

Mr. Pickens' letter sought a ruling only on the care rendered in extended care facilities and skilled nursing homes as those terms are defined in Titles XVIII and XIX respectively of the Social Security Act.

You have already exempted hospitals. It is my understanding that the professional medical and nursing care rendered in extended care facilities and skilled nursing homes is very similar to that rendered in hospitals.

The statement in your letter quoted below is contrary to the facts:

"On the basis of all the facts available to us, it seems clear that contracts for convalescent care cannot be deemed contracts for hospital care, i.e. for professional medical services. They do not provide for the type of diagnostic or corrective care normally associated with hospital services and require only occasional visits by physicians and only the incidental use of other professional medical personnel, in contrast with the type of services normally provided in hospitals."

Mr. Pickens supplied you with much information in his letter of January 29, 1968, all of which you have disregarded.

I have a great deal of contact with the Fair Labor Standards Act. I am well aware of its provisions and the public policy behind it. I am also familiar with the legislative history of the Service Contract Act.

The nursing home program of the Veterans Administration is an excellent one. It should not be ruined by the hasty judgment of one of your advisors

Hon. TOM STEED,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN STEED: This will acknowledge receipt of your letter of April 25, 1968, in which you requested that we re-examine the position set forth in our letter of March 25, 1968 to Mr. John K. Pickens, General Counsel of the American Nursing Home Association. In that letter we stated 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.

This matter is being given consideration and a reply will be sent to you as soon as possible.

Sincerely yours,

CLARENCE T. LUNDQUIST, *Administrator.*

U.S. DEPARTMENT OF LABOR,
WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., March 25, 1968.

MR. JOHN K. PICKENS,
General Counsel, American Nursing Home Association,
Washington, D.C.

DEAR MR. PICKENS: This is in further reference to your letter of January 29, 1968, concerning the applicability of the McNamara-O'Hara Service Contract Act to contracts entered into by members of your association with the Veterans