TESTIMONY
OF
BAILEY B. BISHOP
SENIOR LEGISLATIVE ASSOCIATE
LEGISLATIVE DIVISION
THE AMERICAN LEGION
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
LEGISLATIVE HEARING
ON
"LEGISLATIVE HEARING ON: H.R. 6047, 'THE SHARRI BRILEY AND ERIC EDMUNDSON VETERANS BENEFITS EXPANSION ACT OF 2025', H.R. 4077, THE 'GUARD VETERANS' HEALTH CARE ACT"

DECEMBER 3, 2025

EXECUTIVE SUMMARY

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Chairman Bost, Ranking Member Takano, and distinguished members of the Committee, on behalf of National Commander Dan K. Wiley, and more than 1.5 million dues-paying members of The American Legion, we thank you for the opportunity to offer our written testimony regarding proposed legislation.

The American Legion is guided by active Legionnaires who dedicate their time and resources to serve veterans, service members, their families, and caregivers. As a resolutions-based organization, our positions are directed by more than 106 years of advocacy and resolutions that originate at the post level of our organization. Every time The American Legion testifies, we offer a direct voice from the veteran community to Congress.

H.R. 6047: Sharri Briley and Eric Edmundson Veterans Benefits Expansion Act of 2025

To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to increase the dollar amounts for the payment of certain disability compensation and dependency and indemnity compensation under the laws administered by the Secretary.

The *Sharri Briley and Eric Edmundson Veterans Benefits Expansion Act* seeks to provide a well-overdue increase in financial benefits for survivors and catastrophically disabled veterans receiving care through the Department of Veterans Affairs (VA). The American Legion extends our thanks and appreciation to the Committee for consulting with our team on this legislation and considering our recommended changes.

Section 2(a): Increase in Rates of Wartime Disability Compensation

The first proposed expansion of benefits increases monthly rates of Wartime Disability Compensation Special aid and attendance benefit, often referred to as SMC, by $833.33 for those in need of a higher level of medical care. Often, these veterans need complex and costly care that is provided by a hybrid of VA care, private in-home nursing care, and uncompensated labor from a family caregiver. This is an 8.7% increase in the basic compensation for most recipients, awarded to catastrophically disabled veterans with severe injuries and illnesses because of their military service.

Discussing the needs of catastrophically disabled veterans naturally calls for a discussion regarding the caregiver economy. As Vietnam Era veterans continue to age, industry experts warn our nation's infrastructure is not adequately prepared to handle the impending surge in elder care needs.[1] Research conducted by the American Association of Retired Persons (AARP) finds that 75% of adults 50 and older prefer to age in place in their own homes and in their own community.[2] Not only is this option more preferred, but it is also more cost-effective than caring for veterans in an institutional setting.[3]

In a 2024 RAND study on the state of military and veteran caregivers, RAND estimates that caregivers provide an estimated $119 billion to $485 billion in uncompensated labor every year.[4] Additionally, RAND estimates that military caregivers incur $8,583 in out-of-pocket expenses annually, on top of significantly high rates of under- and unemployment in the caregiver community.[5] Those caring for catastrophically disabled veterans should not have to choose between caring for their loved ones in their communities and making ends meet.

An increase in compensation rates for this population is long overdue. We support this through Resolution No. 20: *Home and Community-Based Services and Veteran Choice to Age In Place.*[6] The American Legion is highly supportive of this section of the legislation and we look forward to working with the Committee and partners in the space to ensure that these veterans have access to the care and support they have earned.

Section 2(b): Increase in Rates of Dependent and Indemnity Compensation

The American Legion is proud to serve the surviving families of servicemembers and veterans. In August 2025, The American Legion Auxiliary (ALA) signed a Memorandum of Understanding (MOU) with the Tragedy Assistance Program for Survivors (TAPS) at the 106th National Convention, formalizing a longstanding relationship with both entities committing to increased collaboration between the two organizations. The MOU emphasizes ALA and TAPS's shared commitment to working in tandem to coordinate on outreach, advocacy and community-based initiatives.

As the largest Veteran Service Organization in the country, The American Legion Family has an obligation to support the families of fallen servicemembers, regardless of cause or service connection. The American Legion's staff in Washington, D.C.—some of whom are survivors themselves—have worked to support TAPS's efforts during their visits to Capitol Hill and as volunteers during their Annual National Military Survivor Seminar and Good Grief Camp over Memorial Day weekend.

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[1] Jones, Charles H, and Mikael Dolsten. "Healthcare on the brink: navigating the challenges of an aging society in the United States." *NPJ Aging*. 6 Apr. 2024, https://pmc.ncbi.nlm.nih.gov/articles/PMC10998868/

[2] Binette, Joanne, and Fanni Farago. *2024 Home & Community Preferences Among Adults 18 and Older.* Washington, DC: AARP Research, December 2024. https://doi.org/10.26419/res.00831.001

[3] Fikar, Christian, and Patrick Hirsch, "Home Health Care Routing and Scheduling: A Review," Computers & Operations Research, Vol. 77, January 1, 2017.

[4] Ramchand, Rajeev, et al, America's Military and Veteran Caregivers: Hidden Heroes Emerging from the Shadows. Santa Monica, CA: RAND Corporation, 2024. https://www.rand.org/pubs/research_reports/RRA3212-1.html.

[5] Ibid

[6] "Resolution No. 20: Home and Community-Based Services and Veteran Choice to Age In Place." The American Legion Resolutions and Founding Documents, October 6, 2021. https://archive.legion.org/node/3579

It is through this partnership and lived experience that The American Legion understands the importance of ensuring that survivors have access to the resources and support that meet their unique needs. The Disability and Indemnity Compensation (DIC) rate is at the center of these discussions and remains a top legislative priority for The American Legion.

Established in 1993, DIC offers surviving spouses, dependent children, or parents of servicemembers who died in the line of duty or veterans who pass away due to service-connected causes monthly compensation following their loss. The base amount that a surviving spouse receives is $1,653.07 per month, which is approximately 43% of the veteran's previous Permanent and Total disability compensation that they would be bringing in if they were still living.[7]

Other than the annual Cost of Living Adjustment (COLA), these rates have not been re-evaluated and adjusted since 1993. As many military families know well, life in the military has transformed dramatically since the beginning of the first Clinton Administration. In 1993, the average net wage (compensation subject to Federal income taxes) was $22,191.14.[8] Twenty years later, the average net wage nearly tripled to $63,932.64 in 2023.[9] Despite families bringing in more income than in 1993, the costs of living have outpaced wage growth, and they are spending significantly more on common goods and services than before.

According to the Economics and Statistics Administration within the U.S. Department of Commerce, the weekly cost of childcare in 1993 was approximately $79.[10] In 2025, the weekly cost of childcare ranges from $130.25 to $473.25, depending on the state.[11] For survivors who are single parents raising children, it is not economically viable for the parent to work full time and supplement the cost of childcare.

The American Legion is highly supportive of the DIC rate increase specified Section 2(b) of this proposal. However, the optimal solution would be to pass H.R. 680, *Caring for Survivors Act,* to bring the DIC rate to at least 55% to ensure parity with other survivor benefits throughout the Federal Government.[12]

Through Resolution No. 19: *Ensuring Parity for Survivor Dependency and Indemnity Compensation*, The American Legion is highly supportive of provisions which increase DIC with preference for the benefit to reach the same level which is found in other federal programs, and we applaud the Committee for their continuing commitment to survivors.[13]

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[7] U.S. Department of Veterans Affairs. "Survivor Rates for VA Dependency and Indemnity Compensation (DIC)." U.S. Department of Veterans Affairs. https://www.va.gov/family-and-caregiver-benefits/survivorcompensation/dependency-indemnity-compensation/survivor-rates

[8] "Measures of Central Tendency for Wage Data." U.S. Department of Health and Human Services, Social Security Administration. 2023. https://www.ssa.gov/OACT/COLA/central.html

[9] Ibid

[10] Casper, Lynne M., "What Does It Cost to Mind Our Preschoolers?" U.S. Department of Commerce, Economics and Statistics Administration. September 1995. https://www2.census.gov/library/publications/1995/demographics/p70-52.pdf

[11] "Child care costs in the United States." Economic Policy Institute. September 2025. https://www.epi.org/child-care-costs-in-the-united-states/

[12] U.S. Office of Personnel Management. "How Is the Amount of My Benefits as a Surviving Spouse Determined?" U.S. Office of Personnel Management. Accessed 3/5/2025. https://www.opm.gov/frequently-asked-questions/retirefaq/post-retirement/how-is-the-amount-of-my-benefits-as-a-surviving-spouse-determined/

[13] "Resolution No. 19: Ensuring Parity for Survivor Dependency and Indemnity Compensation." The American Legion Resolutions and Founding Documents, October 8, 2025. https://archive.legion.org/node/17163

Funding Mechanism Challenges

Offsetting the cost of increasing SMC and DIC rates is the crux of this discussion and is vital to review in context of this essential benefit expansion. At the onset of the 119th Congress, the House of Representatives agreed on rules that mandate any new spending be offset by spending cuts or revenue-generating programs within the Committee's jurisdiction before it can be considered for a vote. Currently, the VA Home Loan Fee is one of the only mechanisms that the House Committee on Veterans' Affairs can utilize to fund new initiatives or offset the cost of any proposed benefit expansions.

H.R. 6047 proposes adjusting the current VA Home Loan funding fee provisions to require veterans with up to 70% disability rating to pay the 3.3% funding fee for a subsequent use of a VA Home Loan. As previously expressed to the Committee, The American Legion remains deeply concerned with the funding fee provision proposal and strongly urges the Committee to explore alternatives to provide adequate funding. As a resolutions-based organization governed by our membership, we must acknowledge that The American Legion has a resolution that is opposed to the existence of the VA Home Loan funding fee in its entirety. Resolution No. 314: *Support Elimination of the VA Home Loan Funding Fee* directly states, "The American Legion's The American Legion supports the elimination of the Department of Veterans Affairs (VA) Home Loan funding fee."[14]

The American Legion also opposes implementing new fees for disabled veterans to pay for other benefits due to House Budget Rules. Resolution No. 38: *Exempt VA Benefits and Services from Pay-Go Provision* expresses The American Legion's mandate from our membership for veteran programs to be exempt from this rule, and we strongly advise the Committee to consider this option.[15] Resolution No. 38 argues that benefits and services provided to service-connected disabled veterans, their dependents, and survivors through the Department of Veterans Affairs should be exempt from the Pay-As-You-Go (PAY-GO) provision within the Budget Enforcement Act. Veterans and their families earned these benefits through voluntary service to the country, and The American Legion is reluctant to continue supporting legislation that normalizes funding mechanisms that treat VA benefits as a zero-sum game for their recipients. Additionally, we are concerned with the potential precedent this change would set for future funding for benefits being derived from other groups of veterans.

The American Legion opposes Section 4 of H.R. 6047 through Resolution No. 314 and Resolution No. 38 and strongly recommends an alternate payment mechanism.

An alternative funding mechanism to pay for these proposed compensation increases could be expanding the population who can qualify for a VA Home Loan. The American Legion strongly supports the ability to transfer home loan eligibility to certain dependents through Resolution No. 8: *Home Loan Guaranty Program Ability*[16] and has long supported this option to increase the impact of the VA Home Loan program as a legislative priority across multiple sessions of

[14] "Resolution No. 314: Support Elimination of the VA Home Loan Funding Fee." The American Legion Resolutions and Founding Documents, August 31, 2016. https://archive.legion.org/node/466.
[15] "Resolution No. 38: Exempt VA Benefits and Services from Pay-Go Provision." The American Legion Resolutions and Founding Documents, August 31, 2016. https://archive.legion.org/node/299
[16] "Resolution No. 8: Home Loan Guaranty Program Eligibility." The American Legion Resolutions and Founding Documents, May 2023. https://archive.legion.org/node/15012

Congress. [17] Expanding the VA Home Loan benefit to include transferability promotes financial stability and supports the well-being of veterans and their families, especially if the case of the veteran's death. Granting family members access to the VA Home Loan benefit would demonstrate our nation's gratitude for military sacrifices and commitment. Using the additional funds generated from this program to enhance benefits for surviving dependents is an elegant solution and strengthens the financial well-being of thousands of military families.

One concern surrounding VA Home Loan transferability is higher foreclosure rates for civilians than veterans and therefore expanding the population would have negative financial impacts to the housing market and VA Home Loan program as a whole. It is important to consider that according to the Federal Housing and Finance Agency's National Mortgage Database, 0.2% of all mortgages are either in foreclosure, bankruptcy, or deed-in-lieu. When parsed by lender type, Enterprise Acquisitions (acquired loans that are not guaranteed by a government agency) have a foreclosure rate of 0.1%. In comparison, Government/Non-Conventional (government insured, guaranteed, direct loans) mortgages have a foreclosure rate of 0.3%.

According to VA's Agency Financial Report (AFR) for FY 2024, VA reported 1,370 foreclosed residential properties in VA's inventory, with 15,362 foreclosure proceedings in process in 2024.[18] In comparison to the rest of the market, an estimated 322,103 properties were in foreclosure proceedings throughout 2024.[19] Based on the current housing market data, a dependent is no more likely to default on their mortgage than the veteran from whom they received the transferred benefit.

The American Legion is also supportive of this funding mechanism because it does not violate Resolution No. 314: *Support Elimination of the VA Home Loan Funding Fee.*[20] The resolution describes its opposition to a veteran paying the funding fee, but does not explicitly govern its application for dependents, stating, "This is the equivalent of requiring the veteran to 'purchase' a benefit that historically could be used cost free; and…The funding fee paid to VA has had a negative effect on many veterans by adding significantly to the cost of a VA loan, or by deterring other veterans from using an earned benefit…"[21]

The American Legion recognizes that it has supported benefit expansions in the past that have been funded through the revenue generated from the VA Home Loan Fee. As a non-profit VSO, our primary commitment is to ensure veterans and their families have access to the benefits and services they have earned. Until veteran benefits are exempt from austerity measures, all VSOs will be required to choose between interests that conflict with one another.

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[17] O'Neil, Kevin. "Statement of Kevin O'Neil, Senior Policy Associate, Veterans' Employment and Education Division, The American Legion, Before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, U.S. House of Representatives: On Pending and Draft Legislation." June 12, 2024. https://www.legion.org/getmedia/953be4af-fe16-4e33-ab90-46be318496cb/HHRG-118-VR10-Wstate-ONeilK-20240612.pdf

[18] "Fiscal Year 2024 Agency Financial Report." U.S. Department of Veterans Affairs, November 2024. https://department.va.gov/wp-content/uploads/2024/11/2024-va-afr-full-report.pdf

[19] "U.S. Foreclosure Activity Declines in 2024." *ATTOM Data,* ATTOM. January 15, 2025. https://www.attomdata.com/news/most-recent/2024-year-end-foreclosure-market-report/

[20] "Resolution No. 314: Support Elimination of the VA Home Loan Funding Fee." The American Legion Resolutions and Founding Documents, August 31, 2016. https://archive.legion.org/node/466.

[21] Ibid

Ultimately Congress, and specifically the House of Representatives, has the power to ensure that programs for veterans and their families are sufficiently funded and, at a minimum, commensurate with the rates of other federal programs and adequately keeps pace with inflation. The American Legion urges the Congress to ensure that the VA is both appropriately and fully funded to address the needs of veterans and their families.

Ensuring that our country has a strong defense and remains a key player on the world stage is expensive. If the Federal Government is committed to upholding its promise to care for those who have borne the battle, its budget should reflect that intention.

The American Legion supports the draft legislation with amendments.

H.R. 4077, Guarantee Utilization of All Reimbursements for Delivery of (GUARD) Veterans' Health Care Act

To amend title 38, United States Code, and the Social Security Act to permit recovery from the Department of Veterans Affairs of costs from Medicare Advantage and Medicare prescription drug plans and to modify the authority for recovery by the United States of reasonable charges for certain care or services furnished to veterans for non-service-connected disabilities, and for other purposes.

The VA estimates that 50.2% of veterans who are enrolled in VA's health care system are also enrolled in and receive coverage through Medicare.[22] Among those enrolled in Medicare, "34.2 percent reported Medicare Part D Coverage, 35.6 percent reported Medicare Advantage (MA) coverage, and 19.6 percent reported that they purchased Medigap coverage."[23] This results in the government paying twice for health services to veterans who are enrolled in MA and prescription drug plans. According to estimates, the amount paid by this loophole amounted to as much as 17% of the VA's healthcare spending in 2021.[24]

H.R. 4077 seeks to address this by allowing VA to collect the government payments for treatment they provide, instead of the payments going to insurers for unused MA benefits. The legislation would also strengthen VA's ability to collect money from third-party insurance providers for care provided through VA and provides enforcement mechanisms for instances of a failure in payment. The Congressional Budget Office estimates correcting this issue would generate approximately $10 billion annually for VA but also argues that this could potentially lead to Medicare negotiating higher prices to account for this loss.[25]

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[22] Wang, Z. Joan, et al, "2021 Survey of Veteran Enrollees' Health and Use of Health Care." U.S. Department of Veterans Affairs. Sept 24, 2021. https://www.va.gov/VHASTRATEGY/SOE2021/2021_Enrollee_Data_Findings_Report-508_Compliant.pdf

[23] Ibid

[24] Schilling, Bridget. "Issue Brief VA MA Payment Loophole." MedicareAdvocacy.org, August 7, 2025. https://medicareadvocacy.org/wp-content/uploads/2025/08/CMA-Issue-Brief-VA-MA-Payment-Loophole.pdf.

[25] Meyers, David and Andrew Ryan, "RE: Response to Request to Estimate Spending Impact of Proposed VA/MA Legislation" Letter from Brown University School of Public Health to Senator Elizabeth Warren and Representative Lloyd Doggett, June 20, 2025.

The American Legion supports this bill through Resolution No. 372: *Oppose Closing or Privatization of Department of Veterans Affairs Health Care System*.[26] This Resolution clearly states that The American Legion supports legislation that would allow Medicare to reimburse VA for services provided by the VA.

The American Legion supports H.R. 4077 *as currently written*.

CONCLUSION

Chairman Bost, Ranking Member Takano, and distinguished members of the Committee, The American Legion thanks you for your leadership and for allowing us the opportunity to provide feedback on legislation.

The American Legion looks forward to continuing this work with the Committee and providing the feedback we receive from our membership. Questions concerning this testimony can be directed to Julia Mathis, Legislative Director, at jmathis@legion.org.

[26] "Resolution No. 372: Oppose Closing or Privatization of Department of Veterans Affairs Health System." The American Legion Resolutions and Founding Documents, August 31, 2016. https://archive.legion.org/node/517