

Mr. FINO. This would be a departure from the usual FHA loan?

Mr. BROWNSTEIN. Of course, we do have some of this in our nursing home program.

Mr. FINO. So this would cover it. In many instances the cost of this medical equipment would probably be as much as the building itself?

Mr. BROWNSTEIN. It is very expensive. Mr. Fino, we have submitted to the committee some technical amendments. And one of the suggestions that we have submitted would provide that the mortgage will include the value of the property, including the land, the proposed physical improvements, et cetera.

Mr. FINO. Equipment and fixtures?

Mr. BROWNSTEIN. Yes, sir.

Mr. FINO. Do you think there should be limits as to insurance, particularly as to the permanent facilities?

Mr. BROWNSTEIN. Limits as to the insurance?

Mr. FINO. As to the insurance.

Mr. BROWNSTEIN. Well, I believe that the limits should be those that are proposed in this revised draft that we are submitting.

Mr. FINO. Can you give us an idea of what the amendments would be?

Mr. BROWNSTEIN. Well, a 90-percent mortgage is being provided here. This is in the original bill.

Mr. FINO. How much do you estimate we should authorize to carry out this legislation?

Mr. BROWNSTEIN. You will recall that in the Housing Act of last year many FHA insurance reserves were consolidated into one general reserve, except for the mutual mortgage insurance fund, and then the cooperative program was also funded on a mutual basis. Since this would go into our general fund, it would be our recommendation that there not be any specific limitation on the amount, but that this go into our regular financing in the general reserve.

Mr. FINO. Thank you.

Mr. BARRETT. Mrs. Sullivan?

Mrs. SULLIVAN. No questions.

Mr. BARRETT. Mr. Ashley?

Mr. ASHLEY. Just one question.

Getting back to the need factor, there apparently were 400 group practice facilities in being in 1946, and there are 2,000 today. Would it be possible to submit for the record, Mr. Cohen, or can you give me an idea, whether this rate of growth has generally increased in recent years? What, for example, has been the story in the last 5 years?

Mr. COHEN. Well, as far as I know, the actual last comprehensive study that was made is in this report, medical groups in the United States in 1959.

Mr. ASHLEY. If that is all we know, how do we know if there is any need, Mr. Cohen?

Mr. COHEN. The need, I think, is predicated on other factors than the number of the groups, Mr. Ashley. It is predicated on what I indicated before, the overwhelming demand for more services, for more people.

Mr. ASHLEY. I am sorry, I don't see. Are we talking about 1959 data to support the case for this bill?