

S. 1533, a bill to amend title 38, United States Code, to make permanent and codify the pilot program for use of contract physicians for disability examinations, and for other purposes

As ordered reported by the Senate Committee on Veterans' Affairs on July 30, 2025

By Fiscal Year, Millions of Dollars	2026	2026-2030	2026-2035
Direct Spending (Outlays)	12	45	50
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	12	45	50
Spending Subject to Appropriation (Outlays)	*	5	10
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2036?	< \$2.5 billion	Statutory pay-as-you-go procedures apply? Yes	
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2036?	< \$5 billion	Contains intergovernmental mandate? No	
		Contains private-sector mandate? No	
* = between zero and \$500,000.			

S. 1533 would make changes to the laws that allow the Department of Veterans Affairs (VA) to enter into contracts with health care providers. The bill would require VA to develop a system for contracted health care providers to submit evidence to veterans' disability claims files. In addition, the bill would require VA and the Government Accountability Office to conduct reviews and issue reports. The bill also would permanently extend VA's authority to contract with providers to conduct disability examinations and expand the types of professionals with whom VA can contract.

Under current law, VA can contract with physician assistants, nurse practitioners, audiologists, and psychologists to provide disability examinations for veterans in any location in the United States, regardless of whether the providers are licensed to practice in that jurisdiction. That authority expires on January 5, 2026.

The costs of the legislation, detailed in Table 1, fall within budget function 700 (veterans benefits and services).

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



Table 1.
Estimated Budgetary Effects of S. 1533

	By Fiscal Year, Millions of Dollars										2026-2030	2026-2035	
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035			
Increases in Direct Spending													
Estimated Budget Authority	45	1	*	1	*	1	*	1	*	1		47	50
Estimated Outlays	12	27	5	1	*	1	1	1	1	1		45	50
Increases in Spending Subject to Appropriation													
Estimated Authorization	*	3	*	1	1	1	1	1	1	1		5	10
Estimated Outlays	*	3	*	1	1	1	1	1	1	1		5	10

* = between zero and \$500,000.

Direct Spending

Veterans' disability compensation is funded through a mandatory appropriation. Thus, some of the bill's requirements would affect mandatory spending. The largest effect, in CBO's estimation, would be the requirement to build and maintain a system for submitting information to veterans' claims files. The system would allow contracted health care providers to directly submit evidence that is introduced by veterans during their disability examinations. Using information from VA, CBO estimates that enacting that requirement would cost \$50 million over the 2026-2035 period.

Additionally, the bill would renew an expired requirement for VA to report to the Congress on the effectiveness, timeliness, and thoroughness of the examinations provided by contracted health care providers. Under current law, VA may use mandatory appropriations to pay for such reports. Based on the costs of previous reports, CBO estimates that enacting that provision would increase direct spending by less than \$500,000.

The bill would permanently extend VA's authority to contract with providers and expand the types of eligible providers to include any licensed health care professional. Extending and expanding VA's authority could change which providers perform exams, but it would not affect the number of veterans eligible to receive VA benefits. As a result, CBO estimates that enacting that provision would not affect direct spending for disability compensation benefits.

Spending Subject to Appropriation

The bill would require VA to conduct studies and report to the Congress about medical disability examinations performed by VA employees and contracted health care providers. The bill also would direct the Government Accountability Office to review VA's methodology for two of those studies. Using information about the cost of similar activities, CBO estimates that implementing those provisions would cost \$10 million over the 2026-2035 period; such spending would be subject to the availability of appropriated funds.



Previous CBO Estimate

On August 8, 2025, CBO transmitted a [cost estimate for H.R. 3951](#), the Rural Veterans' Improved Access to Benefits Act of 2025, as ordered reported by the House Committee on Veterans' Affairs on July 23, 2025. Section 1 of S. 1533 is similar to section 2 of H.R. 3951: Both bills would extend and expand VA's authority to contract with health care professionals to conduct medical disability exams. H.R. 3951 would not require VA to develop a system to transmit information to a veteran's claim file. Thus, CBO estimated that the costs of H.R. 3951 would be less than those of S. 1533.

The CBO staff contacts for this estimate are David Rafferty and Logan Smith. The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

Phillip L. Swagel
Director, Congressional Budget Office