

ing facts. Currently we have agreements for the furnishing of skilled nursing home care with 2,325 community nursing homes having approximately 170,000 beds in 48 States and Puerto Rico. These nursing homes have been paid over \$25 million for the care of veteran-patients. Numerous inquiries have already been received from VA field stations concerning the applicability of the Service Contract Act to VA agreements. Application of the provisions of the Act will have an adverse impact in many other States, with the cumulative result of an effective curtailment of our program.

I ask your early and favorable consideration of this matter.
Sincerely,

W. J. DRIVER, *Administrator.*

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, June 3, 1968.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of May 22, 1968, concerning the application of the McNamara-O'Hara Service Contract Act to contracts between the Veterans Administration and community nursing homes.
I am asking for a report on this matter and will send a reply to you as soon as possible.

Sincerely,

WILLIARD WIRTZ, *Secretary of Labor.*

our letter of March 25, 1968, to Mr. John K. Pickens, General Counsel of the American Nursing Home Association. In that letter we held that contracts for the care of veterans entered into between the Veterans Administration and nursing homes are subject to the McNamara-O'Hara Service Contract Act.
We carefully considered the very informative descriptions of the various types of nursing homes submitted by Mr. Pickens. Since coverage under the

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1968, at which time I received a brief acknowledgement. To date I have not had a reply, although I have written him the second letter. This matter has also been brought to the attention of members of your staff through Congressman Pickle, and I understand your staff members have contacted the Labor Department.

Briefly, the problem is this. Purporting to act under the Service Contract Act of 1965 (P.L. 89-286) the Wage Hour Division has ruled that the Administration is obtaining service with nursing homes.