneficiaries and additional health care cost of current beneficiaries, CBO estimates that health care costs under title I would total \$41.4 billion over the 2022-2031 period, (see [Table 2](#)). Such spending would be subject to appropriation.

Title II. Toxic Exposure Presumption Process

Title II would establish a new process for determining whether a medical condition or disability is attributable to a veteran's service-connected exposure to a toxic substance or activity. Under title II, a committee composed of members appointed by the Congress, including health experts and at least one representative from a veterans' service organization, would recommend that a board of experts study certain exposures to toxic substances to determine whether a link could be found to a medical condition or disability. The findings would be presented to VA, which could use the information to determine whether to presume that the disability is service-connected. VA would have 60 days from receiving a recommendation to make a determination. If the department determines that a presumption of service connection is warranted, it would have to issue final regulations to implement the decision within 180 days.

Similar processes have been used for other toxic exposures—notably for conditions associated with exposure to Agent Orange. CBO anticipates that under title II, VA would establish new presumptive exposures and conditions. After an initial review and time to implement the process and conduct the initial studies, CBO expects that starting in 2024, VA would establish a presumption of exposure for one condition a year.

Using the total prevalence rate of conditions associated with exposure to Agent Orange as a basis, CBO estimated a rate of 2 percent for each new condition and applied that rate to the total veteran population estimated to be living in each year, minus those already eligible for the presumption of exposure to Agent Orange. The result was an estimated number of veterans who could newly receive compensation or who would be eligible for payments in addition to amounts they will receive under current law. A new group of survivors also



would receive payments under title II. CBO also expects that H.R. 3967's requirement that VA reevaluate previously-denied claims would apply to title II, and that some veterans and survivors would receive retroactive benefits related to each new condition added. In total, CBO estimates, enacting title II would increase direct spending by \$126.9 billion over the 2022-2031 period and increase spending subject to appropriation by \$40.0 billion over the same period (see [Table 3](#)).

Mandatory Spending. CBO estimates that the first presumption of service-connected exposure established in 2024 would result in about 17,000 additional veterans receiving compensation in that year. That number would rise in subsequent years as more veterans receive a disability rating from that presumption. New presumptions added in 2025 and later years would further increase the numbers of veterans who would newly receive disability compensation.

CBO estimates that by 2031, about 925,000 additional veterans would be receiving compensation as a result of additional presumptions added under title II. On average, those veterans would receive \$14,100 per year over the 2024-2031 period. About 32,000 veterans who will receive compensation under current law would receive additional payments in 2024, and that by 2031 that number would increase to 810,000 veterans. On average, those veterans would receive an additional \$11,900 per year. CBO further estimates that by 2031, an additional 50,000 survivors of veterans with service-connected disabilities would receive compensation of \$20,000 per year, on average.

Finally, CBO estimates that about 605,000 veterans would receive retroactive payments of about \$50,000, as a result of the requirement to reevaluation previously denied claims. Additionally, 43,000 survivors would receive retroactive payments averaging about \$25,000. Most of those survivors who become eligible for compensation also would receive ongoing payments that would average \$20,000 per year over the budget window.

All told, CBO estimates, compensation arising from the new process would increase direct spending by \$126.2 billion over the 2022-2031 period. Of that amount, \$36.7 billion would arise from the requirement to reevaluate previously denied claims.

Other mandatory VA benefits, such as education assistance and fee-exempt loan guarantees, would increase under title II. As more veterans receive compensation, more of them and their dependents would become eligible for those benefits. Other mandatory spending would total \$0.7 billion over the 2022-2031 period.

Discretionary Spending. Because more veterans would receive disability ratings under H.R. 3967, some of those veterans and certain dependents would be assigned to the highest priority groups and thus become eligible to receive additional health care benefits at no charge or with very small copayments. They also could be eligible for transportation subsidies and for long-term care and dental care from VA.



CBO estimates that about 9,000 additional veterans would newly enroll in the VA health care system in 2024, and that by 2031, about 517,000 additional veterans would enroll as a result of new eligibility or assignment to a higher priority group for care. On the basis of health care costs for current enrollees, on average, VA health care for those veterans would cost \$11,500 per year.

CBO estimates that in 2024, about 4,000 veterans who will be enrolled in the VA health care system under current law would be moved to a higher priority group. By 2031, that number would increase to 230,000 veterans. On average, those veterans would receive about \$7,000 in additional care each year.

By 2031, an additional 36,000 survivors of disabled veterans would use CHAMPVA benefits, at a cost of \$5,000 per year, on average, CBO estimates.

After accounting for the gradual enrollment of new beneficiaries and additional health care costs for current beneficiaries, CBO estimates that health care costs under title II would total \$35.4 billion over the 2022-2031 period. VA also would need additional resources to implement the new presumption process. Using information from VA, CBO estimates that the operating costs for implementation and for processing disability claims would total \$4.7 billion over the 2022-2031 period.

Title III. Improving the Establishment of Service Connection Process for Toxic Exposed Veterans

Title III would require VA to presume that veterans have had service-connected exposures if the Individual Longitudinal Exposure Record indicates evidence of an exposure, or if they served in a location or under an assignment that would make exposure likely. Veterans who served in certain locations also would be presumed to have been exposed to substances listed in the bill. CBO estimates that title III would increase direct spending by \$46.3 billion over the 2022-2031 period and increase spending subject to appropriation by \$21.9 billion over the same period (see [Table 4](#)).

Mandatory Spending. To estimate the number of veterans who would newly receive disability compensation under title III, CBO used information from VA, including information on the number of claims VA denied for service-connected disabilities associated with exposure to toxic substances.

CBO estimates that by 2031, 6 percent more veterans would receive compensation than under current law, and 4 percent more would have their disability ratings increased.

Another 19,000 veterans would receive compensation in 2022; that number would rise to 352,000 by 2031. Those veterans would receive, on average, \$13,800 per year in compensation payments over the 2022-2031 period. In 2022, 8,000 veterans who will receive compensation under current law would receive additional compensation under title III. By



2031, that number would reach 255,000. On average, those veterans would receive \$11,700 in additional compensation over the 2022-2031 period. By 2031, an additional 16,000 survivors of disabled veterans would receive annual compensation of \$20,000, on average.

About 93,000 veterans would receive retroactive payments for previously denied claims averaging \$50,000, and about 6,000 survivors would receive retroactive payments averaging \$25,000. CBO expects that those retroactive payments would be made over the 2022-2026 period. Most of the survivors who get retroactive compensation also would receive ongoing payments that would average \$20,000 per year over the budget window.

In total, CBO estimates, compensation payments would increase direct spending by \$45.7 billion over the 2022-2031 period. Of that amount, \$5.6 billion would arise from the requirement to reevaluate previously denied claims.

Spending for other mandatory VA benefits, such as education assistance and fee-exempt loan guarantees, also would increase under title III. As more veterans receive compensation, more of them and their dependents would become eligible for those benefits. CBO estimates that those other mandatory costs would total \$0.6 billion over the 2022-2031 period.

Discretionary Spending. More veterans would receive disability ratings under H.R. 3967 and some of them would be assigned to the highest priority group. As a result, they would be eligible either for free health care or for reduced copayments and for additional benefits, including transportation subsidies and access to long-term care and dental care from VA. Some dependents also would be newly eligible for certain health care benefits.

CBO estimates that under title III, about 10,000 additional veterans would newly enroll in the VA health care system in 2022, and that by 2031, about 197,000 additional veterans would enroll as a result of new eligibility or assignment to a higher priority group. Using health care costs for current enrollees, those veterans would receive, on average, an estimated \$13,500 in health care from VA each year.

CBO expects that in 2022, about 5,000 veterans who will be enrolled in the VA health care system under current law would be placed in a higher priority group under title III. By 2031, that number would increase to 87,000 veterans. On average, those veterans would receive about \$8,800 in additional care each year.

CBO estimates that by 2031, an additional 12,000 survivors of disabled veterans would use CHAMPVA benefits at a cost of \$5,000, on average, per year.

After accounting for the gradual enrollment of new beneficiaries and additional health care costs for current beneficiaries, CBO estimates that health care costs under title III would total \$20.6 billion over the 2022-2031 period.



VA would require additional resources to process disability claims under title III. Using information from VA, CBO estimates that those increased costs would total \$1.3 billion over the 2022-2031 period.

Title IV. Expansion of Presumptions of Service Connection for Forgotten Veterans

H.R. 3967 would establish presumptions of exposure for veterans who served in several locations listed in the bill.

Section 401. Enewetak Atoll. Section 401 would establish a presumption of exposure for service members who participated in the cleanup of nuclear materials at Enewetak Atoll in the Pacific Ocean, a location where the United States conducted nuclear tests. Veterans who served at Enewetak Atoll between 1977 and 1980 who later developed certain cancers would receive disability compensation under this section and would be eligible for additional VA health care. CBO estimates that under section 401, about 500 veterans and survivors of deceased veterans would receive compensation and about 300 would receive increased health care from VA. Using information from VA on previously denied claims, CBO estimates 14 veterans would receive retroactive payments. In total, section 401 would increase direct spending by \$116 million and increase spending subject to appropriation by \$34 million over the 2022-2031 period (see [Table 5](#)).

Section 402. Palomares. Section 402 would establish a presumption of service connection for veterans who participated in the cleanup of a nuclear incident in Palomares, Spain, between January 1966 and March 1967 following an incident in 1966, when several U.S. nuclear weapons were released after two planes collided. Service members who participated in the response and cleanup who later developed certain cancers would receive disability compensation under this section and become eligible for additional VA health care. CBO estimates that under section 402 about 150 veterans and survivors of deceased veterans would receive compensation and about 100 would receive increased health care from VA. Using information from VA on previously denied claims, CBO estimates three veterans would receive retroactive payments. In total, section 402 would increase direct spending by \$29 million and increase spending subject to appropriation by \$8 million over the 2022-2031 period (see [Table 6](#)).

Section 403. Agent Orange. Under current law, veterans who served in the Republic of Vietnam or its territorial seas between January 1962 and May 1975 are eligible for a presumption of exposure to the herbicide Agent Orange, which VA presumes caused several medical conditions and disabilities. Section 403 would include veterans who served in Thailand, Laos, Cambodia, Guam, American Samoa, and Johnston Atoll during periods specified in the bill as service members who would be presumed to have been exposed to Agent Orange. CBO expects that those veterans would receive retroactive payments for previously denied Veterans who served in those locations also would be eligible for compensation for conditions added by section 404, as described below. Section 403 would



expand eligibility for certain veterans for increased VA health care, regardless of whether the veteran had a condition associated with exposure to Agent Orange. CBO estimates that under section 403, about 50,000 veterans and survivors of deceased veterans would receive compensation and about 20,000 would receive increased health care from VA. Of those beneficiaries, 18,000 veterans and 2,000 survivors would receive payments for previously denied claims. In total, section 403 would increase direct spending by \$6.9 billion and increase spending subject to appropriation by \$2.8 billion over the 2022-2031 period (see [Table 7](#)).

Section 404. Hypertension. Section 404 would include exposure to Agent Orange as a presumptive cause of hypertension and of monoclonal gammopathy of an undetermined significance. Veterans who served in Vietnam or its territorial seas during the Vietnam War would be compensated if they have either condition. Using information from the Centers for Disease Control and Prevention concerning prevalence, CBO estimates that about 600,000 of the 1.6 million living veterans who served in Vietnam or its offshore waters who currently receive disability compensation have hypertension and would be eligible for increased compensation. However, CBO estimates that only about half of the veterans with hypertension would receive increased payments because not all diagnoses are considered severe enough to warrant additional compensation. Under section 404 those eligible beneficiaries would receive annual payments of \$8,300, on average, over the 2022-2031 period.

CBO also estimates that about 51,000 veterans would newly receive disability compensation in 2022 under section 404; by 2031, that number would reach 464,000 veterans. The payments would depend on the severity of the diagnosis, but on average would total \$2,500 per year. By 2031, an additional 26,000 survivors of disabled veterans would receive annual compensation of \$20,000, on average.

Veterans of the Vietnam War are eligible for retroactive payments for conditions that are later determined to be related to exposure to Agent Orange. Using information from VA on previous denials of disability claims related to hypertension among that group, CBO estimates that VA would provide retroactive payments averaging \$13,500 to about 229,000 veterans and would pay an average of \$100,000 to about 13,000 survivors of deceased veterans.

In total, CBO estimates, section 404 would increase direct spending by \$37.4 billion over the 2022-2031 period.

Some veterans who newly receive disability compensation also would receive more health care from VA. CBO estimates that about 21,000 additional veterans would newly enroll in the VA health care system in 2022, and by 2031, about 197,000 additional veterans would enroll as a result of new eligibility or assignment to a higher priority group for care. On average, those veterans would receive about \$11,000 in additional care each year. In 2022,



about 12,000 veterans who are enrolled or will enroll in the VA health care system under current law would be moved to a higher priority group. By 2031, that number would increase to 115,000 veterans. Those veterans would receive an average of \$2,300 in additional health care each year. CBO also estimates that by 2031, an additional 19,000 survivors of disabled veterans would use CHAMPVA benefits at an annual cost of \$5,000, on average.

After accounting for the gradual enrollment of new beneficiaries and additional health care costs for current beneficiaries, health care costs under section 404 would total \$18.4 billion over the 2022-2031 period. Processing disability claims would cost \$3.1 billion. In total, CBO estimates, section 404 would increase spending subject to appropriation by \$21.5 billion over the 2022-2031 period (see [Table 8](#)).

Section 405. Persian Gulf War Veterans. Under current law, veterans who served in Southwest Asia are eligible for a presumption that certain conditions, including several infectious diseases, were caused by military service as long as their symptoms appear by December 31, 2026. Section 405 would eliminate that deadline. By doing so, the bill would increase the number of veterans receiving compensation, relative to current law. Further, under section 405, those conditions would be presumed to have been caused by military service for veterans who served in Afghanistan, Israel, Egypt, Turkey, Syria, and Jordan. CBO estimates that about 23,000 veterans and survivors of deceased veterans would receive compensation and about 9,000 would receive increased health care from VA. In total, section 405 would increase direct spending by about \$750 million and increase spending subject to appropriation by \$370 million over the 2022-2031 period (see [Table 9](#)).

Section 406. Burn Pits. Under section 406, veterans who served in Afghanistan, Iraq, and other locations during designated periods would be presumed to have been exposed to toxic substances emitted from the open-air combustion of waste in burn pits. The section would require VA to provide compensation to veterans who have any of 24 listed conditions.

On August 2, 2021, VA issued a regulation specifying that it assumes that asthma, sinusitis, and rhinitis are connected to exposure to burn pits among that group of veterans. As a result, under current law, veterans who served in one of those places and develop one or more of those conditions within 10 years of completing service will be eligible for a presumption that a condition is service-connected. CBO anticipates that other veterans with those three conditions that manifest more than 10 years after discharge would receive compensation under section 406.

Development of any of the other 21 conditions listed in section 406 would be presumed to be service related for eligible veterans. CBO estimates that by 2031, about 192,000 veterans would receive a new rating under the bill. Those veterans would receive an average payment of \$15,500 per year. About 235,000 veterans would receive additional compensation averaging \$14,000 per year, and 14,000 survivors of deceased veterans would receive compensation averaging \$20,000 per year. Using information from VA on the number of



veterans who served in eligible locations and whose disability claims for conditions listed in section 406 have been previously denied, CBO estimates about 268,000 veterans and about 5,500 survivors would receive retroactive payments at an average of \$50,000 and \$160,000, respectively. CBO expects that those retroactive payments would be made over the 2022- 2024 period.

CBO estimates about 165,000 veterans and survivors of deceased veterans would receive increased health care from VA under section 406.

CBO also estimates that spending for other mandatory benefits such as education assistance and fee-exempt loan guarantees would increase. In total, section 406 would increase direct spending for compensation and other mandatory benefits by \$63.1 billion, of which \$15.7 billion would arise from the requirement to reevaluate previously denied claims. It also would increase spending subject to appropriation by \$18.8 billion over the 2022-2031 period (see [Table 10](#)).

Uncertainty

Mandatory spending under H.R. 3967 will depend on the number of veterans who receive new or increased disability compensation. CBO's estimate is highly contingent on VA's implementation of the bill, particularly the new processes specified in title II.

For this estimate, CBO anticipates that one new service-connected condition would be added each year. Under a similar process implemented under the Agent Orange Act, VA did not add a new condition every year, but in some years it added more than one. Title II concerns exposure to any substance that is deemed toxic, whereas the Agent Orange process considered exposure only to specific herbicides. If more or fewer conditions are established under the bill than CBO anticipates, the number of affected veterans could be higher or lower than estimated by CBO.

Additionally, this estimate is sensitive to the prevalence of conditions that are presumed to be caused by military service. If common conditions such as hypertension are added, costs could be higher than CBO estimates. Alternatively, if only rare conditions are added under H.R. 3967, costs could be lower.

The estimated costs of title III also are subject to considerable uncertainty, particularly regarding how VA would evaluate entries in the Individual Longitudinal Exposure Record when determining whether a disability is connected to military service. It is difficult to anticipate how much weight VA will give to such entries in adjudicating disability claims. CBO estimates that by 2031, the presumption that certain veterans were exposed to toxic substances would increase the number receiving disability compensation by about 6 percent and that about 4 percent of veterans who will receive compensation under current law will see an increase in compensation.

CBO estimates that under current law almost 40 percent of veterans will receive disability compensation; under the bill, that proportion would increase to roughly half of all veterans. If the number rose by more than CBO estimates (such that more than 50 percent of veterans have service-connected disabilities identified as a result of the bill), costs could be higher than CBO estimates. Alternatively, if fewer than 600,000 veterans—according to CBO's estimate—are affected under title III, costs would be lower.

The number of veterans and survivors who receive payments for previously denied claims is also subject to uncertainty. CBO used information on previously denied claims for disabilities connected to exposure to Agent Orange and to burn pits to estimate the number veterans who would receive retroactive payments for claims related to those exposures. CBO used similar rates and amounts to estimate the cost of reevaluating claims that would arise under other sections of the bill. If those factors are higher or lower than those estimated here, costs would differ.

Other factors, such as the amount of compensation veterans receive, also could differ from the amounts CBO estimates. Changes in those inputs also would affect costs but to a much smaller degree than would differences in the size of the affected population.

The health care costs under H.R. 3967 would depend largely on the number of veterans who would be newly eligible and assigned to a higher priority group as a result of the bill's definition of *toxic exposure*. CBO estimates that under the bill roughly 7 million veterans could be newly eligible for VA health care or could be moved to a higher priority group. CBO also estimates that 50 percent of those veterans would meet one of the broad criteria for eligibility under title I such as having an entry in the Individual Longitudinal Exposure Record. If a smaller percentage of veterans became eligible, costs would be lower. Conversely, if the percentage was larger, costs would increase.

Previous CBO Estimate

On October 26, 2021, CBO transmitted a [cost estimate for S. 3003](#), the Comprehensive and Overdue Support for Troops of War Act of 2021, as reported by the Senate Committee on Veterans' Affairs on October 19, 2021. CBO estimated that bill would increase direct spending by \$225 billion over the 2022-2031 period, and increase spending subject to appropriation by \$188 billion over the same period. Many provisions of that bill are similar or identical to provisions in H.R. 3967. However H.R. 3967 would require VA to reevaluate previously denied claims for compensation, which increases the costs for most sections of the bill compared to S. 3003. The estimated cost of title III in H.R. 3967 is lower than the cost of S. 3003 because the former bill does not require VA to give weight to lay statements about toxic exposure when evaluating disability claims. CBO also reduced discretionary costs for the estimate of title I in H.R. 3967 compared to S. 3003. CBO estimates that fewer veterans would become eligible for health care from VA under H.R. 3967 because the bill



does not explicitly expand eligibility for health care benefits to veterans with exposure to open burn pits or to veterans who have been awarded certain service medals, whereas S. 3003 includes those additional provisions for eligibility.

After CBO completed its estimate of S. 3003, VA announced an extension of the period in which veterans who served in the Persian Gulf and have certain illnesses could apply for that presumption of service connection. The period was extended from December 31, 2021, to December 1, 2026. As a result of this rulemaking, CBO's estimate of Section 405 in S. 3003 would be reduced from a \$1 billion increase in direct spending and an increase of \$600 million in spending subject to appropriation, to an estimate of \$284 million and \$171 million, respectively.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the direct spending section of [Table 1](#).

Increase in Long-Term Deficits:

CBO estimates that enacting the COST of War Act would increase on-budget deficits by more than \$5 billion in each of the four consecutive 10-year periods beginning in 2032.

Mandates: None.

Estimate Prepared By

Logan Smith (disability compensation)
Etaf Khan (Veterans Administration health care)
Paul B.A. Holland (other mandatory benefits)

Estimate Reviewed By

David Newman
Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit

Leo Lex
Deputy Director of Budget Analysis

Theresa Gullo
Director of Budget Analysis



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**Table 1.
Estimated Budgetary Effects of H.R. 3967, Honoring our PACT Act of 2021**

	By Fiscal Year, Billions of Dollars										2022- 2026	2022- 2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending Outlays^a												
Compensation	10.1	14.1	19.6	17.3	23.2	27.1	32.6	38.8	45.3	51.5	84.4	279.6
Other Mandatory Benefits	*	*	0.1	0.2	0.2	0.2	0.3	0.2	0.3	0.3	0.6	1.8
Total Direct Spending	10.1	14.2	19.7	17.5	23.4	27.3	32.8	39.0	45.6	51.8	84.9	281.5
Increases in Spending Subject to Appropriation												
Health Care												
Estimated Authorization	0.8	3.2	6.5	10.2	14.2	15.9	17.9	20.7	23.9	27.5	34.9	140.7
Estimated Outlays	0.7	2.9	6.1	9.7	13.5	15.4	17.5	20.1	23.3	26.8	32.9	136.1
Operating Costs												
Estimated Authorization	1.1	1.4	1.4	.8	1.0	1.0	1.0	1.1	1.1	1.1	5.7	11.0
Estimated Outlays	.9	1.3	1.4	.9	1.0	1.0	1.0	1.1	1.1	1.1	5.5	10.8
Total Discretionary Spending												
Estimated Authorization	1.9	4.6	8.0	11.0	15.2	16.8	18.9	21.7	25.0	28.6	40.6	151.6
Estimated Outlays	1.6	4.2	7.5	10.6	14.5	16.4	18.5	21.2	24.4	27.9	38.4	146.8
Memorandum												
Cumulative Beneficiaries, Thousands of People												
Disability Compensation^b												
New Ratings	100	334	587	774	977	1,182	1,373	1,585	1,785	1,965	n.a.	n.a.
Increased Ratings	200	374	555	645	789	940	1,095	1,264	1,443	1,608	n.a.	n.a.
Survivors of Deceased Veterans	17	22	32	42	53	62	73	84	97	110	n.a.	n.a.
Health Care												
New Enrollees	118	478	844	1,133	1,371	1,357	1,342	1,329	1,315	1,297	n.a.	n.a.
Current Enrollees	861	833	806	778	752	726	701	676	652	628	n.a.	n.a.
Survivors of Deceased Veterans	12	16	23	30	37	45	52	61	70	79	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * = between zero and \$50 million.

a. Budget authority equals outlays.

b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.



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Table 2.
Title I, Expansion of Health Care for Toxic Exposure Veterans

	By Fiscal Year, Billions of Dollars										2022-2026	2022-2031	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
Increases in Spending Subject to Appropriation													
Health Care													
Estimated Authorization	0.6	2.4	4.2	5.8	7.0	6.3	5.5	4.5	3.5	2.5	19.9	42.1	
Estimated Outlays	0.5	2.1	3.9	5.5	6.8	6.3	5.5	4.6	3.6	2.6	18.8	41.4	
Memorandum													
Cumulative Beneficiaries, Thousands of People													
Health Care													
New Enrollee	69	319	566	764	896	771	647	513	383	260	n.a.	n.a.	
Current Enrollee	837	751	661	587	510	433	360	282	209	140	n.a.	n.a.	

Components may not sum to totals because of rounding; n.a. = not applicable; * = between zero and \$50 million.



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Table 3.
Title II, Toxic Exposure Presumption Process

	By Fiscal Year, Billions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending Outlays^a												
Compensation	0	0	2.3	5.5	10.0	13.5	17.4	21.5	25.8	30.2	17.8	126.2
Other Mandatory Benefits	0	0	*	*	*	0.1	0.1	0.1	0.2	0.2	0.1	0.7
Total Direct Spending	0	0	2.3	5.5	10.0	13.6	17.5	21.7	26.0	30.3	17.9	126.9
Increases in Spending Subject to Appropriation												
Health Care												
Estimated Authorization	0	0	0.1	0.4	1.0	2.3	4.2	6.7	9.6	12.8	1.5	37.2
Estimated Outlays	0	0	0.1	0.3	1.0	2.2	4.0	6.4	9.2	12.3	1.3	35.4
Operating Costs												
Estimated Authorization	*	*	0.2	0.4	0.6	0.7	0.7	0.7	0.8	0.8	1.2	4.8
Estimated Outlays	*	*	0.1	0.3	0.6	0.6	0.7	0.7	0.8	0.8	1.0	4.7
Total Discretionary Spending												
Estimated Authorization	*	*	0.2	0.7	1.7	3.0	5.0	7.5	10.4	13.6	2.6	42.0
Estimated Outlays	*	*	0.2	0.7	1.5	2.8	4.7	7.1	9.9	13.1	2.4	40.0
Memorandum												
Cumulative Beneficiaries, Thousands of People												
Disability Compensation^b												
New Ratings	0	0	17	76	184	323	474	629	779	925	n.a.	n.a.
Increased Ratings	0	0	32	98	210	326	444	564	686	810	n.a.	n.a.
Survivors of Deceased Veterans	0	0	5	11	17	23	29	36	43	50	n.a.	n.a.
Health Care												
New Enrollees	0	0	9	41	101	177	262	349	434	517	n.a.	n.a.
Current Enrollees	0	0	4	19	46	80	118	156	194	230	n.a.	n.a.
Survivors of Deceased Veterans	0	0	4	8	12	16	21	26	31	36	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * = between zero and \$50 million.

a. Budget authority equals outlays.

b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.



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Table 4.
Title III, Improving the Establishment of Service Connection Process for Toxic Exposed Veterans

	By Fiscal Year, Billions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending Outlays^a												
Compensation	0.8	2.0	2.8	3.5	4.3	4.0	5.0	6.4	7.9	9.0	13.4	45.7
Other Mandatory Benefits	*	*	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6
Total Direct Spending	0.8	2.0	2.8	3.5	4.4	4.1	5.1	6.5	8.0	9.1	13.6	46.3
Increases in Spending Subject to Appropriation												
Health Care												
Estimated Authorization	0.1	0.2	0.6	1.0	1.5	2.1	2.7	3.5	4.4	5.4	3.4	21.5
Estimated Outlays	0.1	0.2	0.5	0.9	1.5	2.0	2.6	3.4	4.3	5.2	3.2	20.6
Operating Costs												
Estimated Authorization	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.1	0.6	1.3
Estimated Outlays	*	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.5	1.3
Total Discretionary Spending												
Estimated Authorization	0.1	0.4	0.7	1.1	1.7	2.2	2.8	3.7	4.6	5.5	4.0	22.8
Estimated Outlays	0.1	0.3	0.7	1.1	1.6	2.1	2.7	3.5	4.4	5.4	3.7	21.9
Memorandum												
Cumulative Beneficiaries, Thousands of People												
Disability Compensation^b												
New Ratings	19	57	96	112	149	185	220	273	319	352	n.a.	n.a.
Increased Ratings	8	26	45	60	84	108	135	174	222	255	n.a.	n.a.
Survivors of Deceased Veterans	1	2	4	6	8	9	11	12	14	16	n.a.	n.a.
Health Care												
New Enrollees	10	31	53	61	81	101	121	151	178	197	n.a.	n.a.
Current Enrollees	5	14	24	28	37	46	55	68	79	87	n.a.	n.a.
Survivors of Deceased Veterans	**	2	3	4	6	7	8	9	10	12	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * = between zero and \$50 million; ** = fewer than 500 beneficiaries.

a. Budget authority equals outlays.

b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.



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**Table 5.
Section 401, Enewetak Atoll**

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending Outlays^a												
Compensation	4	10	9	12	12	13	13	13	15	15	47	116
Increases in Spending Subject to Appropriation												
Health Care												
Estimated Authorization	*	1	2	3	4	4	5	5	5	6	10	35
Estimated Outlays	*	1	2	3	4	4	5	5	5	5	10	34
Memorandum												
Cumulative Beneficiaries												
Disability Compensation ^b												
New Ratings	53	165	230	239	248	254	260	264	266	267	n.a.	n.a.
Increased Ratings	18	55	77	80	83	85	87	88	89	89	n.a.	n.a.
Survivors of Deceased Veterans	28	89	125	132	138	145	151	157	163	168	n.a.	n.a.
Health Care												
New Enrollees	28	90	125	131	136	140	143	147	148	149	n.a.	n.a.
Current Enrollees	13	40	57	59	61	63	65	65	66	66	n.a.	n.a.
Survivors of Deceased Veterans	20	64	90	95	100	104	109	113	117	121	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * between zero and \$500,000.

- a. Budget authority equals outlays.
- b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.



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**Table 6.
Section 402, Palomares**

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
	Increases in Direct Spending Outlays^a											
Compensation	1	2	3	3	3	3	3	3	4	4	12	29
	Increases in Spending Subject to Appropriation											
Health Care												
Estimated Authorization	*	*	1	1	1	1	1	1	1	1	3	8
Estimated Outlays	*	*	1	1	1	1	1	1	1	1	3	8
Memorandum												
	Cumulative Beneficiaries											
Disability Compensation ^b												
New Ratings	18	53	70	68	65	62	59	56	52	48	n.a.	n.a.
Increased Ratings	6	18	23	23	22	21	20	19	17	16	n.a.	n.a.
Survivors of Deceased Veterans	15	47	64	66	67	68	69	70	70	70	n.a.	n.a.
Health Care												
New Enrollees	10	29	38	37	36	34	33	31	29	26	n.a.	n.a.
Current Enrollees	4	13	17	17	16	16	15	14	13	12	n.a.	n.a.
Survivors of Deceased Veterans	11	34	46	47	48	49	50	50	50	50	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * between zero and \$500,000.

- a. Budget authority equals outlays.
- b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.



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**Table 7.
Section 403, Agent Orange**

	By Fiscal Year, Billions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending Outlays^a												
Compensation	0.6	0.7	1.0	0.6	0.6	0.7	0.7	0.7	0.7	0.7	3.5	6.9
Increases in Spending Subject to Appropriation												
Health Care												
Estimated Authorization	*	*	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.7	2.7
Estimated Outlays	*	*	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.6	2.6
Operating Costs												
Estimated Authorization	*	*	*	*	*	*	*	*	*	*	.2	.2
Estimated Outlays	*	*	*	*	*	*	*	*	*	*	.2	.2
Total Discretionary Spending												
Estimated Authorization	0.1	0.1	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.8	2.8
Estimated Outlays	*	0.1	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.8	2.8
Memorandum												
Cumulative Beneficiaries, Thousands of People												
Disability Compensation ^b												
New Ratings	2	9	16	21	23	24	24	23	23	23	n.a.	n.a.
Increased Ratings	7	14	24	24	23	23	23	22	22	22	n.a.	n.a.
Survivors of Deceased Veterans	2	2	2	2	2	2	2	3	3	3	n.a.	n.a.
Health Care												
New Enrollees	1	5	9	11	13	13	13	13	13	13	n.a.	n.a.
Current Enrollees	1	2	4	5	6	6	6	6	6	6	n.a.	n.a.
Survivors of Deceased Veterans	2	2	2	2	2	2	2	2	2	2	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * between zero and \$50 million.

a. Budget authority equals outlays.

b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.



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**Table 8.
Section 404, Hypertension**

	By Fiscal Year, Billions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending Outlays^a												
Compensation	2.9	3.8	4.6	3.4	3.5	3.7	3.7	3.8	3.9	4.0	18.2	37.4
Increases in Spending Subject to Appropriation												
Health Care												
Estimated Authorization	*	0.2	0.8	1.6	2.4	2.6	2.7	2.8	2.9	3.0	4.9	19.0
Estimated Outlays	*	0.2	0.7	1.4	2.3	2.6	2.7	2.8	2.9	3.0	4.6	18.4
Operating Costs												
Estimated Authorization	0.8	0.8	0.7	0.2	0.2	0.1	0.1	0.1	0.1	0.1	2.7	3.1
Estimated Outlays	0.6	0.8	0.7	0.3	0.2	0.1	0.1	0.1	0.1	0.1	2.6	3.1
Total Discretionary Spending												
Estimated Authorization	0.8	1.0	1.5	1.8	2.6	2.7	2.8	2.9	3.0	3.1	7.6	22.1
Estimated Outlays	0.6	0.9	1.4	1.8	2.5	2.7	2.8	2.8	2.9	3.0	7.2	21.5
Memorandum												
Cumulative Beneficiaries, Thousands of People												
Disability Compensation ^b												
New Ratings	51	178	329	427	473	492	486	479	472	464	n.a.	n.a.
Increased Ratings	151	224	297	294	291	289	285	282	278	274	n.a.	n.a.
Survivors of Deceased Veterans	13	13	14	15	17	18	20	22	24	26	n.a.	n.a.
Health Care												
New Enrollees	21	74	137	179	199	207	205	203	200	197	n.a.	n.a.
Current Enrollees	12	44	81	105	117	122	121	119	117	115	n.a.	n.a.
Survivors of Deceased Veterans	9	10	10	11	12	13	14	16	17	19	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * between zero and \$50 million.

- a. Budget authority equals outlays.
- b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.



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Table 9.
Section 405, Persian Gulf War Veterans

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending Outlays^a												
Compensation	33	40	47	30	38	61	86	112	139	167	188	753
Increases in Spending Subject to Appropriation												
Health Care												
Estimated Authorization	*	2	6	13	22	34	50	67	86	106	43	386
Estimated Outlays	*	2	6	12	21	32	47	64	83	102	41	369
Memorandum												
Cumulative Beneficiaries, Thousands of People												
Disability Compensation ^b												
New Ratings	1	2	2	2	3	4	6	7	9	10	n.a.	n.a.
Increased Ratings	1	1	2	3	3	5	7	9	11	13	n.a.	n.a.
Survivors of Deceased Veterans	**	**	**	**	**	**	**	**	**	**	n.a.	n.a.
Health Care												
New Enrollees	**	1	1	1	1	2	3	4	5	6	n.a.	n.a.
Current Enrollees	**	**	**	1	1	1	1	2	2	3	n.a.	n.a.
Survivors of Deceased Veterans	**	**	**	**	**	**	**	**	**	**	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * = between zero and \$50 million; ** = fewer than 500 beneficiaries.

- a. Budget authority equals outlays.
- b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.



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**Table 10.
Section 406, Burn Pits**

	By Fiscal Year, Billions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases in Direct Spending Outlays^a												
Compensation	5.7	7.6	8.8	4.3	4.7	5.2	5.7	6.3	6.8	7.4	31.2	62.6
Other Mandatory Benefits	*	*	0.1	0.1	0.1	0.1	*	*	*	*	0.3	0.5
Total Direct Spending	5.7	7.6	8.9	4.4	4.8	5.3	5.8	6.3	6.9	7.5	31.5	63.1
Increases in Spending Subject to Appropriation												
Health Care												
Estimated Authorization	0.1	0.4	0.8	1.3	1.8	2.1	2.4	2.7	2.9	3.3	4.4	17.8
Estimated Outlays	0.1	0.3	0.7	1.2	1.7	2.1	2.3	2.6	2.9	3.2	4.2	17.2
Operating Costs												
Estimated Authorization	0.2	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2	1.6
Estimated Outlays	0.2	0.4	0.4	0.2	0.1	0.1	0.1	0.1	0.1	0.1	1.2	1.6
Total Discretionary Spending												
Estimated Authorization	0.3	0.8	1.2	1.4	1.9	2.2	2.5	2.7	3.0	3.3	5.6	19.4
Estimated Outlays	0.3	0.7	1.1	1.4	1.8	2.2	2.4	2.7	3.0	3.3	5.4	18.8
Memorandum												
Cumulative Beneficiaries, Thousands of People												
Disability Compensation^b												
New Ratings	28	89	127	136	145	155	164	173	183	192	n.a.	n.a.
Increased Ratings	34	109	156	167	178	189	200	212	223	235	n.a.	n.a.
Survivors of Deceased Veterans	1	4	6	7	8	9	10	11	13	14	n.a.	n.a.
Health Care												
New Enrollees	15	49	69	75	80	85	91	96	102	107	n.a.	n.a.
Current Enrollees	7	22	31	34	36	38	41	43	45	48	n.a.	n.a.
Survivors of Deceased Veterans	1	3	5	5	6	7	7	8	9	10	n.a.	n.a.

Components may not sum to totals because of rounding; n.a. = not applicable; * = between zero and \$50 million; ** = fewer than 500 beneficiaries.

a. Budget authority equals outlays.

b. The total number of affected veterans is smaller than the sum of veterans receiving new disability ratings and those receiving increased disability ratings.