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116TH CONGRESS
2^D SESSION

H. R. 5245

[Report No. 116-]

To amend title 38, United States Code, to provide for a bar on the recovery of certain payments or overpayments made by the Department of Veterans Affairs by reason of delays in processing of certain information, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2019

Mr. PAPPAS (for himself and Mr. ROSE of New York) introduced the following bill; which was referred to the Committee on Veterans' Affairs

SEPTEMBER --, 2020

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on November 21, 2019]

A BILL

To amend title 38, United States Code, to provide for a bar on the recovery of certain payments or overpayments made by the Department of Veterans Affairs by reason of delays in processing of certain information, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Stopping Harm and*
5 *Implementing Enhanced Lead-time for Debts for Veterans*
6 *Act” or the “SHIELD for Veterans Act”.*

7 **SEC. 2. PROHIBITION OF DEBT ARISING FROM OVERPAY-**
8 **MENT DUE TO DELAY IN PROCESSING BY THE**
9 **DEPARTMENT OF VETERANS AFFAIRS.**

10 *(a) BAR TO RECOVERY.—*

11 *(1) IN GENERAL.—Chapter 53 of title 38, United*
12 *States Code, is amended by inserting after section*
13 *5302A the following new section:*

14 **“§ 5302B. Prohibition of debt arising from overpay-**
15 **ment due to delay in processing**

16 *“(a) LIMITATION.—No individual may incur a debt*
17 *to the United States that—*

18 *“(1) arises from any program or benefit admin-*
19 *istered by the Under Secretary for Benefits; and*

20 *“(2) is attributable to the failure of an employee*
21 *or official of the Department to process information*
22 *provided by or on behalf of that individual within*
23 *applicable timeliness standards established by the*
24 *Secretary.*

1 “(b) *NOTICE TO BENEFICIARY.*—*If the Secretary deter-*
2 *mines that the Secretary has made an overpayment to an*
3 *individual, the Secretary shall provide notice to the indi-*
4 *vidual of the overpayment. Such notice shall include an ex-*
5 *planation of the right of the individual to dispute the over-*
6 *payment or to request a waiver of indebtedness.*”

7 “(c) *DELAY ON COLLECTION.*—*The Secretary may not*
8 *take any action under section 3711 of title 31 regarding*
9 *an overpayment described in a notice under subsection (b)*
10 *until the date that is 90 days after the date the Secretary*
11 *issues such notice.*”

12 (2) *CLERICAL AMENDMENT.*—*The table of sec-*
13 *tions at the beginning of such chapter is amended by*
14 *inserting after the item relating to section 5302A the*
15 *following new item:*

 “5302B. *Prohibition of debt arising from overpayment due to delay in proc-*
 essing.”

16 (3) *DEADLINE.*—*The Secretary of Veterans Af-*
17 *airs shall prescribe regulations to establish standards*
18 *under section 5302B(a)(2) of such title, as added by*
19 *subsection (a), not later than 180 days after the date*
20 *of the enactment of this Act.*

21 (b) *PLAN FOR IMPROVED NOTIFICATION AND COMMU-*
22 *NICATION OF DEBTS.*—*Not later than 180 days after the*
23 *date of the enactment of this Act, and one year thereafter,*
24 *the Secretary of Veterans Affairs shall submit to Congress*

1 *a report on the improvement of the notification of and com-*
2 *munication with individuals who receive overpayments*
3 *made by the Secretary. Such report shall include each of*
4 *the following:*

5 *(1) The plan of the Secretary to carry out each*
6 *of the following:*

7 *(A) The development and implementation of*
8 *a mechanism by which individuals enrolled in*
9 *the patient enrollment system under section 1705*
10 *of title 38, United States Code, may view their*
11 *monthly patient medical statements electroni-*
12 *cally.*

13 *(B) The development and implementation of*
14 *a mechanism by which individuals eligible for*
15 *benefits under the laws administered by the Sec-*
16 *retary may receive electronic correspondence re-*
17 *lating to debt and overpayment information.*

18 *(C) The development and implementation,*
19 *by not later than October 1, 2022, of a mecha-*
20 *nism by which individuals eligible for benefits*
21 *under the laws administered by the Secretary*
22 *may access information related to Department of*
23 *Veterans Affairs debt electronically.*

24 *(D) The improvement and clarification of*
25 *Department communications relating to over-*

1 *payments and debt collection, including letters*
2 *and electronic correspondence. The Secretary*
3 *shall develop such improvements and clarifica-*
4 *tions in consultation with veterans service orga-*
5 *nizations and other relevant non-governmental*
6 *organizations.*

7 *(E) The development and implementation,*
8 *by not later than October 1, 2022, of a*
9 *mechanism by which veterans may update their*
10 *dependency information electronically.*

11 *(2) A description of the current efforts and plans*
12 *for improving the accuracy of payments to individ-*
13 *uals entitled to benefits under the laws administered*
14 *by the Secretary, including specific data matching*
15 *agreements.*

16 *(3) A description of steps to be taken to improve*
17 *the identification of underpayments to such individ-*
18 *uals and to improve Department procedures and poli-*
19 *cies to ensure that such individuals who are under-*
20 *paid receive adequate compensation payments.*

21 *(4) A list of actions completed, implementation*
22 *steps, and timetables for each requirement described*
23 *in paragraphs (1) through (3).*

24 *(5) A description of any new legislative author-*
25 *ity required to complete any such requirement.*

1 **SEC. 3. PROHIBITION ON DEPARTMENT OF VETERANS AF-**
2 **FAIRS INTEREST AND ADMINISTRATIVE COST**
3 **CHARGES FOR DEBTS RELATING TO CERTAIN**
4 **BENEFITS PROGRAMS.**

5 (a) *IN GENERAL.*—Section 5315(a)(1) of title 38,
6 *United States Code*, is amended—

7 (1) by striking “other than a loan” and all that
8 follows through the semicolon and inserting “other
9 than—”; and

10 (2) by adding at the end the following new sub-
11 paragraphs:

12 “(A) a loan, loan-guaranty, or loan-insur-
13 ance program;

14 “(B) a disability compensation program;

15 “(C) a pension program; or

16 “(D) an educational assistance program.”.

17 (b) *EFFECTIVE DATE.*—The amendments made by sub-
18 section (a) shall apply with respect to an indebtedness that
19 occurs on or after the date of the enactment of this Act.

20 **SEC. 4. THRESHOLD FOR REPORTING DEBTS TO CONSUMER**
21 **REPORTING AGENCIES.**

22 (a) *IN GENERAL.*—Chapter 53 of title 38, *United*
23 *States Code*, is amended by adding after section 5319 the
24 following new section:

1 **“§ 5320. Threshold for reporting debts to consumer re-**
2 **porting agencies**

3 *“The Secretary shall prescribe regulations that estab-*
4 *lish the minimum amount of a claim or debt, arising from*
5 *a benefit administered by the Under Secretary for Benefits*
6 *or Under Secretary for Health, that the Secretary will re-*
7 *port to a consumer reporting agency under section 3711*
8 *of title 31.”.*

9 (b) *CLERICAL AMENDMENT.—The table of sections at*
10 *the beginning of such chapter is amended by adding after*
11 *the item relating to section 5319 the following new item:*
“5320. Threshold for reporting debts to consumer reporting agencies.”.

12 (c) *DEADLINE.—The Secretary of Veterans Affairs*
13 *shall prescribe regulations under section 5320 of such title,*
14 *as added by subsection (a), not later than 180 days after*
15 *the date of the enactment of this Act.*

16 **SEC. 5. EXTENSION OF WINDOW TO REQUEST RELIEF FROM**
17 **RECOVERY OF DEBT ARISING UNDER LAWS**
18 **ADMINISTERED BY THE SECRETARY OF VET-**
19 **ERANS AFFAIRS.**

20 *Section 5302(a) of title 38, United States Code, is*
21 *amended by striking “180 days” and inserting “one year”.*

22 **SEC. 6. REMOVAL OF DEPENDENTS FROM AWARD OF COM-**
23 **PENSATION OR PENSION.**

24 *The Secretary of Veterans Affairs shall ensure that—*

1 (1) a veteran may remove any dependent from
2 an award of compensation or pension to the veteran
3 using the eBenefits system of the Department of Vet-
4 erans Affairs, or a successor system; and

5 (2) such removal takes effect not later than 60
6 days after the date on which the veteran makes such
7 removal.