

At a Glance

S. 141, Elizabeth Dole Home Care Act

As ordered reported by the Senate Committee on Veterans' Affairs on February 16, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	27	82
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	27	82
Spending Subject to Appropriation (Outlays)	0	51	120

Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034? Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	< \$2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
	< \$5 billion	Mandate Effects	
		Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Require VA to expand access to a non-VA provider that would furnish all-inclusive care to elderly veterans living in the community
- Require VA to update IT capabilities to assist veterans and caregivers using long-term health care and support services
- Require VA to carry out a pilot program that would provide homemaker and health aide services to veterans
- Require several reports and studies on departmental programs that provide medical and health services to elderly veterans at home and in the community

Estimated budgetary effects would mainly stem from

- Increasing payments for the care of veterans
- Increasing the number of veterans who receive care in the community
- Updating technological capabilities to assist veterans and caregivers

Areas of significant uncertainty include

- Estimating the number of veterans who would enroll in the Program of All-Inclusive Care for the Elderly

Detailed estimate begins on the next page.

Bill Summary

S. 141 would require the Department of Veterans Affairs (VA) to establish agreements with the Program of All-Inclusive Care for the Elderly to provide medical and social services to veterans who are not in nursing homes. Other provisions of the bill would require VA to improve programs that provide in-home assistance and support for caregivers of veterans. Finally, the bill would require VA to conduct several studies related to medical and health services provided in homes and in the community. In total, CBO estimates that implementing S. 141 would increase spending subject to appropriation by \$120 million and would increase direct spending by \$82 million over the 2023-2033 period.

Estimated Federal Cost

The estimated budgetary effect of S. 141 is shown in Table 1. The costs of the legislation fall within budget function 700 (veterans benefits and services).

Table 1. Estimated Budgetary Effects of S. 141													
By Fiscal Year, Millions of Dollars												2023- 2028	2023- 2033
2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033			
Increases in Spending Subject to Appropriation													
Estimated Authorization	0	6	8	13	12	12	13	13	14	14	15	51	120
Estimated Outlays	0	6	8	13	12	12	13	13	14	14	15	51	120
Increases in Direct Spending													
Estimated Budget Authority	0	2	3	7	7	8	9	10	11	12	13	27	82
Estimated Outlays	0	2	3	7	7	8	9	10	11	12	13	27	82

Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted at the end of fiscal year 2023 and that the estimated amounts will be appropriated each year. Estimated outlays are based on historical spending patterns for the affected programs.

Provisions Affecting Both Spending Subject to Appropriation and Direct Spending

S. 141 would increase costs for programs that have typically been paid from discretionary appropriations. However, some of the beneficiaries of those programs would be veterans who have been exposed to environmental hazards, and CBO expects that some of the costs of



implementing the bill would be paid from the Toxic Exposures Fund (TEF) established by Public Law 117-168, the Honoring our PACT Act. The TEF is a mandatory appropriation¹

that VA will use to pay for health care, disability claims processing, medical research, and IT modernization that benefit veterans who were exposed to environmental hazards. Thus, those provisions would increase both spending subject to appropriation and direct spending.

Additional spending from the TEF would occur if legislation increases the costs of similar activities that benefit veterans with such exposure. CBO estimates that 23 percent of such additional costs would be paid from the fund in 2023, growing to 47 percent in 2033 as costs for those activities increase over time. Those percentages are based on the amount of formerly discretionary appropriations that CBO estimated will be provided through the new mandatory appropriation as specified in the Honoring our PACT Act.¹

All-Inclusive Care for Elderly Veterans. Section 3 would require VA to partner with the Program of All-Inclusive Care for the Elderly (PACE) to provide care for veterans who are served by VA medical centers in areas also served by PACE. Through the Centers for Medicare and Medicaid Services, PACE provides health care to elderly people who do not live in nursing homes. Beneficiaries receive coordinated care from visiting health care providers, transportation, home care, prescription filling, and hospital visits. Recipients must be eligible for either Medicare or Medicaid, need nursing-home level care, and be able to safely live in the community with the help of PACE services.

There are ten regions where PACE organizations operate near VA medical centers. VA has active agreements with PACE organizations in four of them. Those organizations currently serve about 70 veterans annually, and VA pays for the long-term care portion of the PACE benefit for Medicare-eligible veterans who are not also eligible for Medicaid. CBO expects that VA would establish agreements with PACE organizations at the remaining six locations, increasing the number of veterans who use PACE. Using historical information on PACE utilization and accounting for the projected growth in Medicare-eligible veterans who enroll with VA health care, CBO estimates that VA would pay for an average of 350 veterans to use the PACE benefit each year at an average cost of \$48,000 annually.

In total, implementing section 3 would cost \$189 million over the 2023-2033 period, a portion of which would be paid from the Toxic Exposures Fund. CBO estimates that over that period, implementing the bill would increase spending subject to appropriation by \$110 million and direct spending by \$79 million.

Caregiver Support. The Veterans Health Administration offers two programs that assist caregivers of veterans. The Program of Comprehensive Assistance for Family Caregivers

1. For additional information about spending from the TEF, see Congressional Budget Office, "Statement for the Record Regarding How CBO Would Estimate the Effects of Future Authorizing Legislation on Spending From the Toxic Exposures Fund" (December 2022), www.cbo.gov/publication/58843.

(PCAFC) offers a monthly stipend, access to health insurance, mental health counseling, travel benefits, and short-term relief for someone else to take care of the veteran. The Program of General Caregiver Support Services (PGCSS) provides caregivers with skills training, one-on-one coaching, peer support, and other services.

In cases when a caregiver is determined to be ineligible for the department's caregiver support programs or loses eligibility for PCAFC or PGCSS, section 5 would require VA to determine whether the caregiver is eligible for other in-home and community-based programs. Under the bill, a support coordinator would help the caregiver transition from one program to another. In addition, the bill would require VA to regularly update the caregiver about new services. Using information from VA, CBO expects that the department would hire one full-time administrative employee and would develop a system to provide caregivers with updates about new services.

Section 6 would require VA to establish a public website that provides information and resources related to all VA programs that benefit caregivers. That website would include an assessment tool that provides extensive eligibility and participation information. It also would be updated on a regular basis.

Using information on average salaries and costs for similar information technology efforts, CBO estimates that, in total, satisfying those requirements would cost \$5 million over the 2023-2033 period, a portion of which would be paid from the Toxic Exposures Fund. CBO estimates that over that period, implementing the bill would increase spending subject to appropriation by \$4 million and direct spending by \$1 million.

In-Home Assistance. Section 7 would require VA to provide homemaker and home health aide services to veterans who reside in areas with shortages of home health aides. The 3-year program would take place in at least ten different locations, and VA could hire new nursing assistants or reassign current ones to provide such care to veterans. In 2022, the department initiated a similar program at three locations. CBO expects that program to partially satisfy the requirement of section 7.

VA reports it has had difficulty hiring and recruiting home health aides. CBO expects that VA would expand the program to seven additional locations and offer premium pay to recruit new nursing aides. CBO estimates that VA would hire five new nursing assistants for each location at an average cost of \$69,000 for salaries and travel expenses.

In total, CBO estimates that implementing the program at those additional locations would cost \$7 million over the 2023-2033 period, a portion of which would be paid from the Toxic Exposures Fund. CBO estimates that over that period, implementing the bill would increase spending subject to appropriation by \$5 million and direct spending by \$2 million.



Spending Subject to Appropriation

Spending subject to appropriation would arise from the provisions described above. In addition, the bill would require VA to conduct five studies and deliver six reports to the Congress on program management, staffing levels, and the availability of services provided in homes and in the community. Based on the costs of similar studies and reports, CBO estimates that satisfying those requirements would cost \$1 million over the 2023-2033 period; such spending would be subject to the appropriation of available amounts.

In total, implementing S. 141 would increase spending by \$120 million over the 2023-2033 period, CBO estimates. Such spending would be subject to the appropriation of the estimated amounts (see Table 2).

Table 2.
Estimated Increases in Spending Subject to Appropriation Under S. 141

	By Fiscal Year, Millions of Dollars											2023-2028	2023-2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
All-Inclusive Care for Elderly Veterans													
Estimated Authorization	0	2	5	10	12	12	13	13	14	14	15	41	110
Estimated Outlays	0	2	5	10	12	12	13	13	14	14	15	41	110
Caregiver Support													
Estimated Authorization	0	2	1	1	*	*	*	*	*	*	*	4	4
Estimated Outlays	0	2	1	1	*	*	*	*	*	*	*	4	4
In-Home Assistance													
Estimated Authorization	0	1	2	2	*	*	*	*	0	0	0	5	5
Estimated Outlays	0	1	2	2	*	*	*	*	0	0	0	5	5
Reports and Studies													
Estimated Authorization	0	1	*	*	0	0	0	0	0	0	0	1	1
Estimated Outlays	0	1	*	*	0	0	0	0	0	0	0	1	1
Total Changes													
Estimated Authorization	0	6	8	13	12	12	13	13	14	14	15	51	120
Estimated Outlays	0	6	8	13	12	12	13	13	14	14	15	51	120

* = between zero and \$500,000.

Direct Spending

The provisions described under the heading “Provisions Affecting Both Spending Subject to Appropriation and Direct Spending” would increase direct spending from the Toxic Exposures Fund by \$82 million over the 2023-2033 period (see Table 3).



Table 3.
Estimated Increases in Direct Spending Under S. 141

	By Fiscal Year, Millions of Dollars											2023-2028	2023-2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
All-Inclusive Care for Elderly Veterans													
Estimated Authorization	0	1	2	6	7	8	9	10	11	12	13	24	79
Estimated Outlays	0	1	2	6	7	8	9	10	11	12	13	24	79
Caregiver Support													
Estimated Authorization	0	1	*	*	*	*	*	*	*	*	*	1	1
Estimated Outlays	0	1	*	*	*	*	*	*	*	*	*	1	1
In-Home Assistance													
Estimated Authorization	0	*	1	1	0	0	0	0	0	0	0	2	2
Estimated Outlays	0	*	1	1	0	0	0	0	0	0	0	2	2
Total Changes													
Estimated Authorization	0	2	3	7	7	8	9	10	11	12	13	27	82
Estimated Outlays	0	2	3	7	7	8	9	10	11	12	13	27	82

* = between zero and \$500,000.

Uncertainty

CBO's spending estimate under the PACE program would depend largely on how many additional veterans elect to use the program for their health care needs. Costs would differ if that factor is higher or lower than CBO estimates.

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 Table 3.

Increase in Long-Term Net Direct Spending and Deficits:

CBO estimates that enacting S. 141 would increase net direct spending by less than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2034.

CBO estimates that enacting S. 141 would increase on-budget deficits by less than \$5 billion in any of the four consecutive 10-year periods beginning in 2034.



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A handwritten signature in black ink, appearing to read 'Phillip L. Swagel'.

Phillip L. Swagel

Director, Congressional Budget Office