

S. 2852, Long-Term Care Veterans Choice Act

As ordered reported by the Senate Committee on Veterans' Affairs on December 15, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	205	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

S. 2852 would authorize the Department of Veterans Affairs (VA) to pay for up to 900 veterans with severe service-connected disabilities to live in medical foster homes. That authority would take effect at the end of fiscal year 2022 and would expire after five years. Used as an alternative to a nursing home, a medical foster home is a private home in which a trained caregiver provides daily assistance to a small group of veterans. CBO estimates that implementing the bill would cost \$205 million over the 2022-2026 period; such spending would be subject to the appropriation of the estimated amounts.

Under current law, VA inspects and approves medical foster homes and provides case management and home-based health care to those veterans. Veterans pay for their room and board in medical foster homes. Under the bill, VA would pay for those living expenses as well.

Using data from VA, CBO estimates that providing case management and home-based health care services to veterans at medical foster homes costs an average of \$18,000 more per person than providing those same services in VA medical facilities. Annual costs for living expenses at the homes would average \$48,000 per person. Thus, costs for living in medical foster homes would total \$66,000 per veteran each year.



CBO estimates that of the 900 veterans who would be eligible to receive care through the program, 300 are current residents of medical foster homes. Because those veterans receive case management and home-based health care from VA under current law, CBO estimates that additional costs for their living expenses would average \$14 million each year. Under the bill, an additional 600 veterans would become residents of VA-funded medical foster homes. For those new residents, CBO estimates that case management, home-based health care, and living expenses would average \$40 million per year. After accounting for inflation and gradual implementation, CBO estimates that providing care at medical foster homes would cost \$201 million over the 2022-2026 period.

In addition, S. 2852 would require VA to monitor and evaluate the medical foster home program and report to the Congress on potential modifications to the program. Using costs for similar information technology and management efforts, CBO estimates that monitoring the program would cost \$2 million over the 2022-2026 period.

Finally, the bill would require the Government Accountability Office to report to the Congress on VA's implementation and management of the medical foster home program. Using costs for similar reports, CBO estimates that satisfying that requirement would cost \$2 million over the 2022-2026 period.

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

Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 2852

	By Fiscal Year, Millions of Dollars					2022-2026
	2022	2023	2024	2025	2026	
Medical Foster Home Care						
Estimated Authorization	*	41	54	56	59	210
Estimated Outlays	*	36	52	55	58	201
Program Management						
Estimated Authorization	*	1	*	*	*	2
Estimated Outlays	*	1	*	*	*	2
Report						
Estimated Authorization	0	0	*	1	1	2
Estimated Outlays	0	0	*	1	1	2
Total Changes						
Estimated Authorization	*	42	55	57	60	214
Estimated Outlays	*	37	53	56	59	205

* = between zero and \$500,000. Details may not add to totals because of rounding.

The CBO staff contact for this estimate is Etaf Khan. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.