**Veterans Care Financial Protection Act**

A growing number of elderly veterans depend on the assistance of others to complete basic daily activities. As part of our enduring commitment to those who have served this nation, the Department of Veterans Affairs (VA) provides modest assistance to low-income veterans who can no longer take care of themselves without help. Unfortunately, unscrupulous actors are increasingly exploiting the existence of this assistance program, preying on our older veterans’ vulnerability and unfamiliarity with the VA bureaucracy, wasting federal dollars, and turning this benefit into a financial nightmare for those who can least afford it.

**The Warren-Rubio Veterans Care Financial Protection Act cracks down on these predatory practices by directing federal agencies to work with the states to establish standards that will root out this financial fraud – standing up for those veterans who can no longer stand up for themselves, and stopping scam artists from diverting federal funds for their own benefit.**

*Background.* The VA offers an Aid & Attendance benefit (A&A) to help pay for assisted living and/or in-home personal care for veterans who qualify for a VA pension (65 or older, or on disability; and below certain net worth and income thresholds), and are housebound or require the aid and attendance of another person.

Across the country, there are increasing reports of deceptive practices that use the A&A benefit to take financial advantage of our most vulnerable veterans. Some examples include:

* Veterans are charged fees for obtaining the benefit – or a “consultation fee” before even applying – despite the fact that the application process is free. Veterans are also charged fees with the promise of receiving the A&A benefit faster, when in reality there is no mechanism for expedited approval of these claims.
* Veterans are offered “help” to qualify for the benefit – even when their net worth is too high to qualify. Individuals then take control of the veteran’s assets and move them into an irrevocable trust or an annuity, which the elderly veteran often cannot access again for many years, creating significant financial strain. Moving assets this way may also may delay or disqualify the veteran for other assistance, like Medicaid.
* Retirement homes recruit residents by promising that veterans will receive the A&A benefit, which will cover the costs of the home. If the A&A claim is later denied, the nursing home will demand back payment, decimating assets and leaving veterans with nowhere to live.[[1]](#footnote-1)

The Veterans Care Financial Protection Act addresses these problems by:

* Directing the VA Secretary to work with other federal agencies, the states, and outside experts to develop and implement state and federal standards that protect veterans from dishonest, predatory, or otherwise unlawful practices relating to the A&A benefit (and requiring a GAO report on effective new standards if the VA Secretary does not certify to relevant congressional committees that it has developed state and federal standards within 6 months of enactment); and
* Directing the GAO to conduct a study 18 months after the enactment of the law to determine the extent to which the states, the VA, and any other federal agency have implemented the standards developed.

**The proposal would prevent waste, spend no new money, and impose no mandates. It is modeled on a section of the 2006 Military Personnel Financial Services Protection Act, which created a similar federal/state partnership to effectively crack down on predatory insurance sales on military installations.**

1. Testimony of Holly Petraeus before the Senate Committee on Veteran’s Affairs, July 31, 2013, at <http://www.consumerfinance.gov/newsroom/hollister-k-petraeus-before-the-senate-committee-on-veterans-affairs/>. [↑](#footnote-ref-1)