

U.S. DEPARTMENT OF LABOR,
WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS,
Washington, D.C., June 22, 1966.

GILLARDO HOSPITAL,
Puerto Rico:

This is in reply to your letter of May 18, 1966, addressed to Secretary of Labor Wirtz, in which you ask whether Federal wage rates must be paid to employees of your hospital in the event that you sign with the Social Security Administration for the rendering of medical services under the Medicare program.

It is assumed that your question concerns the McNamara-O'Hara Service Contract Act. That act applies generally to contracts entered into by the United States or the District of Columbia the principal purpose of which is the furnishing of services through the use of service employees. However, the legislative history of the act indicates that contracts with hospitals for the care of patients

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., May 22, 1968.

HON. W. WILLARD WIRTZ,
Secretary of Labor, Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: I am familiar with the recent ruling of the Wage and Hour and Public Contracts Division to the effect that contracts between the Veterans Administration and community nursing homes, pursuant to Public Law 88-450 are subject to the provisions of Public Law 89-286.

I am thoroughly familiar with the legislative history of the bill which became Public Law 88-450 and have read the House and Senate reports on H.R. 10238 as well as the debate which took place on this bill in the House on September 20 and in the Senate on October 1, 1965.

It will be appreciated if you will advise me in detail as to the language in the reports of the two laws, the legislative reports, and/or the Congressional debate which gives the authority to make the ruling which has been made.

I shall appreciate receiving a detailed reply from you at the earliest possible time.

Sincerely,

OLIN E. TEAGUE, *Chairman.*

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., June 3, 1968.

While I am in accord with the high purpose and desirable aims sought to be achieved through minimum wage legislation but I must point out that under this decision the Veterans Administration will be unable to provide the community nursing home care inaugurated by the Congress with the enactment of Public Law 88-450 to a large segment of our veteran population. Termination of our contracts will require transfer of large numbers of sick veterans away from the beneficial com-