

The Honorable Derrick Van Orden (WI-3)
Chair
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
United States House of Representatives
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The Honorable Chris Pappas (NH-1)
Ranking Member
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
United States House of Representatives
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STATEMENT OF MR. SAM COOK
PRESIDENT
SUPERIOR VAN & MOBILITY

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

Introduction

On behalf of Superior Van & Mobility and National Mobility Equipment Dealers Association (“NMEDA”) dealers across the country, 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 Sam Cook, and I am the President of Superior Van & Mobility, the nation’s largest family-owned adapted vehicle dealer. Based out of our headquarters in Louisville, Kentucky, I oversee the operation of 18 dealer locations across the South and Midwest, and I have worked with the VA for over 25 years.

Superior has grown from one location to now 18 locations, positioning us as the largest privately owned dealership group in the country. At our size, the burden of the slow payments from the VA is a barrier for growth and a barrier to entry for our industry. Many of the dealers across the country are single point dealers that cannot afford to do business with the VA because of the strain that it puts on their cash flow.

Superior Van & Mobility, as well as NMEDA dealers across the country, seek 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. Superior Van & Mobility provides specially tailored accessible vehicles that bring independence and mobility freedom to people with physical disabilities. The Automobile and Adaptive Equipment (“AAE”) program, which Superior Van & Mobility 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. It is my honor to serve the heroes of this country every day, providing them with state-of-the-art vehicle modifications to get them to the places they want to go.

The reason I am here today is to help our country keep its promise to serve our disabled veterans. Unfortunately, recent policy changes and ongoing challenges within the VA threaten disabled veterans’ independence and sense of purpose¹ by imposing undue financial and personal hardship. While I can speak only on behalf of Superior, the problem extends across every state in the country and to nearly every member of NMEDA. Almost every district in the country has an automobility dealer, many of which are family-owned small businesses, and every member of the committee has disabled veterans in their district who are being impacted by the VA’s policies.

This testimony 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

¹ Driving mobility aids empower people with disabilities by providing independence, access to opportunities, and improved quality of life through specialized vehicle modifications like hand controls for pedals, steering aids (spinners, joysticks), and electronic controls. These adaptations allow individuals with limited limb function to operate vehicles safely and confidently, transforming daily activities and community engagement, according to reports from Ability KC, the Muscular Dystrophy Association, United Access, and the NHTSA.
<https://abilitykc.org/adaptive-driving-what-is-it-and-how-does-it-help-someone-with-a-disability/>,
<https://www.mda.org/quest/article/mobility-drivers-seat>, <https://www.unitedaccess.com/us/en/blog/mobility-solutions/understanding-adaptive-driving.html>

adaptive equipment pricing. I would especially like to lend support to the Centralized Reimbursement for Upgraded Innovative Service Equipment (“CRUISE”) Act, recently introduced by Congressman Barrett. The CRUISE Act would centralize the process for reimbursing dealers in the Central Office of the Department and would require VA to accurately track payments to dealers that are more than 90 days overdue. It is my hope that if the CRUISE Act is passed and properly implemented, many of the issues facing mobility equipment dealers and disabled veterans would be resolved.

The root cause of these problems is not with the hardworking staff at any of the VA’s local offices. Instead, the challenges we are facing today are the cause of a fundamentally broken VA system. Mobility dealers, VA staff, and veterans themselves all want a better system that delivers the best benefits for our veterans. It is time for necessary reform to make that vision a reality.

Background on the Automobile and Adaptive Equipment Program

The Automobile and 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.

As its title suggests, the Automobile and Adaptive Equipment program is broken down into two sub-programs: one for automobiles and one for the adaptive equipment necessary to convert those automobiles for a disabled veteran’s use. Under the automobile half of the program, often referred to as the “auto grant,” the VA will reimburse an eligible veteran for up to \$26,000, adjusted for inflation, for an automobile. A veteran is eligible to receive this auto grant once every 10 years, per the Veterans Auto and Education Improvement Act of 2022. VA Form 4502 covers the auto grant half of the program.

The other half of the AAE program covers adaptive equipment. 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 numerous possible modifications. Each vehicle is tailored specifically to the veteran, and adaptive equipment modifications can increase the cost of a vehicle by thousands or tens of thousands of dollars. Under the AAE program, the VA will cover the cost of adaptive equipment for not more than “two automobiles or other conveyances at any one time or during any four-year period.” Without VA covering this cost, it would be impossible for many veterans to afford this life-altering equipment. VA Form 1394 covers the adaptive equipment half of the program.

In most cases, eligible veterans receive their benefits under this program through an adaptive equipment dealer, like Superior Van & Mobility. The process from a veteran walking into an adaptive equipment dealership and the veteran actually receiving their adapted vehicle can be quite convoluted—and that is where many of our challenges lie. Below, I’ll walk you through what a typical process looks like, with the caveat that the de facto process is different at different VAs.

A Veteran Walks into a Superior Van & Mobility Dealer Location

The following is the process for a veteran receiving a vehicle for the first time—that is, a veteran who will receive both the auto grant and the adaptive equipment coverage.

1. The first thing a veteran must do is apply for and complete their Form 21-4502 (auto grant) through the VA. The process for receiving a 4502 is relatively simple—it is simply a matter of whether the veteran is eligible for the AAE program or not.
2. The process for the Form 10-1394 (adaptive equipment) is more complex because it requires a prescription from the VA. First, a veteran must meet with a VA Certified Driver Rehabilitation Specialist (“CDRS”),” regardless of whether the veteran intends to be the operator of the vehicle, to receive a prescription for that veteran’s specific needs.
3. Once the veteran has the 4502 in hand and has completed their driver evaluation with a CDRS, Superior Van & Mobility can start working with them in earnest. We show the veteran different vehicle options, including both different makes and models, as well as various add-ons. We verbally go over what the VA will cover and what will have to come out of pocket—for instance, some veterans want a second transfer seat or special hand controls for ingress and egress.
4. After that verbal discussion, we provide the veteran with a quote for the veteran’s out of pocket cost and a separate quote to the VA for their portion. It is at this point that we officially submit Form 1394 for the adaptive equipment on behalf of the veteran.
5. After submitting the quote and finalized 1394, Superior waits for the VA to send us either an Authorization Letter, a Signed Quote, or the 8-Point Decision Letter. Which of these three approval documents the VA sends varies by VA location—one of many complications that can make receiving final payment difficult.
6. Once we receive authorization from the VA, we start to assemble the adaptive equipment onto the vehicle.
7. After assembling the vehicle, two things happen, although the order varies by VA location. We must do a final fitting with the veteran to make sure everything works properly. The VA must also inspect the vehicle before final delivery to the veteran. Again, depending on VA location, these two events can happen in either order—final fitting then inspection, or inspection then final fitting.
8. Further complicating the process, a few VA locations require the CDRS to be present at final inspection if the veteran is receiving hand controls or any type of driving equipment. Most locations do not require this.
9. Finally, after both the veteran and the VA make final approvals, we legally transfer the vehicle over to the veteran.

10. At this point, we email or UPS the reimbursement paperwork, including an itemized invoice, to the VA. Some VA locations require physical paperwork while others accept it via email. Still other VA locations require us to submit the title or registration showing the veteran has officially received the vehicle. Again, the procedure varies by location.
11. At some VA locations, Superior gets reimbursed within 30 days for our work. At other locations, reimbursement can take months, if not years to complete and receive.

Almost every step that I have listed here glosses over some complexity or nuances between different VA locations. Some VA locations do not allow us to have any contact with the veteran before they have completed their Form 1394; other locations let us show veterans their options without a completed 1394. Some VA locations allow Superior to work with the veteran to ensure their prescription works with the vehicle; other VA locations do not allow this work, which can result in significant problems for veterans when the equipment does not fit. For instance, one veteran was too tall for the specific vehicle they were prescribed, and it took eight months for the veteran to obtain a new vehicle.

Adding further complexity, we recently heard from another dealer based out of Texas that, starting in 2026, their VA location will no longer allow a vehicle or adaptive equipment to be delivered to the veteran until the VA has fully processed and confirmed payment. As I will discuss further below, this policy could significantly delay veterans' receipt of adapted vehicles.

Concerns with the Automobile Adaptive Equipment Program

Late Payments

As discussed above, upon submission of VA Form 10-1394, an itemized estimate prior to work, and an itemized invoice upon completion of work, VA will reimburse the adaptive equipment dealer for all covered costs. However, across our locations, Superior Van & Mobility currently has \$2,261,333.94 in payments from the VA that are more than 30 days overdue. Many of these 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.

Superior Van & Mobility's trade association, NMEDA, is currently tracking just over \$9 million in payments due to dealers. These payments are, on average, 211 days overdue, with the longest overdue payment a staggering six years past due. NMEDA solicits this data on a voluntary basis from its over 300 members. Because submission is voluntary, the \$9 million figure is a lower-bound estimate on the total amount overdue; the actual past due total is likely millions of dollars higher.

These overdue payments cause disabled veterans and mobility dealers significant hardship. At any given dealership, roughly 15 to 40 percent of their business is with VA. Across all Superior Van & Mobility locations, we do roughly 15 percent of our new van conversions with the VA.

For dealers, especially small dealers and family-owned dealers like Superior, these delays make it difficult to manage operations, invest in new technology, or plan for the future. At Superior, delayed VA payments cost us thousands of dollars in interest annually, stunting our growth and discouraging us from working more with the VA.

The Prompt Payment Act (“PPA”) states at 31 USC § 3903(a)(1) that the required payment date for a government contract 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.²

To my knowledge, dealers rarely, if ever, receive notice from VA within seven days that an invoice is unsuitable—a notice that the Prompt Payment Act requires for unsuitable invoices. Moreover, last year VA reported that it had only two invoices that were more than 90 days overdue, a statement totally at odds with the experience of many mobility equipment dealers across the country.

When dealers seek reimbursement, different VA locations might raise a myriad of problems with invoices. Any step of the process I listed above could raise an issue. There can be complications around whether a vehicle is classified as “used” or “new,” how a veteran received their initial prescription, whether and how the final inspection was done, whether certain adaptive equipment is covered by the VA, or how reimbursement paperwork was submitted, among many other potential roadblocks. Compounding this problem, some VAs can be slow to approve and communicate with veterans and dealers, leaving disabled veterans in limbo for months, unsure of whether they are eligible for the equipment they need for mobility independence.

I believe that there is a systemic lack of communication within VA that results in the agency processing dealers’ reimbursement invoices with considerable delay. This problem is challenging because there is no one issue that causes most delays. Instead, it is a manifestation of the old adage that “if you’ve been to one VA, you’ve been to one VA.” VA needs serious reform to properly serve this country’s disabled veterans.

“2-in-4” Trade-In Policy Changes

As discussed above, under the AAE program, VA reimburses the eligible veteran or registered provider for a sizable portion of the veteran’s first vehicle. VA will also reimburse an eligible veteran the adaptive equipment for not more than “two automobiles or other conveyances at any one time or during any four-year period.”³

² It bears mentioning that despite the PPA requiring federal agencies to pay interest penalties on late payments to vendors, with the interest rate set by the Secretary of the Treasury, few dealers seek these amounts out of concern of retaliation.

³ It needs to be acknowledged that vehicles specially modified for the disabled are not subject to any statistic regarding how often they need to be replaced. There is no set schedule for how often a disabled person should get a

Until recently, VA interpreted this “2-in-4” 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 in the vehicle to cover the cost of a new base vehicle, and VA would reimburse the veteran for new adaptive equipment for that second 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 the new base vehicle. 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. 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 additional thousands of dollars out of pocket every four years to cover the cost of a 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 vehicles during the four years they have the vehicle. After the warranty expires, annual repair costs can range from \$500-\$2,000+, with older cars often averaging even higher.

To make matters worse, this new policy has not been uniformly implemented. Some VA locations still allow veterans to trade in their used vehicles after two years, while others are strictly enforcing the new four-year cycle. The lack of consistent enforcement creates confusion and delays for veterans and dealers. In some cases, VA locations have approved a new vehicle for a veteran and Superior has assembled and delivered the vehicle to the veteran in a period shorter than four years, only for the VA to retroactively deny a veteran’s eligibility. This leaves the dealer in an unenviable position—either the dealer must try to repossess the vehicle or accept a loss of tens of thousands of dollars.

The real question we need to ask is what do we owe to our veterans with service-connected disabilities? Should these injured veterans, who have given future mobility in service of our country, be responsible for thousands of dollars annually—thousands of dollars more than

new vehicle; the decision is based on individual needs, the vehicle’s condition and maintenance costs, and changes in the person’s physical condition.

average Americans—to maintain their vehicles? Should they have to spend five or ten thousand dollars every four years for the vehicles they need to get around? I believe, as I expect many of you do as well, that the answer is no. The statute of the automobile adaptive equipment program agrees: “two automobiles... during any four-year period.” Yet the VA has changed its interpretation of the policy, depriving our disabled veterans of this crucial benefit.

Problems with the Adaptive Equipment Schedule

Under VA’s 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, consistent, and public valuation for adaptive equipment. However, the Schedule—published in July 2024—relies on data from 2021, meaning it significantly undervalues the cost of adaptive equipment. Adaptive equipment dealers like Superior 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 2026.

Moreover, some critical mobility modifications never make it into the 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, the 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.

The interpretation of the AAE Schedule is also different between the different VA locations. Two VA locations allow us to bill for a part and the amount of labor it took to install said part. The remaining VA locations say the labor is built into the price on the Schedule, so we can’t add the labor. Some of the items on the Schedule, such as the powered slide door opener, are being added to the evaluations by the CDRS for a wheelchair-accessible van. There are a few VA locations that will allow us to put that on the quote; others ask us to remove the item because it’s for a full-size van and not a minivan.

One veteran, relying on a 17-year-old vehicle, required a new rack and pinion system, but the VA refused to cover backup braking or steering because they weren’t listed on the initial evaluation form. With costs totaling \$21,000, the VA only approved \$6,000, expecting Superior to absorb the remaining \$15,000—an unsustainable request. This rigid approach highlights the VA’s

unwillingness to accommodate necessary customizations, leaving veterans and providers to shoulder unexpected expenses with little regard for their financial realities.

Solutions

The approval and reimbursement system for the AAE program needs two broad improvements: a more consistent approval process and a more efficient and transparent payment system. Right now, dealers like Superior face a twofold challenge: not only are AAE reimbursements often months late, but there is no transparency in the approval system, no way to inquire about the status of an invoice, and no acknowledgement from VA that there is even a problem.

One part of the fix is to expedite the approval process for AAE reimbursements. I believe that centralizing and standardizing the process for AAE approvals will eliminate the regional disparities in AAE approval processes, allowing more efficient payments. The other half of the fix is to increase the transparency in the VA's approval and payment processes. Dealers don't need immediate reimbursement in every case, provided there is a reliable way to contact VA to learn what the issues are and how dealers can resolve them.

The system is in dire need of centralization and standardization. The AAE Schedule, while flawed, was a step in the right direction—it made publicly available the prices that VA would reimburse and standardized those reimbursements across the country. VA needs a similar standardization for the entire vehicle selection, fitting, delivery, and reimbursement process. I believe that the centralization of the CRUISE Act would help resolve many of the problems I've discussed today. Additionally, a public record of overdue invoices to veterans, a feature that the CRUISE Act requires, would provide much-needed accountability for the VA.

Thank you for the opportunity to testify today, I hope my insights are beneficial for the committee as it considers proposed legislation. Thank you especially to Chairman Van Orden and Ranking Member Pappas for inviting me to testify today and for leading the effort to improve the lives of our nation's disabled veterans.

Sincerely,

Sam Cook
President
Superior Van & Mobility