



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 23, 2003

H.R. 1838

A bill to amend title 38, United States Code, to revise the presumptions of service-connection relating to diseases and disabilities of former prisoners of war

As introduced on April 29, 2003

H.R. 1838 would expand veterans compensation benefits for former prisoners of war (POWs) with certain diseases. CBO estimates that enacting the bill would increase direct spending for veterans' disability compensation by less than \$100,000 in 2004 and at most \$1 million over the 2004-2013 period.

Under current law, the Department of Veterans Affairs (VA) pays disability compensation to veterans with disabilities or diseases incurred or aggravated during active-military service. Generally, VA deems a disability or disease to be service-connected based on military medical records and physical examinations. For former POWs who were held captive for 30 days or more, current law specifies a list of 15 diseases and disabilities that VA assumes are service-connected because, according to VA, military medical records do not cover periods of captivity and may not provide adequate documentation for eligibility for disability compensation benefits.

H.R. 1838 would add cirrhosis of the liver to the list of presumed service-connected disabilities for former POWs who were held captive for 30 days or more. Based on information provided by VA, CBO estimates that there are currently about 39,000 living former POWs. Applying prevalence rates for this disease obtained from the National Institutes of Health and assuming that between 50 percent and 60 percent of eligible former POWs would apply, CBO estimates that less than 10 former POWs would receive compensation under this provision each year. In 2002, the average disability compensation payment to veterans with diseases of the liver was about \$5,900 a year. These payments are adjusted annually for increases in the cost of living. CBO estimates that adding cirrhosis of the liver to the list of presumed service-connected disabilities for former POWs would increase direct spending for veterans' compensation by less than \$100,000 a year over the 2004-2013 period.

VA is in the process of issuing a regulation that would have the same effect as this provision and expects the regulation to take effect by the end of fiscal year 2003. If this regulation were to take effect before H.R. 1838 became law, this provision would have no cost.

The bill also would eliminate the requirement that a POW be held prisoner for 30 days or more to qualify for presumed service-connection for five of the 15 presumed service-connected disabilities included under current law—specifically, psychosis, any of the anxiety states, dysthymic disorder (or depressive neurosis), organic residuals of frostbite, and post-traumatic osteoarthritis. Based on information provided by VA, CBO estimates that of the 39,000 living former POWs, no more than 400 were held captive for less than 30 days. About 70 percent, or around 280, of these former POWs are already receiving disability compensation based on their eligibility as a veteran. Due to the small number of former POWs who would become eligible for the new benefit and the fact that many are already receiving disability compensation, CBO estimates that the increase in direct spending from eliminating the 30-day requirement for these five disabilities would be less than \$100,000 a year over the 2004-2013 period. Spending under this provision would sum to less than \$500,000 over the 2004-2008 period and, at most, \$1 million over the 2004-2013 period.

H.R. 1838 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 Melissa E. Zimmerman. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.