Congressional Budget Office
Cost Estimate

August 15, 2025

At a Glance

H.R. 3483, Forcing Real Accountability for Unlawful Distributions Act of 2025

As ordered reported by the House Committee on Veterans' Affairs on July 23, 2025

By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	0	24	-77
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	24	-77
Spending Subject to Appropriation (Outlays)	0	101	111

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply?	Yes
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2036?	No	**Mandate Effects**	
		Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Require the Department of Veterans Affairs (VA) to develop an information technology (IT) system to detect fraudulent claims for medical services that are submitted to the agency
- Require VA to report to the Congress on the IT system's effectiveness
- Extend the reduction of pensions that VA pays to veterans and survivors residing in Medicaid nursing homes

Estimated budgetary effects would mainly stem from

- Implementing the new IT system to detect fraudulent claims
- Reducing VA pension payments

Detailed estimate begins on the next page.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

Bill Summary

H.R. 3483 would require the Department of Veterans Affairs (VA) to develop an information technology system (IT) for the purpose of detecting fraudulent claims for health care services and report to the Congress on that system's effectiveness. The bill also would extend the reduction of pension payments for veterans and survivors who reside in Medicaid nursing homes.

Estimated Federal Cost

The estimated budgetary effects of H.R. 3483 are shown in Table 1. The costs of the legislation fall within budget functions 550 (health) and 700 (veterans benefits and services).

Table 1.
Estimated Budgetary Effects of H.R. 3483

	By Fiscal Year, Millions of Dollars												
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2025-2030	2025-2035
Increases or Decreases (-) in Direct Spending													
Estimated Budget Authority	0	23	*	1	*	1	*	-39	-48	-15	1	25	-76
Estimated Outlays	0	6	14	3	1	*	*	-39	-48	-15	1	24	-77
Increases in Spending Subject to Appropriation													
Estimated Authorization	0	98	1	1	2	2	2	2	2	2	2	104	114
Estimated Outlays	0	26	58	12	3	2	2	2	2	2	2	101	111

* = between zero and $500,000.

Basis of Estimate

For this estimate, CBO assumes H.R. 3483 will be enacted near the start of fiscal year 2026 and that outlays will follow historical spending patterns for affected programs.

Provisions that Affect Spending Subject to Appropriation and Direct Spending

Section 2 of the bill would require VA to develop an IT system that would detect fraudulent claims for medical services that are submitted to the department. The system would be required to perform several functions, including analyzing claims for indications of fraud or over-use of services and estimating the cost of fraudulent claims. The bill also would require VA to periodically report on the effectiveness of the system and estimates of the savings realized from detecting fraudulent claims.

Using information on the cost of developing and maintaining similar systems at other federal agencies, CBO estimates the new IT system to detect fraud would cost $128 million. CBO further estimates that VA would require five full-time equivalent employees to maintain the

system and satisfy the reporting requirements. Salaries and benefits for each of those employees would average about $210,000 per year. In total, implementing the required fraud detection IT system would cost $138 million over the 2025-2035 period, CBO estimates.

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 appropriation that VA uses to pay for health care, disability claims processing, medical research, and IT modernization that benefit veterans who were exposed to environmental hazards. Additional spending from the TEF would occur if legislation increases the costs of similar activities that benefit veterans with such exposure. Thus, in addition to increasing spending subject to appropriation, enacting section 2 would increase amounts paid from the TEF, which are classified as direct spending.

CBO projects that the proportion of costs paid by the TEF will grow over time based on the amount of formerly discretionary appropriations that CBO expects will be provided through the mandatory appropriation as specified in the Honoring our PACT Act.[1] CBO estimates that over the 2025-2035 period, implementing section 2 would increase spending subject to appropriation by $111 million and direct spending by $27 million.

Direct Spending

In addition to $27 million in IT-related expenses that would be covered by the TEF, the bill would affect direct spending by reducing pension payments to veterans and survivors who reside in Medicaid nursing homes. Those net reductions, discussed below, would amount to $104 million. In total, the bill would reduce net direct spending by $77 million over the 2025-2035 period.

Under current law, VA reduces pension payments to veterans and survivors who reside in Medicaid nursing homes to $90 per month. That required reduction expires November 30, 2031. Section 3 would extend that reduction for nearly 26 months, through January 30, 2034. CBO estimates that extending that requirement would reduce VA benefits by $10 million per month. (Those benefits are paid from mandatory appropriations and are therefore considered direct spending.) As a result of that reduction in beneficiaries' income, Medicaid would pay more of the cost of their care, increasing spending for that program by $6 million per month. Thus, enacting section 3 would reduce net direct spending by $104 million over the 2025-2035 period.

1. For additional information about estimated spending from the TEF, see Congressional Budget Office, "Toxic Exposures Fund—January 2025 Baseline" (January 2025), https://tinyurl.com/3xjr6d3h.

Table 2.
Estimated Increases in Direct Spending Under H.R. 3483

	By Fiscal Year, Millions of Dollars												
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2025-2030	2025-2035
Pensions and Medicaid													
Estimated Budget Authority	0	0	0	0	0	0	0	-40	-48	-16	0	0	-104
Estimated Outlays	0	0	0	0	0	0	0	-40	-48	-16	0	0	-104
Information Technology Improvements													
Estimated Budget Authority	0	23	*	1	*	1	*	1	*	1	1	25	28
Estimated Outlays	0	6	14	3	1	*	*	1	*	1	1	24	27
Total Changes													
Estimated Budget Authority	0	23	*	1	*	1	*	-39	-48	-15	1	25	-76
Estimated Outlays	0	6	14	3	1	*	*	-39	-48	-15	1	24	-77

* = between zero and $500,000.

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 1.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting H.R. 3483 would not increase net direct spending by more than $2.5 billion in any of the four consecutive 10-year periods beginning in 2036.

CBO estimates that enacting H.R. 3483 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2036.

Mandates

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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