

THE EVANGELICAL LUTHERAN

Good
Samaritan
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November 12, 2005

Representative John Larson
United States House of Representatives
1005 Longworth House Office Building
Washington, DC 20515

Dear Representative Larson:

I am writing as the President and CEO of The Evangelical Lutheran Good Samaritan Society (the "Society") to thank you for your leadership and upcoming sponsorship of a bill to support a federal requirement to equip all existing nursing facilities in the country with automatic fire sprinkler systems in the coming five years.

The Society owns and operates 230 skilled nursing facilities in 24 states, with approximately 20,000 staff providing quality care for needs of more than 15,000 residents nationwide. Nothing is more important to our mission than to ensure a safe environment for those we serve and for those who serve their needs.

The majority of our facilities already meet the fire safety codes; however, bringing all of them up to code over a five year period will require a substantial, but important, investment to do the right thing for the security and safety of our residents and staff. However, you are also aware that organizations that provide much-needed skilled nursing service to residents and clients do not enjoy adequate and stable revenue sources for the provision of this service. The recent budget discussion calling for Medicaid deductions are but one example of the financial challenges we face.

So, along with our support for you sponsorship of an initiative to require sprinkling of all nursing facilities, we also encourage you to include provisions supporting the creation of low interest loans and, for those providers in difficult financial conditions, limited hardship grants, to provide for financing these investments. Despite a high percentage of the Society's care facilities already meeting code, the investment to bring our remaining facilities into compliance will require a substantial investment of as much as \$7 million. In an already difficult operating environment, reasonable financing and cost reimbursement terms are not only necessary, but imperative.

Again, I want to take this opportunity to thank you, Congressman Larson, for your strong leadership in sponsoring this important legislation. If you have any questions regarding this, please don't hesitate to contact Dan Holdhusen, our Vice President of Public Affairs.

Sincerely,

A handwritten signature in cursive script, reading "David J. Horazdovsky". The signature is written in dark ink and is positioned above the typed name and title.

David J. Horazdovsky
President & CEO

c. Dan Holdhusen