

The Honorable Derrick Van Orden (WI-3)

Chairman

Subcommittee on Economic Opportunity

Committee on Veterans' Affairs

United States House of Representatives

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The Honorable Chris Pappas (NH-1)

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Subcommittee on Economic Opportunity

Committee on Veterans' Affairs

United States House of Representatives

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STATEMENT OF MR. CRAIG SCHRIMSHER
PRESIDENT OF NORTH AMERICAN MANUFACTURING
BRAUNABILITY

BEFORE THE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OVERSIGHT
UNITED STATES HOUSE OF REPRESENTATIVES

ON

"PUSHING VA FORWARD:
REVIEW OF VA'S ADAPTIVE PROGRAMS FOR DISABLED VETERANS"

Introduction

On behalf of BraunAbility, I would like to thank Chair Van Orden, Ranking Member Pappas, and all the members of the House of Representatives Veterans' Affairs Subcommittee on Economic Opportunity for the opportunity to testify today. My name is Craig Schrimsher, and I lead North American Manufacturing at BraunAbility, the global leader in wheelchair-accessible vehicles and mobility solutions, overseeing domestic production to ensure top-tier product quality, safety, and accessibility for our customers, Americans with physical disabilities and those who care for them.

Supporting VA's Mission to Serve Veterans

BraunAbility seeks to support the United States Department of Veterans Affairs' ("VA") mission to care for those who have served in our nation's military and for their families, caregivers, and survivors. BraunAbility and our network of mobility dealers bring independence and mobility freedom to people with physical disabilities and their caregivers. The Adaptive Automobile Equipment ("AAE") program, which BraunAbility actively supports, provides disabled veterans and their caregivers with the adaptive equipment necessary for a veteran to access and operate a vehicle, or to have someone operate the vehicle for them.

Larry Dodson, a Vietnam War veteran, sustained a spinal cord injury in 1974 that drastically changed his life. When he finally purchased his first accessible van, he said, "Getting that freedom of transportation was invaluable." It restored a sense of independence and dignity during a period in his life marked by despair and hopelessness. He went on to own six more BraunAbility vans. He later dedicated his career to the Paralyzed Veterans of America ("PVA"), advocating for fellow veterans, helping them reclaim their mobility, and ensuring they receive the care and benefits they deserve. Of his career with the PVA he said, "As long as I can, I will help."

A core part of BraunAbility's mission is to help VA do the same for our nation's veterans. In Mr. Dodson's case and others, our products and services keep veterans connected to their families, their careers, and their communities. However, recent policy changes and ongoing challenges within VA threaten disabled veterans' independence and sense of purpose by imposing undue financial and personal hardship. This document outlines the challenges presented by certain VA policies and calls for necessary reforms, including the restoration of fair trade-in policies, timely reimbursements, and updated adaptive equipment pricing. By surfacing these issues, BraunAbility seeks to protect veterans' mobility rights and advocate for sustainable solutions that uphold their dignity and autonomy. Before discussing the AAE program in greater depth, I would like to provide some background on BraunAbility.

Ralph Braun: A Legacy of Innovation and Independence

BraunAbility was built on a commitment to reliable, accessible transportation for people with mobility challenges. That mission started with our founder, Ralph Braun, who was diagnosed with muscular dystrophy as a child. Determined to navigate a world not built for him, with his father's help, he created the first battery-powered wheelchair—an innovation that launched a lifetime of mobility solutions. Eventually, he made a massive breakthrough, designing and producing the first wheelchair-accessible vehicle, which changed the future for people with physical disabilities. Ralph's vision led to the creation of The Braun Corporation.

Veterans have been an essential part of BraunAbility's story since the beginning. Among Ralph's first customers were Vietnam War veterans facing an uncertain road ahead and significant mobility challenges resulting from their service. Understanding their struggles firsthand, Ralph focused on solutions that restored their independence, revolutionizing the adaptive vehicle industry and establishing BraunAbility as a global leader in accessibility.

BraunAbility continues Ralph Braun's mission of expanding mobility access. For over 50 years, his legacy has fueled the development of wheelchair-accessible vans, SUVs, lifts, and adaptive seating, transforming the lives of more than a million customers. Today, BraunAbility supports over 2,000 American jobs, with its products available in more than 50 countries across six continents. Veterans remain central to BraunAbility's mission, making up approximately 17% of its customers. In 2024 alone, thousands of veterans regained mobility by using BraunAbility's accessible vehicles. These veterans deserve policies that respect their service and ensure they have access to the mobility products they need to preserve their independence.

Addressing Adaptive Equipment Policy

'Two in Four' Adaptive Equipment Trade-In Policy

The Automobile Adaptive Equipment policy, encoded at section 3902(b) of Title 38, United States Code (U.S.C.), requires VA to provide eligible veterans with "the adaptive equipment deemed necessary to insure [sic] that the eligible person will be able to operate [an] automobile or other conveyance." VA implements this policy at 38 CFR sections 17.155-17.159. The term 'adaptive equipment' can cover a wide range of medically necessary vehicle modifications, including lowered vehicle floors, mobility device lifts, ramps, and kneeling systems, among other modifications. Adaptive equipment modifications can increase the cost of a vehicle by thousands or tens of thousands of dollars. Without VA covering this cost, it would be impossible for many veterans to afford this life-altering equipment.

Under the AAE program, VA reimburses the eligible veteran or registered provider for a sizable portion of the veteran's first vehicle and any adaptive equipment required for the veteran to operate the vehicle. VA also reimburses the eligible veteran or registered provider for adaptive equipment for not more than "two automobiles or other conveyances at any one time or during any four-year period."

Until recently, VA interpreted this ‘two in four’ language to mean that an eligible veteran could trade in their older vehicle and be reimbursed for new adaptive equipment every two years. Commonly, VA would reimburse a veteran for a new base vehicle and adaptive equipment, the veteran would use the vehicle for two years, the veteran would trade the vehicle in to cover the cost of a new base vehicle, and VA would reimburse the veteran for new adaptive equipment for that vehicle. After two more years, the veteran would trade in the vehicle again and the cycle would repeat.

This system meant VA reimbursed veterans for new adaptive equipment on two automobiles every four years, as regulation and statute suggest is appropriate. The system created a virtuous cycle. Because (besides the first vehicle) VA only covers the cost of new adaptive equipment, not the cost of the base vehicle, veterans are on the hook for the cost of new vehicles. However, a veteran could trade in their used vehicle after two years and the trade-in value would offset the cost of a new base vehicle while VA would pay for the cost of adaptive equipment. This system protected veterans’ mobility independence by providing access to adapted vehicles for low or no cost.

Recently, VA changed its interpretation of this policy, resulting in significant hardship for veterans. To our knowledge, this change in interpretation occurred without any public comment process or public notice in the Federal Register. Under the new interpretation, the veteran cannot trade in the adapted vehicle until after four years, rather than after two years like before. Because adapted vehicles depreciate significantly more quickly than standard vehicles, this policy change means that vehicle trade-ins no longer cover the cost of a new vehicle. As a result, to access the VA benefit of new adaptive equipment, disabled veterans must spend thousands of dollars out of pocket every four years to cover the cost of the base vehicle. Moreover, because the warranty on these vehicles is 36 months and adaptive equipment is subject to significant wear and tear, veterans often have to pay out of pocket to repair their own vehicles. This is a problem that, by statute, VA is supposed to resolve.

- **Uncertainty in VA Process Blocks Mobility Access** - *For veterans seeking a modified vehicle, securing one isn't just about finding the right fit—it's about waiting for VA's approval, a process riddled with delays and uncertainty. Without that approval, out-of-pocket costs remain unknown, leaving veterans stuck in financial limbo. Planning becomes nearly impossible. Should they move forward with purchasing a vehicle? Can they afford both the conversion and the car itself? With no clear answers until the VA's decision arrives, everything grinds to a halt. Veterans are forced to navigate layers of bureaucracy before they can even begin the process of regaining mobility. The recent change in trade-in policy has only exacerbated this issue, and the inefficiencies don't stop there. VA's sluggish approach to approving quotes creates additional obstacles: veterans must wait to see not just what will be*

approved, but how much they'll be expected to cover themselves. Meanwhile, they can't secure financing or even hold a vehicle because approved amounts remain in limbo. Instead of streamlining the process to support those who need mobility solutions, the VA's current system forces veterans into an endless waiting game—one that delays independence and leaves them stranded in uncertainty.

Nothing in statute or regulation suggests that there should be a requirement to own a vehicle for four years before trade-in, yet VA made this change that directly harms disabled veterans. The decrease in trade-ins also results in fewer used adapted vehicles on the market for other non-veteran disabled Americans who cannot afford the cost of a new vehicle. VA's policy is putting true mobility and accessibility out of reach for tens of thousands of Americans, particularly veterans who were wounded in service of their country.

VA's altered interpretation of the adaptive equipment allowance is in direct contradiction with the doctrine of Gardner deference, also known as veterans canon. Gardner deference, rooted in the 1994 Supreme Court case *Brown v. Gardner*, holds that in cases of interpretive doubt of a statute or regulation, benefits should be resolved in favor of the veteran. Applied to adaptive equipment trade-in policy, even if there is interpretive doubt in the phrase from 38 USC 3903, "An eligible person shall not be entitled to adaptive equipment under this chapter for more than two automobiles or other conveyances at any one time... during any four-year period," that doubt should be resolved in favor of the veteran.

VA's new requirement to have owned a vehicle for four years before being eligible for a trade-in appears nowhere in statute or regulation. VA is interpreting this policy in a way that directly harms disabled veterans. VA should reinstate its prior policy of allowing trade-ins and providing new adaptive equipment after two years, as intended in statute.

Prompt Payment

As discussed above, the adaptive equipment allowance policy provides veterans with the vehicles and adaptive equipment they need to secure mobility independence. In most instances, veterans receive adapted vehicles from government-registered dealers. Dealers are then reimbursed by VA upon submission of VA Form 10-1394, an itemized estimate before work, and an itemized invoice upon completion of work. However, according to the National Mobility Equipment Dealers Association (NMEDA), there are almost \$11 million in payments to dealers that are more than 90 days overdue. Many accounts are over six months overdue with some exceeding a year overdue. This is a longstanding, persistent problem with no obvious cause—some VA locations make regular on-time payments while others have dozens of overdue invoices worth hundreds of thousands of dollars.

These overdue payments cause disabled veterans and mobility dealers significant hardship. At any given dealer, roughly 20 to 40 percent of their business is with VA. For these dealers, especially small dealers, these delays make it difficult to manage operations, invest in new technology, or plan for the future. For veterans directly reimbursed by VA, these delays mean that they can be out of pocket tens of thousands of dollars for months.

The Prompt Payment Act states at (31 USC § 3903(a)(1)) that the required payment date is “30 days after a proper invoice for the amount due is received if a specific payment date is not established by contract.” The Prompt Payment Act also states at (31 USC § 3903(7)(B)) that “any invoice determined not to be such a proper invoice suitable for payment shall be returned as soon as practicable, but not later than 7 days, after receipt, specifying the reasons that the invoice is not a proper invoice.” Taken together, these provisions mean that VA is required to pay dealers within 30 days of receiving a completed invoice and, in the case of an unsuitable invoice, inform dealers of the unsuitable invoice and how to correct it within seven days of receipt.

BraunAbility’s trade association, NMEDA, is currently tracking just under \$11 million in payments to dealers that are averaging 187 days overdue. It should be noted that this data is submitted from 89 of the 302 NMEDA member locations and is counted once the payments are 60 days past due. Submission of the data to NMEDA by its members is voluntary so the actual past due total is most likely much higher. This total includes not just wheelchair accessible vehicles but adaptive equipment and repairs as well. Moreover, to our knowledge, dealers rarely, if ever, receive notice from VA within seven days that an invoice is unsuitable. Recently, VA reported that it had only two invoices over 90 days overdue. We believe that there is a systemic lack of communication within VA that results in the agency processing dealers’ reimbursement invoices with considerable delay. We ask VA to honor its commitment to disabled veterans and prioritize prompt reimbursements to veterans and dealers for adaptive automotive equipment.

Adaptive Equipment Schedule

Under VA’s recent *Adaptive Equipment Allowance* rule (RIN: 2900-AP39), finalized July 17, 2024, VA established the Adaptive Equipment Schedule for Automobiles and Other Conveyances (“Schedule”). The Schedule is intended to calculate “the amount of the monetary allowance for adaptive equipment based on industry standards and our experience administering this program.” In its rulemaking, VA committed to increasing the reimbursement amounts in the Schedule based on the Consumer Price Index (CPI) expenditure category for “motor vehicle parts and equipment”.

In concept, the Schedule should standardize payment and provide a fair valuation for adaptive equipment for the future. However, the Schedule—published in July 2024—relies on data from 2021, meaning that it significantly undervalues the cost of adaptive equipment. Adaptive equipment dealers are currently being reimbursed for significantly less than fair market value.

On average, the CPI for “motor vehicle parts and equipment” suggests that the prices in the Schedule need to be increased by 17% to reflect the true cost of adaptive equipment in 2025. We request that VA rely on CPI data to increase the prices reflected in the Schedule for every year since 2021, the year data was collected. This will ensure that veterans and dealers are properly reimbursed for the real cost of adaptive equipment.

- **Essential Mobility Upgrades Denied by VA** - *Some critical mobility modifications never make it into VA’s Schedule, meaning they simply can’t be included for financial assistance—regardless of necessity. Essential equipment, like reduced effort steering and braking, often falls into this gap, forcing veterans to cover unexpected costs out-of-pocket. In one case, VA reviewed a conversion quote and arbitrarily cut more than half of the proposed expenses. With the remaining costs too high to absorb, the mobility dealer couldn’t bridge the gap, leaving the veteran without crucial modifications. As a result, mobility and independence were put on hold—another example of how vague policies place veterans in an impossible position between what’s required and what’s approved. One veteran, relying on a 17-year-old vehicle, required a new rack and pinion system, but VA refused to cover backup braking or steering because they weren’t listed on the initial evaluation form. With costs totaling \$21,000, VA only approved \$6,000, expecting the dealer and veteran to absorb the remaining \$15,000—an unsustainable request. VA is frequently unwilling to accommodate necessary modifications, leaving veterans and providers to shoulder unexpected expenses with little regard for their financial realities.*

We are deeply concerned with VA’s negligence in delivering prompt payment and failure to properly account for inflation in the adaptive equipment Schedule. Moreover, we disapprove of VA overturning its longstanding policy that veterans may trade in their adapted vehicles after two years and receive new adaptive equipment, a change made without any public comment process or official notice. We call on VA to honor its commitment to our nation’s wounded heroes: deliver prompt payment to adaptive equipment dealers, update the adaptive equipment Schedule to ensure proper pricing, and reverse the harmful change to adaptive equipment allowance interpretation.

Call to Action: Protect Veterans' Mobility Access

Addressing Key Policy Challenges

Mobility equipment manufacturers like BraunAbility play a vital role in ensuring veterans and individuals with disabilities maintain their independence. Similarly, mobility equipment dealers provide the link between manufacturers and disabled veterans. However, current VA policies threaten the ability of these businesses to operate and serve veterans. Without action, veterans risk losing access to essential mobility solutions.

To strengthen accessibility for veterans, we respectfully request the VA take the following steps:

- Restore the previous vehicle trade-in policy, allowing disabled veterans to exchange vehicles every two years, as originally intended in statute. This will ensure access to updated adaptive equipment without undue financial hardship.
- Ensure timely reimbursements for adaptive equipment dealers by addressing overdue payments and implementing a system for prompt future payments.
- Update pricing schedules for adaptive equipment using current Consumer Price Index (CPI) data to reflect 2025 costs. Existing rates, based on outdated 2021 data, no longer cover actual expenses.

Partnering to Protect Veterans' Mobility Independence

These actions are necessary to ensure businesses can continue providing essential mobility solutions to disabled veterans. BraunAbility encourages VA to work with industry partners to address these challenges and implement reforms that protect veterans' access to independence and mobility.

ADDENDUM / CASE EXAMPLES

New Conversion, Old Classification - A veteran diagnosed with ALS made the decision to purchase a pre-owned accessible van, which was considered a new conversion on a used vehicle. Given the progressive nature of ALS, a pre-owned van was a more practical and economical option. However, VA classified the entire vehicle as used, even though the conversion and modifications were brand new, making them ineligible for necessary financial support. As a result, the only options were selling the veteran a new van or nothing at all—creating an unnecessary financial hurdle for a veteran in need.

VA Error Leaves Veteran with \$70K Bill - A 78-year-old Vietnam veteran received a signed 4502 form from the VA, approving mobility modifications. The dealer followed every required step—submitting quotes, securing authorization, ordering parts, and delivering the vehicle. Yet after final paperwork was submitted, the VA suddenly reversed its stance, claiming the veteran was ineligible, despite its own signed approval. This error led to a denial of payment, leaving the veteran burdened with a \$70,340.02 bill. To make matters worse, VA instructed the dealer to repossess the vehicle, placing the veteran in an impossible financial position. Even after admitting the mistake, the regional office still refuses to correct it, insisting on repossession. This situation exposes serious flaws in VA's approval process, forcing veterans and providers to either second-guess every decision or risk devastating financial consequences—all because someone checked the wrong box.

New Upgrades, Old Rules - A modified van should provide freedom and mobility, but bureaucratic regulations often create unexpected barriers. In this case, a veteran purchased a 2022 van for conversion, expecting essential modifications to be covered. However, because VA classified the vehicle as three years old—despite the conversion and customizations being brand new—they only agreed to cover 40% of the quoted cost. With a remaining balance of \$60,000, neither the veteran nor the dealer could absorb the expense. Previously, the veteran had worked through VA to receive a fully covered vehicle. Now, needing electronic mobility control (“EMC”) equipment to drive, he followed the same process, believing he was taking the right steps. But VA policy dictates that when additional equipment is required, the van may be categorized as “used,” disqualifying the owner from new vehicle assistance under the four-year rule. Even though the modifications are brand new, the depreciation rate applied to used conversions often makes the final cost unaffordable. The result? A frustrating situation where rigid policy trumps practical necessity, leaving veterans and dealers to bear the burden with little flexibility or willingness to reconsider the individual needs of those affected.

Red Tape Stalls Veterans' Driving Evaluations - Navigating the VA system for a driving evaluation has become an increasingly time-consuming and frustrating process. Today's process requires an annual driver evaluation—but appointment times continue to stretch months into the

future due to a shortage of evaluators. Once the evaluation is completed, a new obstacle arises: the evaluator's report often doesn't align with VA's Schedule, triggering a cascade of administrative hurdles. Veterans and dealers find themselves stuck in a cycle of revision requests, back-and-forth calls with evaluators, appeals to the Prosthetics department, and waiting for the Regional Office to reject the evaluation—just to start the process over. What once took just 24 hours for approval can now drag on for weeks, leaving veterans without the mobility solutions they need. Further complicating matters, some VA offices prohibit dealers from speaking directly to evaluators, instead requiring them to go through the Prosthetics department, adding yet another layer of delay. This bureaucratic tangle not only postpones essential mobility modifications but also forces veterans into an exhausting loop where paperwork precision is prioritized over their actual needs. The result? Untold delays that keep veterans waiting for the independence they deserve.

Solutions, Not Indifference: A Path for Partnership to Help Veterans - Navigating VA's vehicle policies is difficult enough, but the real issue is the lack of compassion veterans feel when problems arise. Instead of working toward solutions, VA's default response is often repossession—forcing the financial burden onto the veteran rather than addressing mistakes collaboratively. If a veteran cannot afford a necessary expense, the reaction is often dismissive: “It's not the VA's problem.” Rather than seeking alternative options or helping, the solution is simply to deny the sale, leaving veterans stranded without mobility or support. When policy takes precedence over people, and problem-solving is replaced with indifference, veterans are left without the help they need. For many, the VA no longer feels like an ally, but an obstacle. As one veteran put it: “I used to feel like the VA took care of their veterans, and now they simply don't care.” And when the VA won't step up, mobility dealers are left scrambling to fill the gap, absorbing costs that should never have fallen on their shoulders in the first place. Instead, we call on VA to partner with BraunAbility, other manufacturers, and adaptive equipment dealers to help veterans in need. BraunAbility believes strongly in VA's mission to care for former servicemembers, and we believe that with the right reforms, we can ensure that every disabled veteran secures mobility freedom.