Congressional Budget Office
Cost Estimate

September 15, 2022

H.R. 3693, Department of Veterans Affairs Continuing Professional Education Modernization 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	379	1,108
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	379	1,108
Spending Subject to Appropriation (Outlays)	0	1,037	2,203

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. 3693 would require the Department of Veterans Affairs (VA) to increase the maximum reimbursement rate for expenses related to continuing professional education from $1,000 to $2,000 annually for full-time physicians and dentists employed by the department. VA also could adjust that $2,000 annual cap. Under the bill, other VA health care professionals such as registered nurses, physician assistants, and psychologists also would be eligible for the reimbursement.

Under current law, approximately 31,000 VA employees are eligible to receive reimbursement for continuing professional education expenses at the $1,000 cap. Those employees would receive an additional $1,000 under the bill. Using information from VA, CBO estimates that an additional 251,000 employees would become newly eligible for the $2,000 reimbursement under the bill. An average of 52 percent of eligible employees get reimbursed annually under current law. CBO expects similar take-up rates under the bill. CBO also expects that the department would adjust the annual cap for inflation. Thus, the cost of implementing the bill would total $3,311 million over the 2023-2032 period, CBO estimates.

Some of the health care employees receiving additional reimbursements in H.R. 3693 would be treating 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)

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

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, growing 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 specified in the Honoring our PACT Act. CBO estimates that over the 2022-2032 period, implementing the bill would increase spending subject to appropriation by $2,203 million and direct spending by $1,108 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. 3693

	By Fiscal Year, Millions of Dollars												
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022-2027	2022-2032
Increases in Spending Subject to Appropriation													
Estimated Authorization	0	214	215	220	224	228	231	237	241	246	250	1,101	2,306
Estimated Outlays	0	182	206	212	216	221	226	229	233	237	241	1,037	2,203
Increases in Direct Spending													
Estimated Budget Authority	0	50	64	76	88	101	115	130	145	161	178	379	1,108
Estimated Outlays	0	50	64	76	88	101	115	130	145	161	178	379	1,108

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

As a result of inflation and the increasing portion of costs that would be funded from the TEF over time, CBO estimates that enacting H.R. 3693 would increase on-budget deficits by more than $5 billion in at least one of the four consecutive 10-year periods beginning in 2033.

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