

STATEMENT BEFORE COMMITTEE ON RULES
AND ADMINISTRATION

BY

SENATOR FRANK CHURCH, CHAIRMAN
SENATE SPECIAL COMMITTEE ON AGING

MR. CHAIRMAN, I HAVE A BRIEF STATEMENT IN SUPPORT OF S. RES. 62, WHICH WOULD CONTINUE THE AUTHORITY OF THE SENATE SPECIAL COMMITTEE ON AGING FROM MARCH 1, 1975 TO FEBRUARY 29, 1976.

AS I SAID TO YOUR COMMITTEE IN MY LETTER OF JANUARY 29, 1975, SENATOR FONG AND I HAVE AGREED THAT THE COMMITTEE SHOULD SEEK A TOTAL OF \$561,000 FOR COMMITTEE OPERATIONS IN THIS YEAR.

WE REALIZE THAT YOUR COMMITTEE HAS GOOD REASON TO SEEK AUSTERITY BUDGET THIS YEAR, WHEN THE NATION FACES WIDESPREAD UNEMPLOYMENT AND SHARP INFLATION AT THE SAME TIME.

WE WOULD NOT ASK FOR AN INCREASE IN OUR BUDGET AT THIS TIME IF IT WERE NOT FOR COMPELLING REASONS. BUT THOSE REASONS DO INDEED EXIST.

THE BUDGET WE SEEK REQUESTS \$125,000 OVER THE AMOUNT AUTHORIZED BY YOUR COMMITTEE FOR THE COMMITTEE ON AGING DURING THE PAST YEAR.

THAT ENTIRE \$125,000 WOULD BE ALLOCATED FOR A BROADENED NURSING HOME INQUIRY TO EXPAND THE IMPORTANT WORK NOW UNDER WAY BY OUR SUBCOMMITTEE ON LONG-TERM CARE. SENATOR MOSS, SUBCOMMITTEE CHAIRMAN; AND SENATOR PERCY, RANKING MINORITY MEMBER OF THE SUBCOMMITTEE, HAVE JOINED ME IN MAKING THIS REQUEST.

SENATOR MOSS CAN PROVIDE ADDITIONAL DETAILS ON THE SUBCOMMITTEE ACTIVITIES NOW UNDER WAY OR CONTEMPLATED. I SIMPLY WISH TO MAKE THE FOLLOWING POINTS:

---THE SUBCOMMITTEE ON LONG-TERM CARE HAS WORKED CONSISTENTLY SINCE THE ADVENT OF MEDICARE AND MEDICAID TO ASSURE THAT OLDER AMERICAN RECEIVE GOOD CARE AT REASONABLE COST IN NURSING HOMES AND HOMES FOR THE AGED. SEVERAL IMPORTANT REFORMS WERE ENACTED UNDER THE LEADERSHIP OF SENATOR MOSS, ALTHOUGH THE INTENT OF SEVERAL OF THOSE LAWS WAS BALKED BY INERTIA OR RELUCTANCE WITHIN THE EXECUTIVE BRANCH.

---WITHIN RECENT MONTHS, THE SUBCOMMITTEE HAS BEGUN TO ISSUE A SERIES OF REPORTS GROUPED UNDER THE HEADING OF NURSING HOME CARE IN THE UNITED STATES: FAILURE IN PUBLIC POLICY. THE INTRODUCTORY REPORT WAS ISSUED IN NOVEMBER, AND TWO SUPPORTING PAPERS HAVE BEEN PUBLISHED SINCE,

THESE REPORTS PROVIDE A DEFINITIVE ACCOUNT OF THE COSTLY MISTAKES AND POLICY SHORTCOMINGS WHICH SHOULD CONCERN ALL AMERICANS.

---ALMOST SIMULTANEOUSLY WITH THE SUBCOMMITTEE REPORTS, THE NEW YORK TIMES AND OTHER NEWS MEDIA HAVE DISCLOSED SCANDALOUS NURSING HOME PROBLEMS ARISING IN NEW YORK LARGELY BECAUSE OF A SOCALLED COST-PLUS SYSTEM OF MEDICAID REIMBURSEMENT IN THAT STATE. SUBSEQUENTLY, THE SUBCOMMITTEE HELD THREE HEARINGS RELATED TO NEW YORK REVELATIONS AND SUBPOENAED A SUBSTANTIAL NUMBER OF BUSINESS RECORDS NOW UNDER STUDY BY THE GENERAL ACCOUNTING OFFICE,

ADDITIONAL HEARINGS ARE NEEDED TO CONSIDER IMPORTANT ISSUES RAISED IN NEW YORK.

---IN ADDITION, THE COMMITTEE STAFF HAS RECEIVED INQUIRIES FROM AND ABOUT OTHER STATES; SEVERAL LEADS ARE NOW BEING TRACKED DOWN, OTHERS ARE AWAITING ACTION.

IN MY OPINION, NEVER BEFORE HAS THERE BEEN SO MUCH MOMENTUM FOR GENUINE NURSING HOME REFORM. PRESENT COMMITTEE STAFF NEED HELP. THEY ARE STRUGGLING TO CONTINUE MONTHLY RELEASES OF THE SUPPORTING PAPERS, EVEN WHILE THEY TRY TO DEAL WITH FRESH NEW MATERIAL WHICH MUST BE INVESTIGATED. DESPITE SUCH PRESSURES, THEY HAVE MAINTAINED HIGH STANDARDS OF WORK PERFORMANCE. FOR EXAMPLE, A FEDERAL COURT IN NEW YORK SUSTAINED ACTIONS TAKEN IN SUBPOENAING BANK RECORDS DESPITE VERY SKILLFUL TACTICS AND ARGUMENTS USED BY ATTORNEYS WHO SOUGHT ON BEHALF OF THEIR CLIENT TO HAVE THE SUBPOENA QUASHED.

THESE STAFF EFFORTS SHOULD BE SUPPLEMENTED, TEMPORARILY, BY THE \$125,000 REQUESTED IN MY LETTER OF JANUARY 29. AS I SAID AT THAT TIME, THESE FUNDS WOULD BE USED FOR:

- 2 INVESTIGATORS FOR A 10-MONTH PERIOD
- A PART-TIME EXPERT FOR FINANCIAL TRANSACTION ANALYSIS
- 2 SECRETARIES FOR A 10-MONTH PERIOD
- EXPENSES OF HEARINGS AND FIELD INVESTIGATIONS
- AND BENEFITS FOR TEMPORARY EMPLOYEES

MY LETTER ALSO SAID THAT SENATOR MOSS AND I ARE CALLING UPON THE EXECUTIVE BRANCH TO DO ITS PART, AS WELL. THE \$125,000 WE SEEK IS SIMPLY TO ENABLE THE SPECIAL COMMITTEE ON AGING TO CONTINUE ITS APPROPRIATE PART OF THE WORK THAT MUST BE DONE TO GET BETTER VALUE FOR THE \$3 BILLION IN FEDERAL FUNDS BEING SPENT IN THE NATION'S NURSING HOMES AND HOMES FOR THE AGED, LARGELY THROUGH MEDICAID.

OTHER COMMITTEE EXPENDITURES

MR. CHAIRMAN, MY LETTER OF JANUARY 29 EXPLAINED THAT ASIDE FROM THE \$125,000 FOR THE NURSING HOME ACTIVITIES, WE ARE HOLDING THE LINE TO THE AMOUNT AUTHORIZED FOR OUR COMMITTEE OPERATIONS DURING THE PAST YEAR. THE COMMITTEE ON RULES AND ADMINISTRATION AUTHORIZED \$415,000 IN FEBRUARY AND THEN AUTHORIZED AN ADDITIONAL \$16,000 IN JANUARY OF THIS YEAR PRIMARILY TO COVER A 5.52 PER CENT COST-OF-LIVING INCREASE IN SALARIES. THAT 5.52 PER CENT INCREASE, FOR A FULL YEAR OF OPERATIONS, WOULD COST \$21,000; AND THAT IS THE AMOUNT REFLECTED IN THE BUDGET ACCOMPANYING S. RESOLUTION 62.

I WILL NOT TAKE ADDITIONAL TIME TO DISCUSS THE WORK ACTIVITIES OF OUR COMMITTEE DURING THE PAST YEAR, OR OUR CONTEMPLATED PLANS FOR THE YEAR TO COME. PERHAPS IT WILL BE SUFFICIENT TO SAY THAT WE HAVE HAD A VARIED AND FULL WORK LOAD, WITH MUCH MORE TO DO ON MANY FRONTS. I WOULD ALSO LIKE TO POINT OUT THAT THE HOUSE OF REPRESENTATIVES HAS NOW ESTABLISHED ITS OWN COMMITTEE ON AGING. IT WAS FLATTERING THAT DURING THE DISCUSSION ON THE NEED FOR THAT COMMITTEE, THE SENATE COMMITTEE ON AGING WAS OFTEN HELD UP AS AN EXAMPLE.

IT WAS POINTED OUT AGAIN AND AGAIN THAT ISSUES RELATED TO AGING CROSS THE JURISDICTION OF MANY CONGRESSIONAL UNITS, AND THAT A FACT-FINDING BODY TO "PUT IT ALL TOGETHER" WAS VERY BADLY NEEDED.

I WOULD ALSO LIKE TO REMIND YOU THAT THE SPECIAL COMMITTEE ON AGING, UNLIKE STANDING COMMITTEES, DOES NOT HAVE SPECIFIC, PERMANENT AUTHORITY FOR FIXED AMOUNTS OF OPERATING EXPENSES AND STAFF. THE BUDGET ACCOMPANYING OUR RESOLUTION IS BASED UPON ALL OPERATING EXPENDITURES OF THE SENATE SPECIAL COMMITTEE ON AGING, AND ITS SEVEN SUBCOMMITTEES.

AND FINALLY, I WOULD LIKE TO ASSURE YOU THAT FOR COMMITTEE OPERATIONS OTHER THAN THE BROADENED NURSING HOME INQUIRY, I INTEND TO HOLD THE LINE AT LAST YEAR'S EXPENDITURE LEVEL. IN FACT, DURING THE LAST YEAR, I DID NOT FILL A PROFESSIONAL STAFF POSITION VACATED IN OCTOBER OF LAST YEAR IN ORDER TO ASSURE STAYING WITHIN THE PREVIOUS YEAR'S LEVELS, DESPITE THE ADDED WORK LOAD IMPOSED UPON OTHER STAFF MEMBERS. SENATOR FONG AGREED, FOR THE SAME REASON, TO LEAVE A MINORITY RESEARCH ASSISTANT POSITION OPEN WHEN IT BECAME VACANT IN THE SAME MONTH.

I'D LIKE TO THANK THE COMMITTEE FOR ITS ATTENTION AND ITS CONTINUING COURTESIES AND CONCERN.

ARGUMENT: IT WILL DO YOU NO GOOD TO HAVE ADDITIONAL STAFF, SINCE YOU DO NOT HAVE SPACE FOR THEM. YOU HAVE ALREADY TOLD THE RULES COMMITTEE THAT YOU ARE NOW TOO CROWDED.

REPLY: MOST OF THE PROFESSIONAL STAFF WE SEEK WILL BE INVESTIGATORY AND WILL SPEND MUCH OF THEIR TIME IN THE FIELD. WHEN IN WASHINGTON, THEY WILL BE ASKED TO WORK AT NIGHT OR IN SHIFTS ON AVAILABLE DESKS.

ADDITIONAL SECRETARIAL STAFF WILL ALSO BE ASKED TO WORK AT NIGHT OR ON WEEK-ENDS.

I EMPHASIZE: WE VIEW THE ADDITION OF STAFF FOR THE NURSING HOME INQUIRY AS A TEMPORARY MEASURE, NOT ONE WHICH WILL REQUIRE THE ALLOCATION OF MAJOR NEW SPACE FOR THE COMMITTEE SOLELY FOR THIS PURPOSE.

FEB 21 1975

ARGUMENT: OTHER CONGRESSIONAL UNITS ARE LOOKING INTO NURSING HOMES

REBUTTAL: THE SUBCOMMITTEE ON LONG-TERM CARE HAS BEEN AT WORK SINCE 1963. IT HAS DEVELOPED AN EXPERTISE AND A VIEWPOINT BASED UPON ONE PARAMOUNT CONCERN: THE QUALITY OF CARE RECEIVED BY THE PATIENT. ITS CURRENT SERIES OF REPORTS IS THE CULMINATION OF YEARS OF ACTIVITY.

ARGUMENT: THE SENATE FINANCE COMMITTEE HAS THE MOST DIRECT JURISDICTION OVER NURSING HOMES AND HAS STUDIED MEDICAID THOROUGHLY.

REBUTTAL: THE SENATE FINANCE COMMITTEE HAS HEAVY RESPONSIBILITIES IN A VARIETY OF AREAS. FACING IT NOW ARE: AN INQUIRY INTO THE SUPPLEMENTARY SECURITY INCOME PROGRAM, BROAD ISSUES RELATED TO A NATIONAL HEALTH INSURANCE PROGRAM, AND MANY TAX ISSUES. ITS WORK CAN AND SHOULD BE SUPPLEMENTED BY A SPECIALIZED INQUIRY INTO FAST-BREAKING NURSING HOME DEVELOPMENTS.

ARGUMENT: NURSING HOMES HAVE BEEN STUDIED TO DEATH.

REBUTTAL: THERE HAVE BEEN DISTINCT PHASES IN THE DEVELOPMENT OF PRESENT FEDERAL PROGRAMS RELATED TO LONG-TERM CARE. AFTER MEDICARE AND MEDICAID WERE ENACTED IN 1965, THERE WAS A PERIOD IN WHICH NECESSARY CORRECTIVE LEGISLATION WAS INTRODUCED TO IMPROVE STANDARDS. THIS WAS DONE LARGELY IN AMENDMENT PASSED IN 1967. BUT ADMINISTRATION SLOWNESS IN IMPLEMENTING THEM CAUSED NEW PROBLEMS. THEN, BEGINNING IN 1969, INCREASINGLY RESTRICTIVE H.E.W. RESTRICTIONS SHARPLY REDUCED THE MEDICARE EXTENDED CARE BENEFIT. MEDICAID BECAME A MAJOR NURSING HOME PROGRAM. ENTIRELY NEW PROBLEMS HAVE ARISEN, AND CURRENT SCANDALS POINT TO THE NEED FOR MAJOR NEW ACTIONS, EXPECIALLY WITH A NATIONAL HEALTH INSURANCE PROGRAM ON THE HORIZON.

ARGUMENT: LAW ENFORCEMENT AGENCIES NOW HAVE THE MAJOR RESPONSIBILITY FOR CORRECTING NURSING HOME ABUSES.

REBUTTAL: PUNISHING LAW VIOLATORS WON'T END PRESENT SHORTCOMINGS IN PUBLIC POLICY RELATED TO NURSING HOME CARE. FOR ONE THING, PRESENT LAWS ARE SO INEXACTLY WRITTEN THAT MANY SEEMING VIOLATIONS ARE NOT PUNISHABLE AT ALL. BUT PRIMARILY, THE OBJECTIVE IS NOT TO PUF PEOPLE INTO JAIL, BUT TO DEVELOP A NATIONAL POLICY WHICH PROVIDES FOR GOOD INSTITUTIONAL CARE WHEN NO OTHER CARE IS APPROPRIATE, AS WELL AS OTHER CARE AND SERVICES INTENDED TO KEEP PEOPLE HEALTHY WHEN THEY ARE ILL, AT HOME IF POSSIBLE.

OTHER ARGUMENTS: (RELATED TO OVERALL COMMITTEE ACTIONS)

ARGUMENT: THE COMMITTEE ON AGING WAS ESTABLISHED IN 1961 AND WAS SUPPOSED TO BE TEMPORARY. ISN'T MOST OF ITS WORK DONE? CAN'T STANDING COMMITTEES DO THE JOB?

REBUTTAL: THE COMMITTEE CAN POINT TO A LONG LIST OF LEGISLATION IN WHICH COMMITTEE MEMBERS HAVE PLAYED A LEADING ROLE. SOCIAL SECURITY, IN PARTICULAR, HAS RECEIVED EXTENSIVE ATTENTION. IN ADDITION, INDIVIDUAL MEMBERS QUITE OFTEN USE COMMITTEE FINDINGS TO HELP THEM WITH THEIR WORK ON OTHER COMMITTEES. THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, FOR EXAMPLE, HAD IMPORTANT PROVISIONS SPRINGING DIRECTLY FROM HEARINGS AND INQUIRIES BY THE HOUSING SUBCOMMITTEE OF THE COMMITTEE ON AGING.

ARGUMENT: HAVEN'T MOST MAJOR LAWS RELATED TO AGING ALREADY BEEN ENACTED?

REBUTTAL: PERHAPS ONE-QUARTER OF ALL RETIRED PERSONS ARE LIVING IN POVERTY. LAWS HAVE BEEN ENACTED, BUT HAVE NOT BEEN ADEQUATELY REVIEWED AT OVERSIGHT HEARINGS. SOCIAL SECURITY FACES MAJOR CHALLENGES AND IS RECEIVING ATTENTION AT "FUTURE DIRECTIONS" HEARINGS. HOUSING NEEDS ARE JUST BEGINNING TO BE RECOGNIZED. OLDER AMERICANS ACT AND ITS NUTRITION PROGRAM ARE JUST SCRATCHING THE SURFACE IN BUILDING NETWORK OF SERVICES. STILL DEPENDENT UPON INSTITUTIONS FOR HEALTH CARE. ONE MILLION PERSONS A YEAR REACH AGE 65 IN U.S.

RATIO OF STAFFING: MINORITY vs MAJORITY

MINORITY

1 STAFF DIRECTOR
1 CHIEF CLERK
2 PROFESSIONAL STAFF MEMBERS
3 UNFILLED POSITIONS:
*1 PROFESSIONAL STAFF
1 RESEARCH ASSISTANT
*1 SECRETARY

MAJORITY

1 STAFF DIRECTOR
1 CHIEF CLERK
1 CHIEF COUNSEL
1 ASSOCIATE COUNSEL
3 PROFESSIONAL STAFF MEMBERS
4 CLERICAL ASSISTANTS
1 PRINTING ASSISTANT
(SERVES BOTH)
1 UNFILLED PROFESSIONAL STAFF
2 UNFILLED CLERICAL ASSISTANTS
1 PART-TIME INTERN (PART OF THE
YEAR)

TOTAL FOR 1974: 20

TEMPORARY (REQUESTED IN BUDGET): 6

*STAFF OF 7 AUTHORIZED BY SENATOR CHURCH WHEN HE BECAME CHAIRMAN
1971, HOWEVER NOT ALL OF THE POSITIONS HAVE BEEN FILLED. THE
SPACE AVAILABLE WILL NOT ACCOMMODATE SEVEN DESKS. THE FUNDS FOR
THESE POSITIONS HAVE BEEN SPREAD OVER THE FIVE APPOINTEES.

EXHIBIT I.—BUDGET

S. Res. 62. Special Committee on Aging.
 Total amount requested..... \$561,000.00
 Consultants for full committee..... 00
 Training of professional staff..... 00
 Inquiries and investigations..... 561,000.00

Subject: Problems and opportunities of older people.
 Total amount requested for this inquiry..... 561,000.00

Position	Number	Annual salary	Monthly salary	Total for period of budget
Investigative staff:				
Legal and investigative:				
Staff director.....	1	\$32,314.00	\$2,692.83	\$32,314.00
Chief counsel.....	1	29,596.00	2,466.33	29,596.00
Associate counsel.....	1	24,160.00	2,013.33	24,160.00
Professional staff member.....	1	19,630.00	1,635.83	19,630.00
Investigator.....	2	19,630.00	1,635.83	39,260.00
Professional staff member.....	2	17,214.00	1,434.50	34,428.00
Analyst (6 months)*.....	1	15,100.00	1,258.33	15,100.00
Professional staff member.....	1	16,459.00	1,371.58	16,459.00
Administrative and clerical:				
Chief clerk.....	1	20,838.00	1,736.50	20,838.00
Printing assistant.....	1	20,536.00	1,711.33	20,536.00
Assistant clerk.....	1	11,476.00	956.33	11,476.00
Resource assistant.....	1	11,174.00	931.16	11,174.00
Assistant clerk*.....	5	10,268.00	855.66	51,340.00
Intern.....	2	6,342.00	528.50	12,684.00
Minority staff:				
Staff director.....	1	32,314.00	2,692.83	32,314.00
Professional staff member.....	1	22,499.00	1,874.91	22,499.00
Do.....	1	21,895.00	1,824.58	21,895.00
Minority chief clerk.....	1	14,798.00	1,233.16	14,798.00
Research assistant.....	1	13,590.00	1,132.50	13,590.00
Total investigative staff.....	26			444,091.00
Consultants.....				15,000.00
Administrative expenses:				
Agency contribution to:				
Employees health benefit programs (\$41.02* per month per employee).....				12,798.24
Civil service retirement fund (7.5% percent of total salaries paid).....				33,306.83
Federal employees group life insurance (30 cents per month per \$1,000 coverage).....				1,807.20
Reimbursements to agencies.....				3,000.00
Travel (inclusive of field investigations).....				16,000.00
Hearings (inclusive of reporters' fees).....				23,000.00
Witness fees, expenses.....				5,000.00
Stationery, office supplies.....				2,500.00
Communications (telephone, telegraph).....				3,000.00
Newspapers, magazines, documents.....				650.00
Contingent fund.....				-866.73
Total administrative expenses.....				101,909.00

*Indicates new appointment (\$) for nursing home study.

U.S. SENATE,
 SPECIAL COMMITTEE ON AGING,
 Washington, D.C., February 3, 1975.

HON. HOWARD W. CANNON,
 Chairman, Committee on Rules and Administration,
 U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is written to support the Hoper

SPECIAL COMMITTEE ON AGING
BUDGET FOR SPECIAL NURSING HOME STUDY
(as amended by the Rules Committee)
July 17, 1975

	<u>Ten-month Basis</u>	<u>Six-month Basis</u>
Two investigators	\$40,000.	\$24,000.
Part-time expert for financial transaction analysis	15,000.	9,000.
Two secretaries	20,000.	13,200.
Hearings, travel for field investigations, etc.	45,000.	27,000.
Benefits for temporary employees	5,000.	3,000.
	<u>\$125,000.</u>	<u>\$76,200.</u>

14.5-1

July 17, 1975

CODER, JOHN
budget pro-rated on
6 month vs 10 month
nursing home study
due to delay in act
by Rules Committee
until July

WEO/pgo

Mr. John Coder
Committee on Rules and Administration
United States Senate
Washington, D.C. 20510

Dear Mr. Coder:

I have been informed that the Senate Committee on Rules and Administration has decided to reduce Senator Church's request for a special nursing home study from \$125,000 to \$76,200.

This reduction is based on the Rules Committee decision to fund the study on a six-month basis, rather than a ten-month basis.

I could not alter the original budget request to reflect this 40 percent reduction without discussing the matter first with Senator Church and with Senator Moss, Chairman of the Subcommittee on Long Term Care.

To provide your Committee with at least a tentative budget for use in the report on S.Res. 62, I am submitting the attached budget, which simply reduces all items in the original budget for the nursing home study by 40 percent.

Sincerely,

William E. Oriol
Staff Director

Enclosure

S.RES. 62 requested: \$561,000.00

1974 requested \$415,000, it was granted.

S.Res. 13, agreed to January 27, 1975,
 provided additional \$16,000

1974 TOTAL AMOUNT GRANTED: \$431,000

1975, S.Res. 62, requested additional amount
 of \$130,000: \$561,000

\$125,000 for nursing home study

5,000 help cover increase for
 full year period agreed to in
 October 1974, plus benefits

Nursing home study:

	<u>ten-month</u>	<u>6-month</u>
2 investigators	\$40,000.	\$24,000.
Part-time expert	15,000.	9,000.
2 secretaries	20,000.	13,200.
Hearings, travel, etc	45,000.	27,000.
Benefits temp.empls.	5,000.	3,000.
	<u>125,000.</u>	<u>76,200.</u>

S.RES. will be agreed to at about \$507,200

(cut the \$5,000 increase requested and by pro-
 rating to six months, cut \$48,800 from ten-
 month request from nursing home study)

(July 17, 1975)