

S. 89, Ensuring Survivor Benefits During COVID-19 Act of 2021

As passed by the Senate on July 21, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
Direct Spending (Outlays)	0	9	19
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	9	19
Spending Subject to Appropriation (Outlays)	0	1	not estimated
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 2032?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

Bill Summary

S. 89 would increase the number of people who receive Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs (VA). Because DIC benefits are paid from mandatory appropriations, enacting the legislation would increase direct spending.

Direct Spending

Under current law, surviving spouses and children of veterans who receive compensation from VA for disabilities connected to their military service are eligible for DIC—a monthly cash benefit—if the veteran dies because of those disabilities. Under the act, VA would be required to get a medical opinion to determine the cause of death if the survivor is denied DIC under the following conditions:

- The deceased veteran’s death certificate lists COVID-19 as the principal or contributory cause of death;
- The veteran’s death certificate does not identify any of the disabilities for which the veteran was receiving compensation from VA; and
- One of the conditions for which the veteran was receiving compensation from VA was likely to cause severe illness from COVID-19.

Eligible survivors could receive DIC from VA if the required medical opinion subsequently determines that the veteran’s service-connected disability contributed to the death.

Using information from VA on claims for DIC following deaths from COVID-19 and the expected mortality from COVID-19 among veterans, CBO estimates that about 75 claims for DIC that would otherwise be denied under current law would be granted in 2022 as a result of the requirement to obtain medical opinions about the cause of death. CBO estimates that about 10 additional claims for DIC would be approved in 2023 and subsequent years. After accounting for mortality among beneficiaries, CBO estimates that 72 total recipients would continue receiving DIC through 2031. DIC will average \$20,400 each year over the 2022-2031 period. In total, enacting S. 89 would cost \$19 million, CBO estimates (see Table 1).

**Table 1.
Estimated Budgetary Effects of S. 89**

	By Fiscal Year, Millions of Dollars											2021-2026	2021-2031	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
Increases in Direct Spending														
Estimated Budget Authority	0	1	2	2	2	2	2	2	2	2	2	2	9	19
Estimated Outlays	0	1	2	2	2	2	2	2	2	2	2	2	9	19
Increases in Spending Subject to Appropriation														
Estimated Authorization	0	*	*	*	*	*	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	1	n.e.
Estimated Outlays	0	*	*	*	*	*	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	1	n.e.

Components may not sum to totals because of rounding; n.e. = not estimated.

* = between zero and \$500,000.

Spending Subject to Appropriation

CBO estimates that VA would require more resources to order additional medical opinions and process additional claims for DIC. The act also would require VA to provide information to veterans, dependents, and veterans’ service organizations about applying for DIC after a veteran dies from COVID-19. Using information from VA on the cost to process DIC claims and the cost of outreach efforts similar to those required by the act, CBO estimates implementing S. 89 would cost \$1 million over the 2022-2026 period; such spending would be subject to the availability of appropriated funds.

Uncertainty

CBO's cost estimate is subject to uncertainty about the number of survivors that would receive DIC because of the additional medical opinions required by the act. It is difficult to predict how long COVID-19 will continue to be a health threat. If the number of deaths attributed to COVID-19 and the number of survivors who receive compensation differs, costs could be higher or lower than CBO's estimates.

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