

H.R. 5245, Stopping Harm and Implementing Enhanced Lead-time for Debts for Veterans Act

As passed by the House of Representatives on September 23, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays) ^a	†	†	†
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	†	†	†
Spending Subject to Appropriation (Outlays)	2	10	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
† Section 2 would increase direct spending by reducing mandatory receipts from debt collections. CBO cannot estimate the magnitude of that reduction.			

H.R. 5245 would modify the Department of Veterans Affairs' (VA) processes for recovering overpayments for veterans' benefits.

Direct Spending

H.R. 5245 would prevent VA from establishing a debt for any person if the debt is attributable to VA's failure to process information in a timely manner. For example, veterans receiving disability compensation may receive higher payments if they have eligible dependents. Veterans must notify VA if dependents' eligibility status changes. Veterans continue to receive higher disability compensation until VA updates its records; thus, in the event of a delay on VA's part, veterans may receive payments that are higher than the amount they are legally entitled to, resulting in an overpayment that VA must recoup.

Under the bill, VA would be required to establish timeliness standards for processing information in order to prevent such overpayments and to forgive any overpayments that result from VA's failure to process information within those standards. The department would have 180 days from the bill's enactment to establish timeliness standards.

While CBO has information on the total amount of debt established by VA, CBO cannot determine how much of that debt arises from VA's processing delays. Further, CBO cannot

predict the standards VA would establish for timely processing under the bill. Enacting section 2 would reduce mandatory receipts if some debts would not be recorded or collected. However, CBO has no basis for estimating the amount of those effects.

Spending Subject to Appropriation

CBO estimates that implementing H.R. 5245 would increase VA’s expenses for information technology by a total of \$10 million over the 2021-2025 period (see Table 1). Such spending would be subject to the availability of appropriated funds. H.R. 5245 would require VA to update its information technology systems to have the capability to:

- Provide additional notices to people about any debts arising from VA benefits programs,
- Implement within 60 days any changes to information about beneficiaries’ dependents that are submitted electronically, and
- Permit VA patients to electronically view their medical billing statements.

Using information from VA on the cost to implement other information technology improvements, CBO estimates VA would require additional personnel and computer resources to implement the first two requirements, costing \$10 million over the 2021-2025 period.

VA patients can already access their medical billing statements online; thus, satisfying that requirement would not increase costs.

H.R. 5245 would also require VA to report to the Congress on its plans to improve its methods for providing information about debts to people who have been overpaid benefits. The report would be due within 180 days of the bill’s enactment, and one year thereafter. On the basis of the costs to prepare similar reports, CBO estimates that satisfying the reporting requirement would cost less than \$500,000 over the 2021-2025 period.

**Table 1.
Estimated Increases in Spending Subject to Appropriation Under H.R. 5245**

	By Fiscal Year, Millions of Dollars					2021-2025
	2021	2022	2023	2024	2025	
Information Technology Improvements						
Estimated Authorization	3	2	2	2	2	11
Estimated Outlays	2	2	2	2	2	10

Uncertainty

Costs would be higher depending on the standards VA would set for the timely processing of information related to forgiving debts.

Previous CBO Estimate

On September 21, 2020, CBO transmitted an [estimate of the Statutory Pay-As-You-Go Effects for H.R. 5245](#), as ordered reported by the House Committee on Veterans' Affairs on July 30, 2020. CBO estimated that bill would increase direct spending by \$12 million over the 2020-2030 period. The provisions with significant effects on direct spending are not included in H.R. 5245 as passed by the House of Representatives.

On October 13, 2020, CBO transmitted a [cost estimate for S. 805](#), the Stopping Harm and Implementing Enhanced Lead-time for Debts for Veterans Act of 2020, as reported by the Senate Committee on Veterans' Affairs on September 15, 2020. Several sections of S. 805 are identical to provisions in H.R. 5245 as passed by the House of Representatives and the estimated effects of those sections on discretionary spending are the same. Several provisions of S. 805 that would affect direct spending are not included in H.R. 5245.

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