

VETERANS CARE FINANCIAL PROTECTION ACT OF 2017

NOVEMBER 6, 2017.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ROE of Tennessee, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 3122]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 3122) to protect individuals who are eligible for increased pension under laws administered by the Secretary of Veterans Affairs on the basis of need of regular aid and attendance from dishonest, predatory, or otherwise unlawful practices, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

CONTENTS

	Page
Amendment .....	2
Purpose and Summary .....	2
Background and Need for Legislation .....	3
Hearings .....	3
Subcommittee Consideration .....	4
Committee Consideration .....	4
Committee Votes .....	4
Committee Oversight Findings .....	4
Statement of General Performance Goals and Objectives .....	4
New Budget Authority, Entitlement Authority, and Tax Expenditures .....	4
Earmarks and Tax and Tariff Benefits .....	5
Committee Cost Estimate .....	5
Congressional Budget Office Cost Estimate .....	5
Federal Mandates Statement .....	6
Advisory Committee Statement .....	6
Constitutional Authority Statement .....	6
Applicability to Legislative Branch .....	6
Statement on Duplication of Federal Programs .....	6
Disclosure of Directed Rulemaking .....	6
Section-by-Section Analysis of the Legislation .....	6
Changes in Existing Law Made by the Bill as Reported .....	7

## AMENDMENT

The amendments are as follows:  
Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Veterans Care Financial Protection Act of 2017”.

**SEC. 2. SECRETARY OF VETERANS AFFAIRS NOTICE OF DISHONEST, PREDATORY, OR OTHERWISE UNLAWFUL PRACTICES TARGETING INDIVIDUALS WHO ARE ELIGIBLE FOR INCREASED PENSION ON BASIS OF NEED FOR REGULAR AID AND ATTENDANCE.**

(a) **NOTICE REQUIRED.**—The Secretary of Veterans Affairs shall include on the internet website of the Department of Veterans Affairs a warning to veterans relating to dishonest, predatory, or otherwise unlawful practices targeting individuals who are eligible for increased pension under chapter 15 of title 38, United States Code, on the basis of need for regular aid and attendance.

**(b) GAO STUDY.**—

(1) **STUDY REQUIRED.**—Not later than 18 months after the date of the enactment of this Act, the Comptroller General of the United States shall complete a study on financial exploitation of veterans. Such study shall include—

(A) an analysis of the types of standards used by Federal and State agencies intended to protect vulnerable populations from financial exploitation; and

(B) an analysis of the types of financial exploitation facing veterans who are eligible for increased pension under chapter 15 of title 38, United States Code, on the basis of need for regular aid and attendance and any gaps in efforts to address these issues.

**(2) REPORTS.**—

(A) **PRELIMINARY REPORT.**—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a preliminary report on the study required under paragraph (1).

(B) **FINAL REPORT.**—Not later than 18 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress a final report on such study.

Amend the title so as to read:

A bill to direct the Secretary of Veterans Affairs to include on the internet website of the Department of Veterans Affairs a warning regarding dishonest, predatory, or otherwise unlawful practices targeting individuals who are eligible for increased pension on the basis of need for regular aid and attendance, and for other purposes.

## PURPOSE AND SUMMARY

H.R. 3122, as amended, the Veterans Care Financial Protection Act of 2017, would help protect vulnerable veterans who may be eligible for increased pension benefits on the basis of need for regular aid and attendance. The legislation would require that the Department of Veterans Affairs (VA) provide additional warnings for veterans and their families about dishonest individuals that prey on sick and elderly beneficiaries. Additionally, the legislation would require the Comptroller General of the Government Accountability Office (GAO) to conduct a study and submit a report to Congress within 18 months of the date of enactment. Such report would evaluate the scope of the problem of vulnerable veterans in need of aid and attendance programs who have been targeted by dishonest individuals. Additionally, the report would make recommendations on how federal agencies could better protect vulnerable veterans from fraud.

## BACKGROUND AND NEED FOR LEGISLATION

Veterans who served during wartime, and their spouses, may be eligible to receive pension benefits if they meet certain income and other eligibility requirements. Such veterans and survivors may also be eligible for additional financial benefits, known as Aid and Attendance, if the applicant needs assistance performing personal functions required in everyday living, such as bathing, feeding, dressing, etc. . . . VA does not charge veterans and their families to apply for Aid and Attendance benefits. Moreover, veterans service organizations offer free assistance to veterans and their families who wish to apply for this benefit.

During the September 13, 2017 Subcommittee on Disability Assistance and Memorial Affairs legislative hearing, representatives from The American Legion, the Disabled Veterans of America, the Paralyzed Veterans of America, and the Veterans of Foreign Wars of the United States, testified that their organizations receive complaints that some individuals attempt to charge fees to veterans and their families for services to help apply for Aid and Attendance benefits.

H.R. 3122, as amended, would require that VA post warnings on its website about dishonest individuals who charge fees to help beneficiaries apply for Pension with Aid and Attendance benefits. The bill would also require GAO to submit a report to Congress on the standards used by Federal and State agencies intended to protect vulnerable populations from financial exploitation, an analysis of the types of financial exploitation facing veterans who are eligible for Aid and Attendance benefits, and, the effectiveness of such standards.

## HEARINGS

On September 13, 2017, the Committee on Veterans' Affairs, Subcommittee on Disability Assistance and Memorial Affairs held a legislative hearing on H.R. 3122.

The following witnesses testified:

The Honorable David Rouzer, U.S. House of Representatives; the Honorable Steve Stivers, U.S. House of Representatives; the Honorable Joyce Beatty, U.S. House of Representatives; the Honorable Matt Cartwright, U.S. House of Representatives; the Honorable Jim Banks, U.S. House of Representatives; the Honorable Chellie Pingree, U.S. House of Representatives; Mr. Matthew T. Sullivan, Deputy Under Secretary for Finance and Planning and Chief Financial Officer, National Cemetery Administration, U.S. Department of Veterans Affairs; *accompanied by* Ms. Roberta Lowe, Director, Office of Internal Controls, Acting Director, Debt Management Center, Office of Management, U.S. Department of Veterans Affairs; and Ms. Cheryl Rawls, Director, Pension & Fiduciary Service, Veterans Benefits Administration, U.S. Department of Veterans Affairs; Ms. Elizabeth H. Curda, Director, Education, Workforce, and Income Security Team, U.S. Government Accountability Office; Mr. Alex Zhang, Assistant Director, National Veterans Affairs and Rehabilitation Division, The American Legion; Mr. LeRoy Acosta, Assistant National Legislative Director, Disabled American Veterans; Mr. Blake Ortner, Deputy

Government Relations Director, Paralyzed Veterans of America; Ms. Kathleen Moakler, Director, Survivor Advocacy, Tragedy Assistance Program for Survivors; and, Mr. John Towles, Deputy Director, National Legislative Service, Veterans of Foreign Wars of the United States.

#### SUBCOMMITTEE CONSIDERATION

H.R. 3122 was not considered before the Subcommittee on Disability Assistance and Memorial Affairs.

#### COMMITTEE CONSIDERATION

On October 12, 2017, the Full Committee met in an open markup session, a quorum being present, and ordered H.R. 3122, as amended, favorably reported to the House of Representatives by voice vote. During consideration of the bill, the following amendment to H.R. 3122 was considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Ms. Esty of Connecticut that would remove the requirement that GAO or VA develop and implement federal and state standards to protect vulnerable veterans from fraud. Instead, the amendment in the nature of a substitute would require VA to provide additional warnings for veterans and their families about unscrupulous and dishonest individuals that would prey on sick and elderly individuals. Additionally, the amendment in the nature of a substitute would require GAO to conduct a study and submit a report to Congress within 18 months of the date of enactment. The report would outline the scope of the problem and make recommendations on how to better protect vulnerable veterans from fraud.

#### COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, no recorded votes were taken on amendments. A motion by Ranking Member Timothy J. Walz of Minnesota to report H.R. 3122, as amended, favorably to the House of Representatives was agreed to by voice vote.

#### COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goal and objective is to protect vulnerable veterans who may be eligible for increased pension on the basis of need for regular Aid and Attendance from unscrupulous individuals.

#### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the es-

estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 3122, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 3122, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 3122, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, October 20, 2017.*

Hon. PHIL ROE, M.D.,  
*Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3122, the Veterans Care Financial Protection Act of 2017.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matt Schmit.

Sincerely,

KEITH HALL  
*Director.*

Enclosure.

*H.R. 3122—Veterans Care Financial Protection Act of 2017*

H.R. 3122 would require the Department of Veterans Affairs (VA) to post a notice on its Internet website that warns those who receive benefits for regular aid and attendance of the risk of financial exploitation. The bill also would require the Government Accountability Office (GAO) to complete a report that examines the standards used by federal and state agencies to protect such veterans.

Based on an analysis of the number of people involved in producing similar reports, CBO estimates that the GAO report would cost about \$1 million in 2018 and an insignificant amount in 2019. That spending would be subject to the availability of appropriated funds. The cost of posting a notice on VA's website would be insignificant, CBO estimates.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 3122 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3122 contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Matt Schmit. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 3122, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 3122, as amended.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to Article I, section 8 of the United States Constitution, H.R. 3122, as amended, is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

#### APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 3122, as amended, does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

#### STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 3122, as amended, establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the GAO to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

#### DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 115th Cong. (2017), the Committee estimates that H.R. 3122, as amended, contains no directed rule making that would require the Secretary to prescribe regulations.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Sec. 1. Short title*

Section 1 would establish the short title of the Act.

*Sec. 2. Secretary of Veterans Affairs notice of dishonest, predatory, or otherwise unlawful practices targeting individuals who are eligible for increased pension on basis of need for regular aid and attendance*

Section 2(a) would require VA to publish a warning on the website relating to dishonest, predatory, or otherwise unlawful practices targeting individuals who are eligible for increased pension on the basis of need for regular aid and attendance.

Section 2(b) would require GAO to, not later than 18 months after the date of enactment of this Act, complete a study on the financial exploitation of veterans, including an analysis of the types of standards used by Federal and State agencies intended to protect vulnerable populations from financial exploitation; an analysis of the types of financial exploitation facing veterans who are eligible for Aid and Attendance benefits; and, any gaps in efforts to address these issues. GAO would also submit a preliminary report on the study not later than one year after the date of enactment of this Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

If enacted, this bill would make no changes in existing law.

