



SF 529 – Veterans Recovery Pilot Program (LSB1926SV)
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Fiscal Note Version – New

Description

[Senate File 529](#) creates a veterans recovery pilot program, administered by the Department of Human Services (DHS), for the reimbursement of expenses related to providing hyperbaric oxygen treatment for eligible veterans who have been diagnosed with post-traumatic stress disorder (PTSD) or a traumatic brain injury (TBI).

The Bill creates a Veterans Recovery Fund under the control of the Department of Veterans Affairs (DVA). The General Assembly is prohibited from appropriating any public money to the Fund. The DVA and the DHS can use money in the Fund for expenses incurred in administering the pilot program. The DVA is required to solicit contributions to the Fund.

The pilot program pays for the treatment and any necessary travel and living expenses of a veteran required to travel to obtain treatment. The pilot program is repealed after five years (FY 2025), and any remaining funds are transferred to the Iowa Veterans Trust Fund.

Background

Hyperbaric oxygen treatment involves breathing pure oxygen in a pressurized room or tube. Hyperbaric oxygen treatment is a well-established treatment for decompression sickness, a hazard of scuba diving. Other conditions treated with hyperbaric oxygen treatment include serious infections, bubbles of air in blood vessels, and wounds that will not heal because of diabetes or radiation injury.

In a hyperbaric oxygen therapy chamber, the air pressure is increased to three times higher than normal air pressure. Under these conditions, the lungs can gather more oxygen than would be possible breathing pure oxygen at normal air pressure. Blood carries this oxygen throughout the body. This helps fight bacteria and stimulates the release of substances called growth factors and stem cells, which promote healing.

Indiana has a similar pilot program in place that was appropriated \$500,000 in FY 2018 and FY 2019.

Assumptions

- There is a sufficient pool of eligible veterans who may seek treatment.
- The University of Iowa Hospital and Clinics (UIHC) charges \$926 per half hour of hyperbaric treatment. Rates charged by other hospitals in Iowa with chambers are currently unknown. However, a hospital “charge” is not the same as “expected payment.” “Charge” is the amount billed for a service. Typically, hospitals are paid less than the billed amount. The Medicaid floor reimbursement rate for one half hour of hyperbaric oxygen treatment is \$40.35 and there is \$125.59 per treatment session for physician supervision of the treatment. This creates a range of \$206 to \$1,852 per “dive.”

- A course of treatment can consist of anywhere between 40 and 80 dives. A protocol utilized by researchers at Louisiana State University for treatment involved 60 minutes of dive time, twice a day, five days a week, until reaching 40 dives over the course of four weeks.
- The Bill allows for “living expenses” of the veteran to be reimbursed while getting treatment. This is assumed to include mileage for traveling, hotels, and food. In-state travel reimbursement rates that the State uses were utilized in this analysis. Mileage could fluctuate depending on the location of the hospital, but an average of 80 miles round trip was used for this analysis. Each veteran served is estimated to incur \$1,600 in “living expenses” over the course of four weeks.
- The DHS and DVA will require staff to implement the pilot program.

Fiscal Impact

The costs of treating one veteran through the program are estimated to range from \$10,000 to \$76,000. Therefore, treating 10 veterans could cost \$100,000 to \$760,000. The actual amount will be dependent upon the rates that DHS and DVA approve in the treatment plans proposed by the hospitals and the living expenses required by the veterans.

Additionally, salary and benefits for a public service executive-level position in the DHS and the DVA is estimated to cost \$124,000 annually. There would be additional one-time and ongoing costs for a computer, phone, and office equipment. This brings the total program budget estimated need to between \$348,000 and \$1.0 million annually.

Sources

Department of Veterans Affairs
Department of Human Services
Department of Administrative Services
Board of Regents, University of Iowa Hospitals and Clinics
The Mayo Clinic
Indiana Legislative Services Agency
Louisiana State University, Health Science Center
LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
