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February 27, 2024

TO: The Honorable Joseline Peña-Melnyk
Chair, Health & Government Operations Committee

FROM: Adam Spangler
Legislative Aide, Legislative Affairs, Office of the Attorney General

RE: House Bill 875 - Veterans - Persons Providing Veterans Benefits Services
and Veterans Benefits Appeals Services - Fees and Compensation - **Support**

The Maryland Office of the Attorney General requests a favorable report on House Bill 875 - Veterans - Persons Providing Veterans Benefits Services and Veterans Benefits Appeals Services - Fees and Compensation. This legislation seeks to protect Maryland's Veterans from unscrupulous actors that would take advantage of Veterans seeking assistance with benefits and benefits appeals services.

A recognized Veteran Service Organization (VSO) is one that has been recognized by the Veterans Administration (VA),¹ which means that the organization has satisfied multiple requirements outlined in 38 C.F.R. §14.628. Veterans who use accredited assisters cannot be charged a penny for help in filing their initial claim. If the veteran subsequently wants to appeal the VA's decision, the VA limits how much the approved representatives can charge. Unaccredited companies face no such restrictions. Sometimes calling themselves "medical consultants" or "coaches," unaccredited businesses advertise their fee-based services to veterans, suggesting they

¹ 38 C.F.R. §14.628(d) describes the requirements that must be met for recognition.

can provide quick turnaround times on claims and higher benefit checks than if veterans choose a VA-approved representative. However, of the 280 complaints sent to the VA's Office of General Counsel from 2018 to 2022, 40% were related to unaccredited individuals and organizations.² Additionally, according to the VA, there is no statistically significant difference in the average number of days it takes any type of filer to complete a rating-related claim. In the current fiscal year, time frames have ranged from 129.7 days to 139.4 days whether veterans make a claim unassisted (which would include those who use unaccredited representatives) or use VSOs, agents, or attorneys.³

If unaccredited companies want a seat at the table, their staffs should first seek accreditation with VA as accredited agents or attorneys; and, appropriately file all required powers of attorney, contracts, and fee agreements with the VA's Office of General Counsel to ensure that they abide by professional and ethical standards. Simply put, if you want to do this work, you need to follow the rules the same way that accredited VSOs, attorneys, and agents have done for decades.

For the foregoing reasons, the Office of the Attorney General requests a favorable report on House Bill 875.

cc: Delegate Nick Allen
Health and Government Operations Committee Members

² Michelle Andrews, *Some private companies charge hefty fees to help veterans with disability claims*, WWW.CBSNEWS.COM (2023), <https://www.cbsnews.com/news/veterans-disability-claims-companies-charge-fees/>.

³ *I.d.*