



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 8, 2017

H.R. 1133 **Veterans Transplant Coverage Act of 2017**

*As ordered reported by the House Committee on Veterans' Affairs
on November 2, 2017*

SUMMARY

H.R. 1133 would expand the authority of the Department of Veterans Affairs (VA) to cover expenses related to organ transplant procedures for eligible veterans and their living donors (regardless of whether donors are eligible for health care provided by VA) at nondepartment facilities. CBO estimates that implementing H.R. 1133 would cost \$140 million over the 2018-2022 period, assuming appropriation of the necessary amounts.

Enacting H.R. 1133 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 1133 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 1133 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effects of H.R. 1133 are shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars					2018-2022
	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	2	17	35	47	49	150
Estimated Outlays	2	15	32	44	47	140

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the beginning of calendar year 2018 and that the estimated amounts will be appropriated each year. Estimated outlays are based on historical spending patterns for the affected programs.

H.R. 1133 would allow VA to cover costs related to organ transplant procedures for veterans and their living donors at nondepartment facilities. Currently, VA covers the medical and service expenses (such as transportation and lodging) for veterans and their living donors only if the procedure is performed at a VA transplant center (VATC). For procedures that take place at nondepartment facilities, VA reimburses donors only for transportation and lodging expenses. In 2017, VA provided 560 organ transplants, most of which occurred at a VATC. Of those operations, about 200 were for kidney transplants and about 20 were with living donors.

The bill would authorize VA to pay for transplant procedures at various locations nationwide with minimal out-of-pocket expenses for veterans and their living donors. As a result, CBO expects more veterans would use VA for such procedures and more people would be willing to donate organs. In determining the additional number of transplant procedures, CBO considered the other sources of health care coverage carried by enrolled veterans and the likelihood that those veterans would instead use VA for their transplant procedures, under this proposal. On the basis of information from the Census Bureau, VA, and the Department of Health and Human Services, CBO estimates that under H.R. 1133 roughly 60 additional veterans would undergo transplants at nondepartment facilities, at an average cost of \$750,000 per patient. CBO estimates that VA would cover the medical expenses of an additional 50 living donors (some for procedures that will occur under current law but for which VA would not pay medical expenses) at an average cost of \$80,000 per donor. In addition, CBO believes that implementing this bill would allow veterans to undergo transplants closer to home. As a result, CBO estimates a reduction in costs for transportation reimbursements of about \$4 million each year. Based on the expectation that VA would implement the bill gradually, CBO estimates that the bill would have a net cost of \$140 million over the 2018-2022 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

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

MANDATES

H.R. 1133 contains no intergovernmental or private-sector mandates as defined in UMRA.

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