

**H.R. 4360, VA Overpayment Accountability Act**

As ordered reported by the House Committee on Veterans' Affairs on October 29, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	2	6	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The Department of Veterans Affairs (VA) sometimes makes payments to individuals who are entitled to benefits from the department that exceed the amounts to which they are actually entitled. Under current law, those overpayments are treated as debts to the United States, and the recipient must repay them, regardless of whether the overpayment arose from their error or from the department's error. VA notifies the individual of the amount of the outstanding debt, and the beneficiary may either pay in full, establish a repayment plan, or request a hardship waiver to reduce the amount of the debt. If a veteran does not respond to VA's attempts to notify the veteran of outstanding debts, VA will notify credit reporting agencies of the debt.

H.R. 4360 would require VA to contact the credit reporting agency to correct any information on the beneficiaries' credit report that was provided by the department in error. The bill also would require VA to change its information-technology (IT) systems to allow veterans to receive electronic notifications of debts and to review information on their dependents. Finally, H.R. 4360 would require VA to audit the frequency of departmental errors that result in overpayment of benefits to veterans, and the extent to which VA staff vacancies contributed those errors. VA would be required to submit to the Congress the results of the audit, a plan to prevent overpayments resulting from IT systems, and a description of the resources needed to implement that plan.

According to information from VA, the department already has processes in place to correct erroneous information it sends to credit reporting agencies. As a result, CBO does not expect that requirement to increase costs for VA to notify credit reporting agencies.

VA is currently working to provide electronic debt notifications; however, VA does not expect that process to be completed until calendar year 2022. Based on information provided by VA, CBO estimates that implementing the bill's requirements to further integrate IT systems, provide debt notifications electronically, and audit overpayments would cost \$2 million in 2020 for upfront IT improvements, and \$1 million each year thereafter for staff and IT-maintenance costs. Costs would total \$6 million over the 2020-2024 period, subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Logan Smith. The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.