

H.R. 7188, Modernizing Department of Veterans Affairs Disability Benefit Questionnaires Act

As ordered reported by the House Committee on Veterans' Affairs on July 19, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	2	3
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	2	3
Spending Subject to Appropriation (Outlays)	0	8	9
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 2033?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 7188 would require all disability benefit questionnaires submitted to the Department of Veterans Affairs (VA) by people other than VA employees to be transmitted in a machine-readable format. Those questionnaires are standardized forms used by physicians when performing examinations that are used to determine veterans' eligibility for disability compensation. Disability compensation is a monthly cash benefit paid to veterans who have disabilities or diseases that have been determined to be connected to their military service. Benefit amounts are based on percentage ratings for cumulative disabilities and are assigned from zero to 100 percent in increments of 10. The requirement would take effect within 180 days of enactment. VA would be required to report on information technology (IT) systems needed to accept machine-readable questionnaires. Based on information from the department, CBO estimates developing and maintaining the system for machine-readable disability benefit questionnaires would cost \$6 million over the 2023-2032 period.

The bill also would require VA to update its IT systems to automatically process claims for temporary disability ratings for the purposes of disability compensation. Under current law, veterans who are receiving disability compensation from VA may get a temporary disability rating of 100 percent if they are hospitalized for a period of 21 days or more. Currently, VA manually processes those ratings. The bill would require VA to automate that processing while ensuring VA employees continue to determine final eligibility. According to VA, the agency would require additional IT resources to automate claims processing. Based on

information from VA, CBO estimates that updating and sustaining the department's IT systems to automate such claims would cost \$6 million over the 2023-2032 period.

In total, implementing H.R.7188 would cost \$12 million over the 2023-2032 period.

Some of the beneficiaries of the changes to disability claims processing in H.R. 7188 would be veterans with exposures to environmental hazards and CBO expects that some of the costs of implementing the bill would be paid from the new Toxic Exposure Fund (TEF) established by Public Law 117-168, the Honoring our PACT Act. The TEF is a mandatory appropriation that VA will use to pay for health care, disability claims processing, medical research, and IT modernization that benefit veterans who were exposed to environmental hazards.

Additional spending from the TEF would occur if legislation increases the costs of similar activities that benefit veterans with such exposure. CBO estimates that 21 percent of such additional costs would be paid from the fund in 2023 and would grow to 42 percent in 2032 as costs for those activities increase over time. Those percentages are based on the amount of formerly discretionary appropriations that CBO estimated will be provided through the new mandatory appropriation as a result of the Honoring our PACT Act. Using those percentages, CBO estimates that over the 2022-2032 period, implementing the bill would increase spending subject to appropriation by \$9 million and direct spending by \$3 million.

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

**Table 1.
Estimated Budgetary Effects of H.R. 7188**

	By Fiscal Year, Millions of Dollars											2022-2027	2022-2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
Increases in Spending Subject to Appropriation													
Estimated Authorization	0	7	*	*	*	*	*	*	*	*	*	8	9
Estimated Outlays	0	5	2	*	*	*	*	*	*	*	*	8	9
Increases in Direct Spending													
Estimated Budget Authority	0	2	*	*	*	*	*	*	*	*	*	2	3
Estimated Outlays	0	1	1	*	*	*	*	*	*	*	*	2	3

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

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



Note:

On August 26, 2022, CBO replaced a version of this estimate that was transmitted earlier the same day. This revised estimate corrects the direct spending estimates shown in the "At a Glance" section so that they match the estimates shown under the "Increases in Direct Spending" section of Table 1. It also accounts for the fact that pay-as-you-go procedures apply under the bill and that on-budget deficits would increase by less than \$5 billion in at least one of the four decades after 2032. The amount of the estimated budgetary effects of the legislation are unchanged.