

SB 150 -3, -5 STAFF MEASURE SUMMARY

Senate Committee On Veterans, Emergency Management, Federal and World Affairs

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Meeting Dates: 2/27, 3/20

WHAT THE MEASURE DOES:

The measure prohibits, except as applicable, compensation for preparing or advising with applications for veterans' benefits or appealing decisions on such claims, and for referring veterans to those providing aforementioned services. It prohibits guarantees that receipt of benefits is certain and prohibits excessive fees for such services. It applies these prohibitions to services and functions an eligible claimant may receive at no charge from the Department of Veterans' Affairs (VA) or someone the VA has delegated authority to. It states that someone who receives compensation for these services must specify terms and conditions in a written agreement signed by all parties, and makes violation of these provisions unlawful. It takes effect on the 91st day after sine die.

Fiscal impact: Minimal fiscal impact

Revenue impact: No revenue impact

ISSUES DISCUSSED:

- Upcoming amendments to address technical issues
- Availability of claims services for no cost
- Differentiation between law-abiding assistance and predatory practice
- Maintaining options for use of claims assistance services

EFFECT OF AMENDMENT:

-3 The amendment spells out the definition of "unreasonable fee" rather than including a reference to the Code of Federal Regulations. It directs the Oregon Department of Veterans' Affairs to conduct outreach, provide education, and disseminate information including county and tribal veterans' service officers and representatives, their facility locations, and the services they provide in order to encourage veterans to seek free advice and assistance with veteran's benefit claims.

-5 The amendment spells out the definition of "unreasonable fee" rather than including a reference to the Code of Federal Regulations. It directs the Oregon Department of Veterans' Affairs (ODVA) to conduct outreach, provide education, and disseminate information including county veterans' service officers and tribal veterans representatives, their facility locations, and the services they provide in order to encourage veterans to seek free advice and assistance with veteran's benefit claims. This amendment clarifies that ODVA identifies tribal veterans' service officers as described in Title 38 of the Code of Federal Regulations, 14.629, as it is in effect on the Act's effective date.

BACKGROUND:

Federal law prohibits companies unaccredited by the Department of Veterans Affairs (VA) from charging fees for helping veterans file disability claims. No penalties exist for violating that law. Companies not accredited by the VA sometimes guarantee specific benefits from the VA to clients, or charge fees for assistance and consulting for filing VA claims. These fees sometimes reach thousands of dollars, though the VA and VA-accredited organizations offer assistance for free in some circumstances. These companies are sometimes referred to as "claim sharks," including by the VA, which put out a fraud alert in November 2023. These companies became more common after

passage of the federal Promise to Address Comprehensive Toxics (PACT) Act of 2022, which expanded VA health care and benefits to veterans exposed to burn pits and other toxic substances in recent conflicts such as in Iraq and Afghanistan.

Senate Bill 150 would prohibit, except as applicable, excessive fees for services and functions that an eligible claimant may receive at no charge from the VA or from a designate of the VA for veterans' benefits.