

To tell you what it did to us immediately I think is the next order. As to what we think it would do to us, I have different estimates on this. Of course, it would depend on where you have the lower wage scales, but I have estimates that from 50 to 90 percent of these men would probably end in having to come back in VA hospitals because they need medical care, and if we take this remuneration from the nursing homes there is no other place for them to go.

Mr. EVERETT. What would that cost the Government?

Mr. STRATTON. Since our current rate is restricted to one-third of the per diem cost in a VA hospital, I think quick mathematics would indicate it would double our expenses.

Under Mr. Driver's signature we requested reconsideration by the Department of Labor on June 3, and based our request on two bases: First, that we felt that the service contract employees that were referred to under this legislation are receiving a degree of medical supervision in these community nursing homes which should make them as exempt as employees in private hospitals; and secondly, we referred to the comment by Congressman Duncan, to the broad flexibility given to the Secretary of Labor to make exemptions if he feels it necessary to conduct the business of the Government.

I can say this morning that we did receive a reply to this request this morning and they have affirmed their decision on both counts and have

Mr. STRATTON. This I do not know, but, of course, the end result at this point in time is that the veterans are the ones that are to be affected immediately.

Mr. EVERETT. Mr. Satterfield.

Mr. SATTERFIELD. No questions.

Mr. EVERETT. Mr. Roberts.

Mr. ROBERTS. No questions.

Mr. EVERETT. Mr. Duncan.

Mr. DUNCAN. No questions.

Mr. EVERETT. Mr. Meadows?

STAFF DIRECTOR. Mr. Stratton, do you have reason to believe you are buying lesser care for veterans in these nursing homes than that provided medicare patients?