CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 20, 2017

H.R. 369
A bill to eliminate the sunset of the Veterans Choice Program, and for other purposes

As ordered reported by the House Committee on Veterans' Affairs on March 8, 2017

The Veterans Choice Program (VCP), enacted on August 7, 2014, provided $10 billion to the Department of Veterans Affairs (VA) to pay for certain veterans to receive health care from participating providers in the private sector through the earlier of August 7, 2017, or the date when funds are exhausted. H.R. 369 would eliminate the sunset date of August 7, 2017, and allow VA to operate VCP until the $10 billion in funding is exhausted.

The bill also would require VA to act as the primary payer rather than a secondary payer for care provided under VCP. Currently, VA acts as primary payer only for those veterans who are receiving care for service-connected conditions. Under this provision, CBO expects that VA would cover more of the health care costs for veterans being treated for conditions that are not related to military service.

Through the end of fiscal year 2016, VCP spending totaled roughly $6.6 billion for health care appointments, Hepatitis C drugs, and other community care. In the January 2017 baseline, CBO estimates that VA would obligate all but $200 million of the remaining funds for VCP by August 7, 2017. Enacting H.R. 369 would allow VA to obligate and spend the $200 million that would otherwise be unavailable after August 7, 2017; such spending is classified as direct spending. (Since we prepared our current baseline, VA has released new information that indicates that as much as $1 billion of the funding for VCP could remain unobligated by August 7, 2017; to the extent that unobligated funds are higher than our baseline estimate, direct spending under this bill would also be higher.)

Because CBO estimates that enacting H.R. 369 would increase direct spending by $200 million over the 2017-2027 period, pay-as-you-go procedures apply. Enacting H.R. 369 would not affect revenues.

CBO Estimate of Pay-As-You-Go Effects for H.R. 369 as ordered reported by the House Committee on Veterans' Affairs on March 8, 2017

	By Fiscal Year, in Millions of Dollars												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017-2022	2017-2027
NET INCREASE IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	200	0	0	0	0	0	0	0	0	0	200	200

CBO estimates that enacting H.R. 369 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 369 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impost no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Ann E. Futrell. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.