

119TH CONGRESS  
1ST SESSION

# H. R. 1656

To amend title 38, United States Code, to permit certain fee agreements between claimants and agents or attorneys for the preparations, presentation, or prosecution of initial claims for benefits under the laws administered by the Secretary of Veterans Affairs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2025

Mr. BERGMAN (for himself, Mr. CORREA, Mrs. MILLER-MEEKS, Mr. ROUZER, Mr. WEBSTER of Florida, Mr. MCDOWELL, Mr. HARRIGAN, and Mr. ALFORD) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to permit certain fee agreements between claimants and agents or attorneys for the preparations, presentation, or prosecution of initial claims for benefits under the laws administered by the Secretary of Veterans Affairs, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Preserving Lawful Uti-  
3 lization of Services for Veterans Act of 2025” or the  
4 “PLUS for Veterans Act of 2025”.

5 **SEC. 2. CLARIFICATION OF PREPARATION, PRESENTATION,**  
6 **OR PROSECUTION OF A CLAIM UNDER A LAW**  
7 **ADMINISTERED BY SECRETARY OF VET-**  
8 **ERANS AFFAIRS.**

9 Section 5901 of title 38, United States Code, is  
10 amended by adding at the end the following new sub-  
11 section:

12 “(c) **EXCLUSION.**—The administration of a medical  
13 examination, or the completion of a report with respect  
14 to such medical examination, as described in section 5125  
15 of this title, shall not constitute the preparation, presen-  
16 tation, or prosecution of a claim under the laws adminis-  
17 tered by the Secretary.”.

18 **SEC. 3. AGENTS AND ATTORNEYS IN CERTAIN CLAIMS**  
19 **UNDER LAWS ADMINISTERED BY SECRETARY**  
20 **OF VETERANS AFFAIRS: APPLICATIONS FOR**  
21 **RECOGNITION; FEES ALLOWABLE FOR REP-**  
22 **RESENTATION; GROUNDS FOR SUSPENSION;**  
23 **BARS FROM RECOGNITION.**

24 (a) **IN GENERAL.**—Section 5904 of title 38, United  
25 States Code, is amended—

26 (1) in subsection (a)—

1 (A) in paragraph (1)—

2 (i) by inserting “(A)” before “Ex-  
3 cept”; and

4 (ii) by adding at the end the following  
5 new subparagraphs:

6 “(B)(i) An individual desiring recognition under this  
7 section shall submit to the Secretary an application, in-  
8 cluding an application submitted by mail, fax, or electronic  
9 means, in such form, at such time, and containing such  
10 information and assurances as the Secretary has deter-  
11 mined appropriate to recognize such individual under this  
12 section.

13 “(ii) If the Secretary cannot verify whether the indi-  
14 vidual satisfies the qualifications and standards prescribed  
15 under paragraph (2) before the 90-day period beginning  
16 after the date on which the Secretary receives an applica-  
17 tion under clause (i), the Secretary shall recognize the in-  
18 dividual on a conditional and temporary basis for a one-  
19 year period.

20 “(iii) At the end of such one-year period, the Sec-  
21 retary shall recognize the individual on a conditional and  
22 temporary basis for such additional one-year periods until  
23 the date on which the Secretary can verify whether the  
24 individual satisfies such qualifications and standards.

1       “(C) The Secretary may not suspend, exclude from  
2 further practice before the Department, fine pursuant to  
3 section 5905 of this title, or refuse to recognize as an  
4 agent or attorney under this section any individual on the  
5 basis that such individual, before the date of the enact-  
6 ment of this subparagraph—

7               “(i) charged a claimant a fee for services ren-  
8 dered in the preparation, presentation, or prosecu-  
9 tion of an initial claim; or

10              “(ii) charged a claimant a fee for such services  
11 while such individual was not recognized under this  
12 section.”; and

13                      (B) by adding at the end the following new  
14 paragraph:

15       “(7)(A) The Secretary may charge and collect an as-  
16 sessment from an individual who—

17               “(i) seeks recognition under this section as an  
18 agent or attorney for the preparation, presentation,  
19 and prosecution of an initial claim under the laws  
20 administered by the Secretary; and

21               “(ii) charges or collects fees from a claimant for  
22 services rendered in such preparation, presentation,  
23 and prosecution.

24       “(B) An assessment described in subparagraph (A)—

1           “(i) shall be in such amount as the Secretary  
2           prescribes in regulations and determines appro-  
3           priate; and

4           “(ii) may not exceed \$500.

5           “(C) Amounts collected under this paragraph shall  
6           be deposited in a revolving fund in the Treasury of the  
7           United States. Such amounts shall be available to the Sec-  
8           retary for the administration of this section.”;

9           (2) in subsection (b)—

10           (A) by redesignating paragraphs (1)  
11           through (9) as subparagraphs (A) through (I),  
12           respectively;

13           (B) in the matter preceding subparagraph  
14           (A), as so redesignated, by inserting “(1)” be-  
15           fore “The Secretary”; and

16           (C) in paragraph (1), as designated by  
17           paragraph (2)—

18           (i) in subparagraph (H), as so reded-  
19           ignated, by striking “in accordance with  
20           subsection (c)(3)(A) ; or” and inserting  
21           “subsection (c)(2)(A)”;

22           (ii) in subparagraph (I), as so reded-  
23           ignated, by striking the period at the end  
24           and inserting “; or”; and

1 (iii) by adding at the end the fol-  
2 lowing new subparagraph:

3 “(J) has failed to keep claimant data and  
4 personally identifiable information in accord-  
5 ance with applicable provisions of the Health  
6 Insurance Portability and Accountability Act of  
7 1996 (Public Law 104–191; 42 U.S.C. 1301 et  
8 seq.), including the data security requirements  
9 and implementing regulations of such Act.”;  
10 and

11 (D) by adding at the end the following new  
12 paragraph:

13 “(2) Not later than one year after the date of the  
14 enactment of the Preserving Lawful Utilization of Services  
15 for Veterans Act of 2025 and annually thereafter, the Sec-  
16 retary shall submit to the Committees on Veterans’ Affairs  
17 of the Senate and House of Representatives a report re-  
18 garding the number of individuals suspended under this  
19 subsection or denied recognition under subsection (a),  
20 disaggregated by the reasons for such suspension or denial  
21 and whether the individual is—

22 “(A) a representative of an organization recog-  
23 nized under section 5902 of this title;

24 “(B) an agent; or

25 “(C) an attorney.”; and

1 (3) in subsection (c)—

2 (A) by inserting “FLAT FEE AGREE-  
3 MENTS.—” after “(c)”;

4 (B) by striking paragraph (1) and insert-  
5 ing the following:

6 “(1)(A) In connection with a proceeding before the  
7 Department with respect to benefits under laws adminis-  
8 tered by the Secretary, a fee agreement between a claim-  
9 ant and an agent or attorney for the preparation, presen-  
10 tation, or prosecution of an initial claim for such benefits  
11 shall be a fee agreement described in subparagraph (B).

12 “(B)(i) A fee agreement described in this subpara-  
13 graph is a fee agreement—

14 “(I) that does not require payment from a  
15 claimant to the agent or attorney before the date on  
16 which the claimant is provided notice of the agency  
17 of original jurisdiction’s initial decision under section  
18 5104 of this title with respect to the initial claim;

19 “(II) under which the total amount payable by  
20 the claimant to the agent or attorney with respect  
21 to the initial claim—

22 “(aa) is contingent on whether the initial  
23 claim is resolved in a manner favorable to the  
24 claimant;

25 “(bb) does not exceed the lesser of—

1                   “(AA) \$12,500 (as adjusted from  
2                   time to time under subparagraph (C)); or

3                   “(BB) the amount equal to the prod-  
4                   uct of five and the amount of the monthly  
5                   increase of benefits awarded to the claim-  
6                   ant pursuant to the claim; and

7                   “(III) that contains an attestation by the claim-  
8                   ant that the agent or attorney provided to the claim-  
9                   ant the standard form under clause (iii).

10                  “(ii) For purposes of this subparagraph, an initial  
11 claim shall be considered to have been resolved in a man-  
12 ner favorable to the claimant if all or any part of the relief  
13 sought pursuant to the claim is granted.

14                  “(iii) For use in fee agreements described in this sub-  
15 paragraph, the Secretary shall develop a standard form  
16 that includes the following notices:

17                   “(I) That organizations recognized under sec-  
18 tion 5902 of this title furnish services with respect  
19 to initial claims under laws administered by the Sec-  
20 retary at no cost to claimants.

21                   “(II) That a claimant may select a private phy-  
22 sician for a medical examination described in section  
23 5125 of this title regarding the initial claim.

24                   “(III) That the agent or attorney with whom  
25 the claimant is entering such fee agreement may not

1 refer the claimant to a private physician described in  
2 such section with whom the agent or attorney has a  
3 business relationship.

4 “(C) Effective on October 1 of each year (beginning  
5 in the first fiscal year after the date of the enactment of  
6 the Preserving Lawful Utilization of Services for Veterans  
7 Act of 2025), the Secretary shall increase the dollar  
8 amount in effect under clause (i) of subparagraph (B) by  
9 a percentage equal to the percentage by which the Con-  
10 sumer Price Index for all urban consumers (U.S. city aver-  
11 age) increased during the 12-month period ending with  
12 the last month for which Consumer Price Index data is  
13 available. In the event that such Consumer Price Index  
14 does not increase during such period, the Secretary shall  
15 maintain the dollar amount in effect under such clause  
16 during the previous fiscal year.”; and

17 (C) in paragraph (2)—

18 (i) by striking “in a case referred to  
19 in paragraph (1) of this subsection”; and

20 (ii) by inserting “in a case” after  
21 “represents a person”;

22 (D) in paragraph (3)(A), by striking  
23 “paragraph (2)” and inserting “paragraph (1)  
24 or (2)”.

1 (b) REGULATIONS.—Not later than 180 days after  
2 the date of the enactment of this Act, the Secretary shall  
3 prescribe regulations to carry out the amendments made  
4 by this section.

5 **SEC. 4. REINSTATEMENT OF PENALTIES FOR CHARGING**  
6 **VETERANS UNAUTHORIZED FEES RELATING**  
7 **TO CLAIMS UNDER LAWS ADMINISTERED BY**  
8 **THE SECRETARY OF VETERANS AFFAIRS.**

9 (a) IN GENERAL.—Section 5905 of title 38, United  
10 States Code, is amended—

11 (1) in the heading, by striking “**Penalty**” and  
12 inserting “**Penalties**”;

13 (2) by inserting “(a) WITHHOLDING OF BENE-  
14 FITS.—” before “Whoever”; and

15 (3) by adding at the end the following new sub-  
16 section:

17 “(b) CHARGING OF UNAUTHORIZED FEES.—Except  
18 as provided in sections 5904 or 1984 of this title, whoever  
19 directly or indirectly solicits, contracts for, charges, or re-  
20 ceives, or attempts to solicit, contract for, charge, or re-  
21 ceive, any fee or compensation with respect to the prepara-  
22 tion, presentation, or prosecution of any claim for benefits  
23 under the laws administered by the Secretary shall be  
24 fined as provided in title 18, or imprisoned not more than  
25 one year, or both.

1       “(c) VIOLATIONS DURING CONDITIONAL AND TEM-  
2 PORARY RECOGNITION.—If an individual recognized as an  
3 agent or attorney on a conditional and temporary basis  
4 pursuant to clause (ii) or (iii) of section 5904(a)(1)(B)  
5 of this title violates any law or regulation administered  
6 by the Secretary under this chapter on or after the date  
7 on which such individual is so recognized—

8               “(1) the Secretary shall, after notice, revoke the  
9 conditional and temporary recognition of the indi-  
10 vidual; and

11              “(2) such individual, after notice and oppor-  
12 tunity for a hearing, shall be—

13                      “(A) fined \$50,000; and

14                      “(B) barred from recognition under section  
15 5904 of this title—

16                              “(i) for a period of one year beginning  
17 on the date of the first violation; and

18                              “(ii) for a period of 10 years begin-  
19 ning on the date of each subsequent viola-  
20 tion.

21       “(d) DEPOSIT OF FINES.—Any amount received by  
22 the Federal Government from a fine imposed under sub-  
23 section (b) or (c) shall be deposited in the fund established  
24 by section 5904(a)(7)(C) of this title.”.

1           (b) CLERICAL AMENDMENT.—The table of sections  
2 at the beginning of chapter 59 of such title is amended  
3 by striking the item relating to section 5905 and inserting  
4 the following new item:

“5905. Penalties for certain acts.”.

5           (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall take effect on the date that is 90 days  
7 after the date on which the Secretary prescribes the regu-  
8 lations required by subsection (b) of section 3.

9 **SEC. 5. FEDERAL PREEMPTION.**

10           This Act, and the amendments made by this Act, su-  
11 persede any State law that is inconsistent with the statu-  
12 tory rights established by this Act, or such amendments,  
13 and preclude the implementation of such a law, whether  
14 statutory, common law, or otherwise, and whether adopted  
15 before or after the date of enactment of this Act.

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