

Protections for Veterans Seeking Benefits

SB25-282

Rep. Feret, Rep. Armagost, Sen. Ball, Sen. B. Pelton

What will SB25-282 do?

SB25-282 protects veterans from unaccredited benefit consultants—often called “claim sharks”—who charge money to help navigate the process of applying for benefits to the Department of Veterans Affairs (VA). There is currently no regulation for this industry. SB25-282 will use the same framework that applies to companies who help applicants for benefits from the Social Security Administration (SSA).

The Problem:

Veterans are often misled into paying thousands of dollars in fees for a service they receive for free from Veteran Service Officers (VSOs) at the VA. This often results in veterans going into debt.

The wait time for VA claims is long, and there are currently 244,067 claims in the backlog.

The process for applying to the VA for benefits is complicated and intimidating for many veterans. Reputable private sector businesses are needed to assist veterans with their claims.

The Solution:

→ Unaccredited consultants who assist veterans with their claims may collect 25% of the veteran's back pay increase, with a maximum of \$9,200.

→ Allows a safe option for veterans to process their claims in a timely fashion and pays consultants fairly if they get an increase

→ Veterans must be notified of free options and unaccredited benefit consultants are fined if they break the rules

SB25-282 aligns the private veterans benefits industry with how the federal government currently regulates social security benefits:

Social Security Benefits Protections	Veterans Disability Benefits Protections
<p><u>Disclosure:</u></p> <p>The Social Security Act requires that businesses must disclose when a product or service is available free of charge from the SSA</p>	<p><u>Disclosure:</u></p> <p>SB25-282 requires that any business must notify veterans they can obtain the same service free of charge through VSOs.</p>
<p><u>Fees:</u></p> <p>The Social Security Act requires that any fee paid to an outside representative assisting in a claim for past due benefits may only collect 25% of the total amount of past-due benefits with a maximum of \$9,200.</p>	<p><u>Fees:</u></p> <p>SB25-282 requires any unaccredited consultants who assist veterans with their claims may only collect 25% of the veteran's back pay increase, with a maximum of \$9,200.</p>
<p><u>Misleading Communications:</u></p> <p>The Social Security Act prohibits anyone from misleading consumers by giving a false impression of association with, or authorization or endorsement by, the SSA.</p>	<p><u>Misleading Communications:</u></p> <p>SB25-282 requires businesses to clearly state they are not affiliated with the VA, the Colorado Department of Veterans Affairs, or any other federally chartered Veterans' Service Organization.</p>

Fun Fact: This is an ALL veteran bipartisan bill that combines the good parts of the previous bills

Questions? Contact **Dan Jablan** at dan@cherrypointstrategies.com for more info.

Cherry Point Strategies

SB25-282 Protections for Veterans Seeking Benefits (Side by Side Comparison)

Provisions	SB25-282	HB25-1233	HB25-1047
Definitions: Compensation	Compensation: Any money, thing of value, or economic benefit conferred on or received by a person in return for services rendered or to be rendered by the person or another.	Compensation: Same as SB282	Compensation: Payment of money, a thing of value, or a financial benefit.
Definitions: Person	Person: (Same as section 6-1-102): an individual, corporation, business trust, estate, trust, partnership, unincorporated association, or two or more thereof having a joint or common interest, or any other legal or commercial entity.	Person: Same as SB282	Person: Same as SB282 plus it includes a state, or local govt or governmental subdivision, agency, or instrumentality.
Compensation Limits	Caps at the lesser of \$9,200 or 25% of past-due benefits received (changed in Senate amendment to match SSA regulations)	Limits compensation to \$12,500 and no more than 5x the increase of monthly benefits.	Can't receive compensation for providing certain services, unless charges are reasonable under federal law
Claims filed within year of discharge	Cannot receive compensation for service in connection with a claim filed within a year of discharge period.	Cannot receive compensation for service in connection with a claim filed within a year of discharge without a signed waiver	Not addressed
Compensation conditions	A consultant can only receive compensation if benefits are successfully awarded	Same as SB282	Not addressed
Appeals and Initial Decisions	Prohibits unaccredited consultants from providing services connected to appeals or initial decisions around benefits made by VA per federal law	Does not prohibit unaccredited consultants from providing services connected with appeals or initial decisions around benefits made by VA	Not addressed
Guaranteeing Outcome	Prohibits consultant from directly or indirectly guaranteeing success of outcome	Same as SB282	Same as SB282
Payment Plan	Not addressed	Consultant must provide veteran with a year-long, interest-free payment plan	Not addressed

<p>Signed Compensation Disclosure</p>	<p>Consultant must state in a business agreement signed by both parties, the terms under which they will be compensated before consulting.</p>	<p>Same as SB282</p>	<p>Same as SB282</p>
<p>Requirements of Disclosure Statement</p>	<ul style="list-style-type: none"> • Consultant is not affiliated with VA • VA and its affiliates provide the same service for free • Veteran may qualify for other benefits outside what consultant offers • Consultant not affiliated with the VA, the DMVA, or any other VSO. • The statement must be displayed and easily readable and, must be available in audible format or any other appropriate format • Claims are processed by VA and consultant cannot expedite that process 	<ul style="list-style-type: none"> • Consultant is not affiliated with VA • VA or other affiliates may provide the same service for free • Veteran may qualify for other benefits outside what consultant offers • Consultant is not accredited (and must explain accreditation) • The statement must be obviously displayed and easily readable 	<p>Not addressed</p>
<p>Data Security</p>	<ul style="list-style-type: none"> • Consultant cannot use veteran's login credentials to access medical, financial, or govt benefit info • Consultant cannot disclose personal data related to benefit to third party unless court-ordered • Consultant must protect vet's info in line with state privacy laws, including HIPAA 	<p>Same as SB282 plus the following:</p> <ul style="list-style-type: none"> • Consultant must run background check on party before granting them access to vet's personal info • A consultant cannot use international call centers or data centers for processing claims 	<p>Not specified</p>
<p>Death of a Veteran</p>	<p>If a veteran dies before claims are processed, the consultant cannot receive any compensation related to the claim.</p>	<p>Not addressed</p>	<p>Not addressed</p>