



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 27, 2003

H.R. 2475 **Veterans Health Care Full Funding Act**

As introduced on June 16, 2003

H.R. 2475 would establish the Veterans Health Care Funding Review Board, which would consist of three people with backgrounds and experience in health care policy or related fields who would be appointed by the Secretary of Veterans Affairs (VA). This board would be responsible for determining the resources necessary to adequately fund health care programs for veterans, under criteria listed in the bill. The board would submit its recommendations to the President and to the Congress. Under the bill, the President would be required to include the full amount determined by the board in his annual budget request to the Congress. In addition, the bill would authorize the appropriation of up to \$2 million in 2004 to pay for the board's expenses. For future years, the board's expenses would be paid from amounts available for veterans' health care. Finally, H.R. 2475 would establish access-to-care standards for how long veterans should wait after making an appointment before the veterans actually have a visit with a doctor.

Assuming that the bill is enacted this fall, the board begins to operate during fiscal year 2004, and the necessary amounts are appropriated, CBO estimates that expenses would total about \$2 million a year beginning in 2004. These expenses would include compensation for the board members and costs of VA staff support to the board. Enacting the bill would not affect direct spending or receipts.

CBO does not estimate any additional costs from implementing this bill beyond the annual operating costs for the board. Given the timing of the President's submission (furnished to the Congress in early February each year), CBO expects that, once constituted, the board would begin working on determining the requirements for the President's budget request for fiscal year 2006. CBO cannot estimate what the board might determine to be a sufficient level of funding for VA's health care programs, but the board's recommendations could be more than CBO's baseline estimate of spending for veterans' health care (about \$27 billion in 2006). Requiring the President to submit the board's recommendations as part of the annual budget request would not necessarily result in an increase in discretionary spending,

however, because the spending for veterans' medical care would be determined by the Congress through future appropriation actions.

CBO does not estimate any costs associated with establishing access-to-care standards for VA. The provision would essentially codify existing internal standards at VA by requiring the department to complete all office visits within 30 days of a veteran seeking an appointment with a primary care provider or being referred to specialty care. It would also direct VA to establish appropriate standards for waiting time on the day of an appointment. If the agency cannot meet these standards, the bill would require VA to provide the necessary care in non-VA facilities. Under current law, VA is required to provide a variety of medical services to veterans, but the amount it can spend is limited by its appropriation. Thus, VA may not meet all of the requirements specified in law and must exercise some judgment in trying to balance those requirements within the limits of its appropriation. Because VA already has the authority to refer veterans to non-VA facilities and uses this authority when it deems necessary, CBO does not estimate any additional cost from implementing this provision.

H.R. 2475 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Sam Papenfuss. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.