

other special services." Also, " * * * patients receiving care under this agreement who begin to require more than occasional visits by physicians or more than minimal laboratory, X-ray and other special services will be promptly readmitted to an appropriate Veterans' Administration facility."

This type of contract is differentiated from the exclusion mentioned on page 3 of House Report No. 948 accompanying H.R. 10238 pertaining to contracts with local hospitals for the care of indigent patients. The principal purpose of the Veterans Administration contracts under discussion is for the rendering of service through the use of service employees unlike the hospital contract referred to in the legislative history where the service feature of the contract is merely

and put them in nursing homes near their own homes. These nursing homes are largely an accommodation to the Veterans' Administration. There are very few veterans in these nursing homes; not more than 3 or 5 percent of the patients in a nursing home are veterans. And now they say legalistically that, because the act did not clearly say it was hospital care, it is therefore custodial care and all these employees would be subject to the maximum wage rate. That was not the intent of the Congress and certainly it is not the purpose of the Veterans' Administration, because I think this would wreck the program of the Veterans' Administration in nursing homes.

I submit commonsense would not have permitted the Department of Labor to hold that these provisions would be extended to nursing homes, particularly since the nursing homes are willing to amend the wording of their contract so the wording would more specifically describe the services they are rendering. I would hope the letter of Mr. Driver, the very able Administrator of the Veterans' Administration, to Secretary Wirtz would have been sufficient in itself for Secretary Wirtz to grant this exemption, particularly since the nursing homes were willing to renegotiate their contracts and comply with the legal requirements. Their intent is wholesome and they have bent over backwards; that is, the nursing homes, perhaps the Solicitor of the Department of Labor, and the Veterans' Administration, and any others wishing to be heard. I would hope, however, that we would have the hearings today or tomorrow, because many of these people will be in Washington. I urge that the hearings not be held 30 or 60 days from now, because if this happens I prophesy the nursing homes will get out of this program as rapidly as they can, because they would be ruined otherwise. The nursing homes have extended a helping hand to the Veterans' Administration, but if you were in this business and, because of a tight ruling by the Department of Labor, since you had two veterans in your nursing home, 50 of your employees would be covered for different type services as far as 2 years back you would get out