

### At a Glance

## H.R. 6823, Elizabeth Dole Home- and Community-Based Services for Veterans and Caregivers Act of 2022

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

By Fiscal Year, Millions of Dollars	2023	2023-2027	2023-2032
Direct Spending (Outlays)	231	2,955	8,493
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	231	2,955	8,493
Spending Subject to Appropriation (Outlays)	730	7,447	16,079

Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
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

#### The bill would

- Increase payments from the Department of Veterans Affairs (VA) for long-term care and support of veterans
- Encourage VA to expand access to a non-VA provider that would furnish all-inclusive care to elderly veterans living in the community
- Require VA to update IT capabilities to assist veterans and caregivers using long-term health care and support services
- Require VA to carry out a pilot program that would provide homemaker and health aide services to veterans
- Require several reports and studies on departmental programs that provide medical and health services to elderly veterans at home and in the community

#### Estimated budgetary effects would mainly stem from

- Increasing payments for the care of veterans
- Increasing the number of veterans who receive care in the community
- Updating technological capabilities to assist veterans and caregivers

#### Areas of significant uncertainty include

- Estimating the number of veterans who would enroll in the Program of All-Inclusive Care for the Elderly

**Detailed estimate begins on the next page.**



## Bill Summary

H.R. 6823 would require the Department of Veterans Affairs (VA) to increase payments to providers of long-term care and support services in settings other than nursing homes or community living centers if veterans who receive those services would otherwise have received nursing home care from VA. The bill also would require VA to encourage agreements with the Program of All-Inclusive Care for the Elderly to provide medical and social services to veterans who are not in nursing homes. Other provisions of the bill would require VA to improve programs that provide in-home assistance and support for caregivers of veterans. Finally, the bill would require VA to conduct several studies related to medical and health services provided in homes and in the community. In total, CBO estimates that implementing H.R. 6823 would increase spending subject to appropriation by \$16.1 billion and would increase direct spending by \$8.5 billion over the 2023-2032 period.

## Estimated Federal Cost

The estimated budgetary effects of H.R. 6823 are shown in Table 1. The costs of the legislation fall within budget function 700 (veterans benefits and services).

<b>Table 1. Estimated Budgetary Effects of H.R. 6823</b>												
<b>By Fiscal Year, Millions of Dollars</b>											2023-	2023-
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2027	2032
<b>Increases in Spending Subject to Appropriation</b>												
Estimated Budget Authority	863	1,764	1,766	1,773	1,775	1,775	1,777	1,778	1,779	1,781	7,941	16,831
Estimated Outlays	730	1,582	1,697	1,715	1,722	1,726	1,727	1,727	1,726	1,726	7,447	16,079
<b>Increases in Direct Spending</b>												
Estimated Authorization	231	550	634	725	815	908	1,005	1,104	1,207	1,314	2,955	8,493
Estimated Outlays	231	550	634	725	815	908	1,005	1,104	1,207	1,314	2,955	8,493

Components may not sum to totals because of rounding.

## Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted before the end of 2022 and that the estimated amounts will be appropriated each year. Estimated outlays are based on historical spending patterns for the affected programs.

## Provisions Affecting Both Spending Subject to Appropriation and Direct Spending

H.R. 6823 would increase costs for programs that have typically been paid from discretionary appropriations. However, some of the beneficiaries of those programs would be



veterans who have been exposed to environmental hazards, and CBO expects that some of the costs of implementing the bill would be paid from the 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. Thus, those provisions would increase both spending subject to appropriation and direct spending.

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.

**Alternative Nursing Home Care.** Under current law, VA may pay providers of health care and services delivered outside of nursing homes up to 65 percent of the total cost to the department if it had provided care in a VA nursing home or community living center. Section 2 would increase that cap to 100 percent of the total cost. Using information from VA, CBO estimates that in total over the 2023-2032 period the department will pay noninstitutional facilities an average \$4.9 billion annually under the current cap. Based on historical spending and availability of care, CBO estimates that increasing the cap to 100 percent would gradually increase total spending for care provided by non-institutional facilities by an average of 54 percent, an average increase of about \$2.6 billion annually over the 2023-2032 period.

In total, implementing section 2 would cost \$24.4 billion over the 2023-2032 period, a portion of which would be paid from the Toxic Exposure Fund. CBO estimates that over the that period, implementing the bill would increase spending subject to appropriation by \$16.0 billion and direct spending by \$8.4 billion.

**All-Inclusive Care for Elderly Veterans.** Section 3 would require VA to partner with the Program of All-Inclusive Care for the Elderly (PACE) to provide care for veterans who are served by VA medical centers in areas also served by PACE. Through the Centers for Medicare and Medicaid Services (CMS), PACE provides health care to elderly people who do not live in nursing homes. Beneficiaries receive coordinated care from visiting health care providers, transportation, home care, prescription filling, and hospital visits. Recipients must be eligible for either Medicare or Medicaid, need nursing-home level care, and be able to safely live in the community with the help of PACE services.

There are ten regions where PACE organizations operate near VA medical centers. VA has active agreements with PACE organizations in four of them. Those organizations currently serve about 70 veterans annually, and VA pays for the long-term care portion of the PACE



benefit for Medicare-eligible veterans who are not also eligible for Medicaid. CBO expects that VA would establish agreements with PACE organizations at the remaining six locations, increasing the number of veterans who use PACE. Using historical information on PACE utilization and accounting for the projected growth in Medicare-eligible veterans who enroll with VA health care, CBO estimates that VA would pay for an average of 350 veterans to use the PACE benefit each year at an average cost of \$47,000 annually.

In total, implementing section 3 would cost \$163 million over the 2023-2032 period, a portion of which would be paid from the Toxic Exposure Fund. CBO estimates that over that period, implementing the bill would increase spending subject to appropriation by \$105 million and direct spending by \$58 million.

**Caregiver Support.** The Veterans Health Administration offers two programs that assist caregivers of veterans. The Program of Comprehensive Assistance for Family Caregivers (PCAFC) offers a monthly stipend, access to health insurance, mental health counseling, travel benefits, and short-term relief for someone else to take care of the veteran. The Program of General Caregiver Support Services (PGCSS) provides caregivers with skills training, one-on-one coaching, peer support, and other services.

In cases when a caregiver is determined to be ineligible for the department's caregiver support programs or loses eligibility for PCAFC or PGCSS, section 5 would require VA to determine whether the caregiver is eligible for other in-home and community-based programs. Under the bill, a support coordinator would help the caregiver transition from one program to another. In addition, the bill would require VA to regularly update the caregiver about new services. Using information from VA, CBO expects that the department would hire one full-time administrative employee and would develop a system to provide caregivers with updates about new services.

Section 6 would require VA to establish a public website that provides information and resources related to all VA programs that benefit caregivers. That website would include an assessment tool that provides extensive eligibility and participation information. It also would be updated on a regular basis.

Using information on average salaries and costs for similar information technology efforts, CBO estimates that, in total, satisfying those requirements would cost \$4 million over the 2023-2032 period, a portion of which would be paid from the Toxic Exposure Fund. CBO estimates that over that period, implementing the bill would increase spending subject to appropriation by \$3 million and direct spending by \$1 million.

**In-home Assistance.** Section 7 would require VA to provide homemaker and home health aide services to veterans who reside in areas with shortages of home health aides. The 3-year program would take place in at least five different locations, and VA could hire new nursing assistants or reassign current ones to provide such care to veterans. In 2022, the department



initiated a similar program at three locations. CBO expects that program to partially satisfy the requirement of section 7.

VA reports it has had difficulty hiring and recruiting home health aides. CBO expects that VA would expand the program to two additional locations and offer premium pay to recruit new nursing aides. CBO estimates that VA would hire five new nursing assistants for each location at an average cost of \$68,000 for salaries and travel expenses.

In total, CBO estimates that implementing the program at those additional locations would cost \$3 million over the 2023-2032 period, a portion of which would be paid from the Toxic Exposure Fund. CBO estimates that over that period, implementing the bill would increase spending subject to appropriation by \$2 million and direct spending by \$1 million.

### **Spending Subject to Appropriation**

Spending subject to appropriation would arise from the provisions described above. In addition, the bill would require VA to conduct five studies and deliver six reports to the Congress on program management, staffing levels, and the availability of services provided in homes and in the community. Based on the costs of similar studies and reports, CBO estimates that satisfying those requirements would cost \$1 million over the 2023-2032 period; such spending would be subject to the appropriation of available amounts.

In total, implementing H.R. 6823 would increase spending by \$16.1 billion over the 2023-2032 period, CBO estimates. Such spending would be subject to the appropriation of the estimated amounts (see Table 2).



**Table 2.  
Estimated Increases in Spending Subject to Appropriation Under H.R. 6823**

	By Fiscal Year, Millions of Dollars										2023- 2027	2023- 2032	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032			
Alternative Nursing Home Care													
Estimated Authorization	861	1,759	1,759	1,760	1,761	1,762	1,763	1,764	1,765	1,765	7,900	16,719	
Estimated Outlays	728	1,578	1,690	1,703	1,709	1,712	1,714	1,713	1,712	1,711	7,407	15,968	
All-Inclusive Care for Elderly Veterans													
Estimated Authorization	2	2	6	11	13	13	14	14	14	15	34	105	
Estimated Outlays	2	2	6	11	13	13	14	14	14	15	34	105	
Caregiver Support													
Estimated Authorization	*	2	1	*	*	*	*	*	*	*	3	4	
Estimated Outlays	*	2	1	*	*	*	*	*	*	*	3	4	
In-home Assistance													
Estimated Authorization	*	1	1	1	*	0	0	0	0	0	2	2	
Estimated Outlays	*	1	1	1	*	0	0	0	0	0	2	2	
Reports and Studies													
Estimated Authorization	0	*	*	*	0	0	0	0	0	0	1	1	
Estimated Outlays	0	*	*	*	0	0	0	0	0	0	1	1	
Total													
Estimated Authorization	863	1,764	1,766	1,773	1,775	1,775	1,777	1,778	1,779	1,781	7,941	16,831	
Estimated Outlays	730	1,582	1,697	1,715	1,722	1,726	1,727	1,727	1,726	1,726	7,447	16,079	

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



## Direct Spending

The provisions described under the heading “Provisions Affecting Both Spending Subject to Appropriation and Direct Spending” would increase direct spending from the Toxic Exposure Fund by \$8.5 billion over the 2023-2032 period (see Table 3).

**Table 3.  
Estimated Increases in Direct Spending Under H.R. 6823**

	By Fiscal Year, Millions of Dollars										2023-2027	2023-2032
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
<b>Alternative Nursing Home Care</b>												
Estimated Authorization	230	549	632	720	809	901	997	1,095	1,197	1,303	2,939	8,433
Estimated Outlays	230	549	632	720	809	901	997	1,095	1,197	1,303	2,939	8,433
<b>All-Inclusive Care for Elderly Veterans</b>												
Estimated Authorization	1	1	2	5	6	7	8	9	10	11	14	58
Estimated Outlays	1	1	2	5	6	7	8	9	10	11	14	58
<b>Caregiver Support</b>												
Estimated Authorization	8	*	*	*	*	*	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	*	*	*	*	*	*	1
<b>In-home assistance</b>												
Estimated Authorization	*	*	*	*	*	0	0	0	0	0	1	1
Estimated Outlays	*	*	*	*	*	0	0	0	0	0	1	1
<b>Total</b>												
Estimated Authorization	231	550	634	725	815	908	1,005	1,104	1,207	1,314	2,955	8,493
Estimated Outlays	231	550	634	725	815	908	1,005	1,104	1,207	1,314	2,955	8,493

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## Uncertainty

CBO’s spending estimate under the PACE program would depend largely on how many additional veterans elect to use the program for their health care needs. Costs would differ if that factor is higher or lower than CBO estimates.

## Pay-As-You-Go Considerations:

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.



### **Increase in Long-Term Deficits:**

CBO estimates that enacting H.R. 6823 would increase on-budget deficits by more than \$5 billion in each of the four consecutive 10-year periods beginning in 2033.

**Mandates:** None.

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